

City Council
City of Hillsboro, Texas
Minutes of Regular Meeting
September 16, 2025

Present were:

Scott Johnson, Mayor
Leann Richmond, Mayor Pro Tem
Eric Fleming, Councilmember
Dana Robinson, Councilmember
Edgar Hernandez, Councilmember
Larry Lloyd, Councilmember
Jay Jolly, Councilmember

Megan Henderson, City Manager
Tony Cain, Assistant City Manager
Jasmine Guy, City Secretary
Dale Snyder, Finance Director
Justin Dyer, Library Director

Others present:

Shannon Cottongame, the Reporter
Hillsboro Police Department
Lynette Hearrell-Director of Hillsboro Chamber of Commerce
Jackson Griggs and Colleagues-Waco Family Medicine
Reverend Michael Nemec-Christ Lutheran Church

Mayor Johnson called the meeting to order at 6:01PM

Reverend Nemec of the Christ Lutheran Church completed the invocation

Councilmember Jolly led the Pledge of Allegiance.

Hear Statements from Persons Wishing to Address Council

None of the attendees addressed council

Consent Agenda

Mayor Johnson informed Council that agenda numbers five (5) through nine (9) 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 September 2, 2025.

(Agenda Item #06)

Act on the Approval of Bills.

(Agenda Item #07)

Deliberate and Act on a Resolution Authorizing the Participation in Opioid Settlement Agreements and Authorizing the City Manager to Execute Necessary Documents

[City Manager, Megan Henderson provided council with the following information in the council packet prior to the meeting: The City is periodically notified of opioid settlements with relatively little time allotted for us to approve the settlement agreements. They take a similar form to previous agreements and provide for the City to receive settlement payments, which funds are to be spent in areas that would support response to opioid-related issues. Approval of this Resolution would authorize the City Manager to approve participation in such settlements as they arise, provided the terms make sense for the City.]

(Agenda Item #08)

Deliberate and Act on a Resolution Accepting the Recommendations of the Planning and Zoning Commission to Re-Plat Lots 3, 5 and 7, Block 20, Rose Hill Annex, Becoming Lots 3-R and 7-R, Block 20, Rose Hill Annex, in the City of Hillsboro; Being the Same Property by Reference as Recorded in Volume 1714, Page 316 of the Official Public Records of Hill County, Texas. Also Known as TBD South Waco Street.

[Planning Director, Richard Reinhardt provided council with the following information in the council packer prior to the meeting: Block 20 of the Rose Hill Annex was originally platted with lots measuring fifty (50) feet in width. A portion of the Rose Hill Annex, including Block 20, was zoned for industrial uses, which require a minimum lot width of one-hundred (100) feet. The applicant is requesting to bring a portion of Block 20 closer into conformance with the zoning requirements by dividing three lots into two lots, each measuring seventy-five (75) feet. The purpose of the re-plat is so the lots can have separate ownership. One of the lots may have a building constructed on it for light machinery work and/or storage. Both of those uses are permitted by right in the Heavy Industrial (I-2) Zoning District. The Planning and Zoning Commission reviewed the re-plat at their meeting on Monday, September 8, 2025 and forwarded their recommendation of approval.]

(Agenda Item #9)

Deliberate and Act on a Resolution to Allow Waiver of the Permit Requirement for Garage Sales for Antique Alley and Other Citywide Events

[City Manager, Megan Henderson provided council with the following information in the council packet prior to the meeting: The City requires a permit and associated fee for having a garage sale. We have an upcoming Antique Alley event that will attract shoppers to town, and the community is anticipating a rise in garage sales that weekend to increase the attractiveness of coming to Hillsboro to find bargains and treasures. For this event, and for potential future events such as a Citywide Garage Sale, it may make

sense to allow the City Manager the authority to suspend garage sale permit requirements for specific events. Approving the attached resolution would allow the CM that authority. If you'd prefer it to go to Council each time, you can instead approve the suspension of permit requirements for this specific event.]

