

City Council
City of Hillsboro, Texas
Minutes of Regular Meeting
September 2, 2025

Present were:

Scott Johnson, Mayor	Megan Henderson, City Manager
Leann Richmond, Mayor Pro Tem	Tony Cain, Assistant City Manager
Eric Fleming, Councilmember	Jasmine Guy, City Secretary
Dana Robinson, Councilmember	Dale Snyder, Finance Director
Edgar Hernandez, Councilmember	John Graham, Airport Manager
Richard Reinhardt, Planning Director	Christ Ward, Communications & AA
Jessica Trew, Executive Director HEDC	

Councilmember Larry Lloyd and Councilmember Jay Jolly were absent

Others present:

Shannon Cottongame, the Reporter
Hillsboro Police Department
Lynette Hearell-Director of Hillsboro Chamber of Commerce

Mayor Johnson called the meeting to order at 6:04PM

Mayor Johnson led the Pledge of Allegiance.

Hear Statements from Persons Wishing to Address Council

Dr. Darrell Brown, Superintendent of Hillsboro ISD and also a resident at 301 Craig St. was able to address council. He shared that he has had the pleasure of working with City Manager Henderson and Chief Cain regarding various issues with infrastructure challenges and the School Resource Officer Program. He added that he has been around for about 3 years and has gotten to know the community well. He expressed that he was present tonight to provide encouragement and appreciation to all city officials, city staff, and law enforcement. Dr. Brown provided thanks and praise for law enforcement's assistance and to those who have dedicated their time within the community. He expressed positive feedback and reassured city staff and city officials that the community is headed in a positive direction.

Basil Zangare was able to address to council. He informed council that they have no idea what is coming for all of them. He added that they cannot continue to restrict peoples' rights. He shared that he is not here for the council tonight, but wanted to speak on behalf of the people. Mr. Zangare expressed that the city cannot continue to spend all of this

money. He reported that the outlet mall is allegedly bringing in a lot of big business, but yet it will be taking away from smaller businesses. Mr. Zangare made additional comments regarding the city's spending and inability to fix what is broken. He shared that instead of less spending, the city is charging the residents more and draining them. Mr. Zangare then reported that a complaint has filed and an investigation will be conducted against an off-duty retired officer that was drinking, violating policy. Mr. Zangare continued to express how the spending will never stop. He informed council that Chief Tony Cain made purchases for a first class flight and 5-star hotel to attend a leadership class. He shared that he has been trying to request the records to see what all Chief Cain had spent, but now the city is implementing a fee schedule to minimize what he actually spent that on. He informed citizens that the Chief Cain is spending all of their money. He asked them if they wanted to continue paying into whatever the city is asking for. Mr. Zangare expressed to council that he knows that they are going to approve the fee schedule and that he knows he is the "professional agitator" as he has been called behind his back. He expressed to council that they are hurting the people and he is here to speak up for them. Mr. Zangare continue by expressing that council is supposed to be for the people, but are voting against them. He shared that there are only a couple of council members that are actually for the people. Mr. Zangare made final comments regarding the raising of peoples' taxes and the sewer, water, and streets being fixed.

Consent Agenda

Mayor Johnson informed Council that agenda numbers five (5) through ten (10) require no formal public hearing and are subject to being approved in a single motion. However, any City Councilmember or the City Manager may remove an item from the Consent Agenda to allow discussion and voting on the item individually.

(Agenda Item #05)

Deliberate and Act on the Approval of the Minutes for the Regular Meeting on August 19, 2025.

(Agenda Item #06)

Act on the Approval of Bills.

(Agenda Item #07)

Deliberate and Act on a Resolution Accepting the Recommendations of the Planning and Zoning Commission to Approve the Preliminary and Final Plat of Standefer Addition in the City of Hillsboro on a Certain Tract of Land Being 2.51 Acres in the Moses Johnson Survey, Abstract No. 475, and Being the Same Property by Reference as Recorded in Volume 2105, Page 499 and Volume 2327, Page 560 of the Official Public Records of Hill County, Texas. Also Known as 1304 and 1306 Carr Street. [Planning Director, Richard Reinhardt provided council with the following information in the council packet prior to the meeting: A preliminary plat and final plat has been submitted for property located in the 1300 block of Carr Street. The purpose of the plat is to divide

property for the future development of a single-family dwelling. Since Carr Street dead ends at 1304 Carr Street, the applicant will extend it and provide a temporary turn around easement in order to provide access for emergency vehicles.