Consent agenda items. There were no items removed from the Consent Agenda. There were no further questions or comments. On a motion by Councilmember Fleming and second by Councilmember Richmond, Consent Agenda Items #5 through #9 were accepted and approved.

On roll call, the following votes were cast:

Ayes: Fleming, Lloyd, Robinson, Hernandez, Richmond, Jolly

Nays: none Absent: none

Resolution No: R2025-09-52,53,54

Regular Agenda

(Agenda Item #10)

Hear and Deliberate on a Presentation by Jackson Griggs, MD, Regarding Waco Family Medicine and its Clinic in Hillsboro

City Manager Henderson was able to present Jackson Griggs, MD & CEO of Waco Family Medicine. He was able to thank Council for their time and began by introducing his colleagues that were present (President and Vice President of the Waco Family Medicine Foundation.) Mr. Griggs then presented himself, his history, and the history of Waco Family Medicine. He informed council that the Waco Family Medicine Hillsboro Clinic began operating in January of 2024. Mr. Griggs provided council with additional background information regarding the Hillsboro Clinic, overall mission statement(s), statistics regarding population growth and total number of patients as a whole, goals of primary health care, critical infrastructure analysis, and a current breakdown of the Hillsboro Clinic's patient demographics. Mr. Griggs was able to conclude his presentation by providing the current board members that reside in the City of Hillsboro and the Waco Family Medicine Institute.

There was no action taken on this item. Presentation only.

(Agenda Item #11)

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

City Manager, Megan Henderson presented the agenda item. She informed council that they are familiar with the current budget amendments and this is the second reading. City Manager reviewed the current amendments in regards to an increase in Police department for repayment of line of credit proceeds, an increase in Fire department due to capital outlay of grant funded ambulances, a decrease in sales tax due to rebates of sales tax, and an

increase in Ad Valorem tax collections and Intergovernmental revenues for grant proceeds received before opening for questions.

There were no questions or comments from council. Mayor Johnson opened the public hearing at 6:35PM. No one spoke for or against the ordinance. Mayor Johnson closed the public hearing at 6:36PM. On a motion by Councilmember Richmond and second by Councilmember Robinson, the ordinance was accepted and approved.

On roll call, the following votes were cast:

Ayes: Fleming, Lloyd, Robinson, Hernandez, Richmond, Jolly

Nays: none Absent: none

Ordinance No. O2025-09-14

(Agenda Item #12)

Hold a Public Hearing, Second Reading and Deliberate and Act 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 as she has stated before, this will be a very conservative budget and provided an overall expense summary of the 25-26 FY Budget. 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 amongst City Employees. City Manager Henderson shared that the budget reflects the increase in overall costs for effective service delivery.

There were no questions or comments from council. Mayor Johnson opened the public hearing at 6:38PM. No one spoke for or against the ordinance. City Manager Henderson was able to note a correction regarding the Outlet Mall line item and its associated costs. There were no further question or comments. Mayor Johnson closed the public hearing at 6:39PM. On a motion by Councilmember Robinson and the second by Councilmember Jolly, the ordinance was accepted and approved.

On roll call, the following votes were cast:

Ayes: Fleming, Lloyd, Robinson, Hernandez, Richmond, Jolly

Nays: none Absent: none

Ordinance No. O2025-09-15

(Agenda Item #13)

Deliberate and Act to Ratify Adoption of Budget for Fiscal Year 2025-26

City Manager Henderson presented the agenda item. She explained that a separate ratification vote is required to adopt any budget that will raise total property tax revenue.

There were no questions or comments from council. On a motion by Councilmember Richmond and second by Councilmember Robinson, the motion was accepted and approved.

On roll call, the following votes were cast:

Ayes: Fleming, Lloyd, Robinson, Hernandez, Richmond, Jolly

Nays: none Absent: none

(Agenda Item #14)

Hold a Public Hearing, Second Reading and Deliberate and Act 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 proposed tax rate is just shy of the voter-approval tax rate. She explained that this is a feasible increase without having to have an election. She shared that the proposed rate is higher than last year's rate, but lower than the historic rate utilized in the past.