The Planning and Zoning Commission reviewed the preliminary and final plat at their meeting on Monday, August 25, 2025 and forwarded their recommendation of approval.]

(Agenda Item #08)

Deliberate and Act on a Resolution Regarding a Request by the Main Street Board to Close Various Streets for the Purpose of Holding Antique Alley (Sept. 19th,) AutumnFest (Oct. 11th,) and Halloween in Hillsboro (Oct. 25th;) and Related Events.

[Main Street Manager, Tiffany Barron provided council with the following information in the council packer prior to the meeting: The Main Street Board will be hosting several upcoming events within the Downtown Area and are requesting the approval for street closures. All closures will follow specific locations and times as listed on the street closure permits for each event (locations and times vary.)

The list of events are as follows:

- Antique Alley: September 19th
- AutumnFest-October 11th
- Halloween in Hillsboro-October 25th]

(Agenda Item #9)

Deliberate and Act on a Resolution to Enter into an Agreement with TxDOT Aviation for a New Automated Weather Observation System (AWOS) and Allow the City Manager to Execute All Necessary Documents.

[Airport Manager, John Graham provided council with the following information in the council packet prior to the meeting: TxDOT Aviation is in the process of having all airports in the Texas Aviation System to replace thier older AWOS systems over the next three years. The replacement of these systems come mainly down to systems current age, technology, and availability for replacement parts. Hillsboro's AWOS is probably about 25 years old or older.

Normally TxDOT Aviation handles all the details from having the project bid through them, handling all the necessary paperwork, documentation, and contract. Recently, TxDOT Aviation has started to implement changes in some cases where the airport is having to handle those items in house, then all paperwork are then to be submitted to TxDOT Aviation after project completion. Part of this new process is having to pay for the entire project up front, then the airport gets reimbursed 90% of the total project cost. Estimated total project cost is \$150,000. This is a 90?10 cost split with the end result of the City spending approximately \$15,000.

Here today to have the City Council approve a resolution to enter into the agreement where this AWOS system is removed and replaced with a new AWOS system.]

(Agenda Item #10)

Deliberate and Act on a Resolution Allowing an 18B Survey to be Conducted and Completed at the Hillsboro Municipal Airport and Allowing the City Manager to Execute All Necessary Documents.

[Airport Manager, John Graham provided council with the following information in the council packet prior to the meeting: The FAA has mandated the airport to have an 18B Obstruction Survey of the airport to include navigational trajectories to be surveyed. This survey can take up to one year to complete.

TxDOT Aviation will handle all necessary paperwork, documentation, contract award for this survey to be completed on this project. Estimated cost is \$100,000. This particular project is a 95/5 percent split with the airport needing to pay \$5,000 before project start.]

Consent agenda items. There were no items removed from the Consent Agenda. There were no further questions or comments. On a motion by Councilmember Richmond and second by Councilmember Robinson, Consent Agenda Items #5 through #10 were accepted and approved.

On roll call, the following votes were cast:

Ayes: Fleming, Robinson, Hernandez, Richmond,

Nays: none Absent: Lloyd & Jolly

Resolution No: R2025-09-48,49,50,51

Regular Agenda

(Agenda Item #11)

Hold a Public Hearing, Second Reading, and Deliberate and Act on an Ordinance Establishing a Fee Schedule for Open Records Requests.

City Manager Henderson presented the agenda item. She informed council that the amounts that may be charged by municipalities for fulfilling open records request are limited by statute. The maximum charges allowed by statute does not come close to the actual cost that it takes to fulfill the requests. City Manager was able to ask about the total amount of requests that have been received for the month of August. City Secretary, Jasmine Guy was able to provide that approximately 95 requests have been received in total. City Manager explained that it is an important responsibility and it takes time to make sure it is done correctly. City Manager Henderson explained that the influx of detailed requests is taking away from other important duties from staff. With implementing the fees, the city will be able to recoup some of the costs, but not all. City Manager added that majority of citizens' requests can be fulfilled quickly at no charge. However, this will apply to more complex,

detailed requests that will take more than the 36 minute timeframe. City Manager Henderson explained that the proposed ordinance simply states that the City of Hillsboro will be charging the amounts as established by the state.

There were no questions or comments from council. Mayor Johnson opened the public hearing at 6:15PM. Several members of the audience were able to ask questions in regards to situations in which charges would be applicable. City Manager was able to provide several examples in which the city would need to apply charges. Another audience member was able to ask historically, has the city ever charged for open records requests. City Manager Henderson explained that no, the city has never charged for open records requests due to the fact that implementing fees were looked at as a hassle as you are not recovering all of your cost. Councilmember Richmond was able to ask if there were one or two individuals that had sent majority of the requests out of the 95 received. City Secretary Guy answered yes. Another audience member asked further clarification questions regarding the charges and types of requests. City Manager explain instances in which would not have the charges apply and how city staff will be able accommodate those requests easily. There were no further questions or comments. On a motion by Councilmember Robinson and second by Councilmember Fleming, the ordinance was accepted and approved.

On roll call, the following votes were cast:

Ayes: Fleming, Robinson, Hernandez, Richmond,

Nays: none Absent: Lloyd & Jolly

Ordinance No. O2025-09-13

(Agenda Item #12)

Hold a Public Hearing, First Reading and Deliberate on an Ordinance Amending the Fiscal Year 2024-2025 Budget.

City Manager, Megan Henderson presented the agenda item. She explained that any time during the fiscal year, Council may amend the original adopted budget in order to reflect conditions that have arisen that were unforeseen during the normal budget process. City Manager Henderson was able to highlight some of the key amendments regarding increases in Ad Valorem tax collections and intergovernmental revenues for grant proceeds received. In regards to the expenses, there is an increase in Police department for repayment of line of credit proceeds and an increase in Fire department due to capital outlay of grant funded ambulances.

There were no questions or comments from council. Mayor Johnson opened the public hearing at 6:24M. No one spoke for or against the ordinance. Mayor Johnson closed the public hearing at 6:25PM. The first reading of the ordinance was declared complete.

Ordinance No. O2025-09-14

(Agenda Item #13)

Hold a Public Hearing, First Reading and Deliberate on an Ordinance Adopting the Budget for Fiscal Year 2025-2026 and Act to Set Date for Vote on the Budget

City Manager Henderson presented the agenda item. She shared that several meetings have been held discussing the need for a limited budget for next year. She added that this will be a very conservative budget and provided an overall expense summary. City Manager Henderson shared that the city has had to respond to significant increases regarding health insurance and benefits. There has also been some targeted and modest salary adjustments. City Manager Henderson shared that the budget reflects the increase in overall costs for doing business as things are getting more expensive each year.

There were no questions or comments from council. Mayor Johnson opened the public hearing at 6:26PM. A member from the audience was able to ask a question in regards to the tourism fund. Finance Director, Dale Snyder was able to clarify an error within the list of expenditures and provided the correct amounts for each fund. There were additional questions regarding the expenditures for the outlet mall. City Manager Henderson was able to provide information regarding the outlet mall demolition and the expenses related. There was further discussion held regarding the outlet mall. There were no further questions or comments. Mayor Johnson closed the public hearing at 6:38PM. On a motion by Councilmember Robinson and the second by Councilmember Richmond, the first reading of the ordinance was declared complete.

On roll call, the following votes were cast:

Ayes: Fleming, Robinson, Hernandez, Richmond,

Nays: none Absent: Lloyd & Jolly

Ordinance No. 02025-09-15

(Agenda Item #14)

Hold a Public Hearing, Deliberate and Propose a 2025 Ad Valorem Tax Rate That Exceeds the No-New-Revenue Tax Rate (NNR) But Does Not Exceed the Voter-Approval Tax Rate (VAR) and Set Date for Public Hearing

City Manager Henderson presented the agenda item. She explained that in accordance to the Texas Property Tax Code; Section 26.05 tax rate adoption, whereby the City's tax rate exceeds the No-New-Revenue Rate but not the Voter-Approval Rate, the City Council must hold a public hearing and then a record vote to propose a tax rate and set a meeting date for another public hearing before the actual vote to approve the tax rate. The Proposed Tax Rate for tax year 2025 is 0.802400 per \$100 valuation. City Manager Henderson explained that this is a little bit more than last year's rate of \$0.7706 and a little less than the historical rate of \$0.8064.

There were no questions or comments from council. Mayor Johnson opened the public hearing at 6:40PM. An audience member was able to ask for clarification regarding the amounts and how they are applied. City Manager was able to provide clarification

regarding the rates. There were no further questions or comments. Mayor Johnson closed the public hearing at 6:42PM. Councilmember Richmond made a motion to propose a 2025 Ad Valorem tax rate of \$0.802400 per \$100 valuation and set September 16, 2025 as the date for the public hearing. Second was given by Councilmember.

On roll call, the following votes were cast:

Ayes: Fleming, Robinson, Hernandez, Richmond,

Nays: none Absent: Lloyd & Jolly

(Agenda Item #15)

Hold a Public Hearing, First Reading on an Ordinance Adopting a 2025 Ad Valorem Tax Rate That Exceeds the No-New-Revenue Tax Rate (NNR) But Does Not Exceed the Voter-Approval Tax Rate (VAR).

City Manager Henderson presented the agenda item. She explained that the information regarding this item was just discussed in the previous agenda item. She explained the internal processes regarding public hearings and ordinances. She added that the information was just proposed and in this item, the first public hearing will be held. The second reading will be held during next meeting and a vote will take place during that meeting. City Manager explained that the city's internal obligations will be met as 2 hearings will have taken place upon conclusion of the September 16th meeting.

There were no questions or comments from council. Mayor Johnson opened the public hearing at 6:46PM. No one spoke for or against the ordinance. Mayor Johnson closed the public hearing at 6:47PM. The first reading of the ordinance was declared complete.

Ordinance No. O2025-09-16

Hear and Deliberate on the City Manager's Report

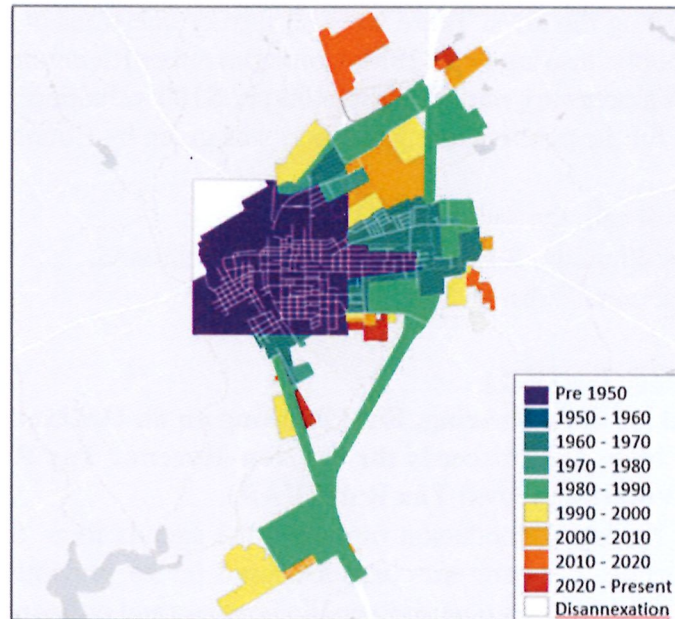
City Manager Megan Henderson presented the following update on Goals 1,2,4. Assistant City Manager, Tony Cain presented on Goal 3.



OUR GOALS

-  Ensure responsible and equitable growth.
-  Foster transparency and connection.
-  Support preservation and beautification.
-  Deliver efficient and effective government.
-  Build better infrastructure.
-  Deliver essential services.
-  Boost economic development.
-  Enhance quality of life.

As we consider new development, we are beginning to model not only the cost of installing and maintaining the infrastructure, but also the cost of serving the area with other services including Public Safety.

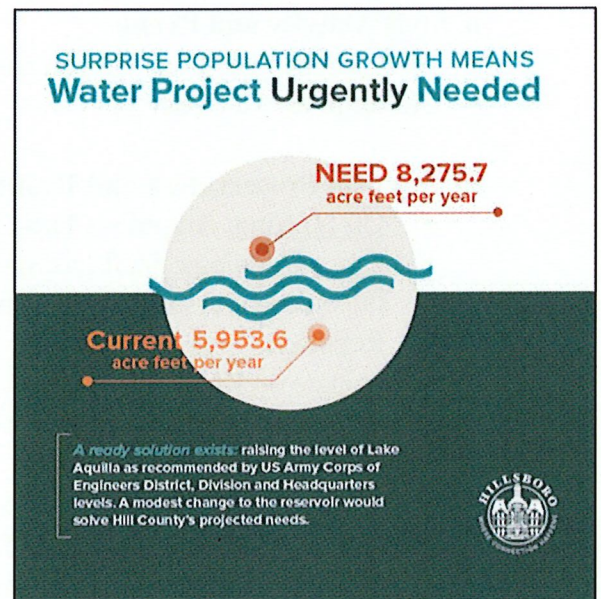


- 26 Pattons Mill Phase 3 – underway (2025/26)
- 108 Estimated 4-year infill – underway (2025-29)
- 156 Somerset Phase 1 – underway (2025/26)
- 78 Park Terrace – underway (2025/26)
- 75 Canaan Estates – predevelopment
- 182 Somerset Phase 2 – predevelopment
- 126 Hillsboro Meadows P1 - predevelopment
- 15 Electra – predevelopment
- 45 Meadow Terrace – predevelopment
- 200 Project Soas – predevelopment
- 181 Somerset Phase 3 – planned
- 180 Hillsboro Meadows P2&3 – planned
- 415 Project Curtis A (or 100/425)
- 291 Project Broadway
- 250 Project Curtis B
- 300 Project Mark
- **2628 Single Family Units (does not include 260 MF)**
- 26 Pattons Mill Phase 3 – onsite by developer
- 108 Estimated 4-year infill – existing
- 338 Somerset Phase 1 & 2
 - New onsite infrastructure by developer
 - Offsite infrastructure

- Water line from College Tower will be needed to serve this and other additional development in the area, installed via Developer Participation Agreement (DPA)
- 78 Park Terrace –
 - New onsite infrastructure by developer
 - Offsite infrastructure
 - Water line adjacent to development to be replaced via DPA
- 75 Canaan Estates – onsite by developer
- 126 Hillsboro Meadows P1
 - Requesting City assistance with onsite via TIRZ
- 15 Electra – onsite by developer
- 45 Meadow Terrace – onsite by developer

i. **Responsible, Equitable Growth**

- Water Supply
 - Raising Lake Aquilla
 - Update Study (\$400k, time)
 - Get Federal approval for project (done)
 - Seek funding
 - Make Better Use of Existing Water
 - Reduce water loss to free up more water
 - Explore reuse of partially treated “grey water” for industry/irrigation
 - Reallocation of Lake Whitney
 - US Army Corps of Engineers released recommended alternative
 - Public meeting and subsequent petitions include vocal opposition



ii. **Foster Transparency and Connection**

- New budget software will have online interactive access to city budget with ability to show progress on various projects
- Staff is using in-person, newsletter, newspaper, website and social media to share information regarding city initiatives.
- Meeting videos are on the City's YouTube channel

iv. **Deliver Efficient, Effective Government**

- Comprehensive Plan
 - Land Use Fiscal Analysis presentation held June 26

- Three surveys have been completed
- Two public meetings have collected citizen input
- Future conversations will include different growth scenarios for Hillsboro to consider various options
- Fire Commission Investigation
 - Findings by the Texas Commission on Fire Protection show we need improvement in managing equipment and continuing education
 - The Commission has reviewed our work since the investigation and indicated corrective measures are acceptable and we're on the right track
 - Council Workshop Planning
 - Staff is assembling topics to cover in an upcoming session

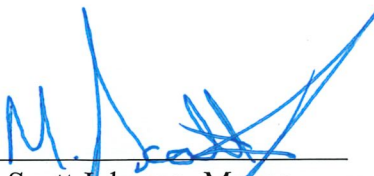
b. Staff Activity and Events

- Several open positions but freezing some to conserve funds
- AutumnFest: October 11th

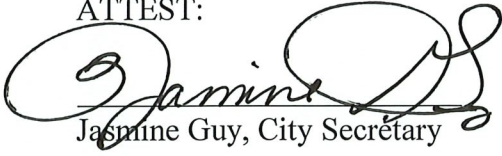
iii. Support Preservation and Beautification

- CE Staffing: Antonio is back. Mike Hayes starts on Monday Sept. 8th.
- Grass Clippings: Staff has made contact with several individuals and advised of the ordinance, staff has also made a social media post and put an article in the Reporter.
- Update on Knox Fuel Stop: Staff members have a meeting scheduled with the owners of the Knox property on Wednesday to get an update on their plans.
- Amigos: No current update.
- 81 Motel: The owners are currently working with 2 franchise motels to get certified. Once that happens they will start furnishing the building.
- Walmart: Everything is complete but the fire pump final flow test. Currently no update to when that will take place.
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With no further business to address, Mayor Johnson adjourned the meeting at 6:57p.m.


M. Scott Johnson, Mayor

ATTEST:


Jasmine Guy, City Secretary

Note:

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