There were no questions or comments from council. Mayor Johnson opened the public hearing at 6:41PM. No one spoke for or against the ordinance. Mayor Johnson closed the public hearing at 6:42PM.

A. Councilmember Richmond made a motion to adopt a tax rate of \$0.8824/\$100 for General Maintenance and Operating Expenses. Second was given by Councilmember Jolly.

On roll call, the following votes were cast:

Ayes: Fleming, Lloyd, Robinson, Hernandez, Richmond, Jolly

Nays: none Absent: none

B. Councilmember Richmond made a motion to adopt a tax rate of \$0.12/\$100 for Debt Service Expenses. Second was given by Councilmember Lloyd.

On roll call, the following votes were cast:

Ayes: Fleming, Lloyd, Robinson, Hernandez, Richmond, Jolly

Nays: none Absent: none

C. Councilmember Richmond made a motion to approve an ordinance to adopt 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). Second by was given by Councilmember Jolly.

On roll call, the following votes were cast:

Ayes: Fleming, Lloyd, Robinson, Hernandez, Richmond, Jolly

Nays: none Absent: none

D. Councilmember Richmond made a motion for the property tax rate to be increased by the adoption of a tax rate of \$.8024/\$100 which is effectively a 11.2427 percent increase in the tax rate. Second was given by Councilmember Fleming.

On roll call, the following votes were cast:

Ayes: Fleming, Lloyd, Robinson, Hernandez, Richmond, Jolly

Nays: none Absent: none

Ordinance No. 02025-09-16

Hear and Deliberate on the City Manager's Report

City Manager Megan Henderson presented the following update on 5-8

v. Build Better Infrastructure

Project Progress			
Concept Funding Prof Svc Procurement Pre-Design Design Bidding Award Construction			
Street	Total	Status	Notes
Park Drive (WP)	\$6,203,741 99% Complete as of 9/16/25	PAVING COMPLETE	All areas complete except for final concrete work including concrete around valves, build-ups at manholes; sod; and spot repairs to pavement.
Old Brandon Rd (WP)			
Walnut Street (WP)			
Church Street (WP)			
Industrial Water Tower (MRB)	\$4,770,518	Complete	Working on closeout documentation, budget amendment and final draw processes.

	Streets	Water	Sewer	Drainage	Facilities
System Assessment	Complete	Complete	Fall 2025	? 2026 ?	2025/26
Plan contract & in-house work Phase I	Complete	First draft complete	Winter 2025		
Fund contract work Phase 1	Complete	Funding not approved	Request 2026		
Plan in-house work Phase 1	Complete	Complete	Spring 2026		
Implement contract work Phase 1	99%	99%			
Implement in-house work Phase I	7%	1%			
Plan contract work Phase II	Spring 2026	Underway			

vi. Deliver Essential Services

- Facilities Master Plan – scope of services and fee proposal approved; contract being prepared.
- Street Maintenance – crews working on drainage and utility cut repairs
- Public Safety
 - Reviewing departmental policies and personnel
- Water
 - Preparing rate change recommendations for next month
 - Working through reporting to get updated leak data for customers
 - Working with developers on system improvements adjacent to new developments
- Parks – repairs continue at Wallace Park
- Solid Waste – Fall Community Cleanup September 27

vii. Boost Economic Development

7.1 Business Attraction

- Project Dispatch –Municipal Management District application submitted
- Project Freeze Pop – continuing due diligence and moving forward
- Project Treasure Hunt – reviewing possible investment options
- Project Pitstop – reviewing development agreement with possible 50% share in utility construction costs if development meets performance goals
- Retail Coach continuing to work with prospects
 - At least one restaurant and several retail prospects are being pursued for specific Hillsboro locations

7.3 Entrepreneurship and Small Businesses

- Main Street committees working on projects

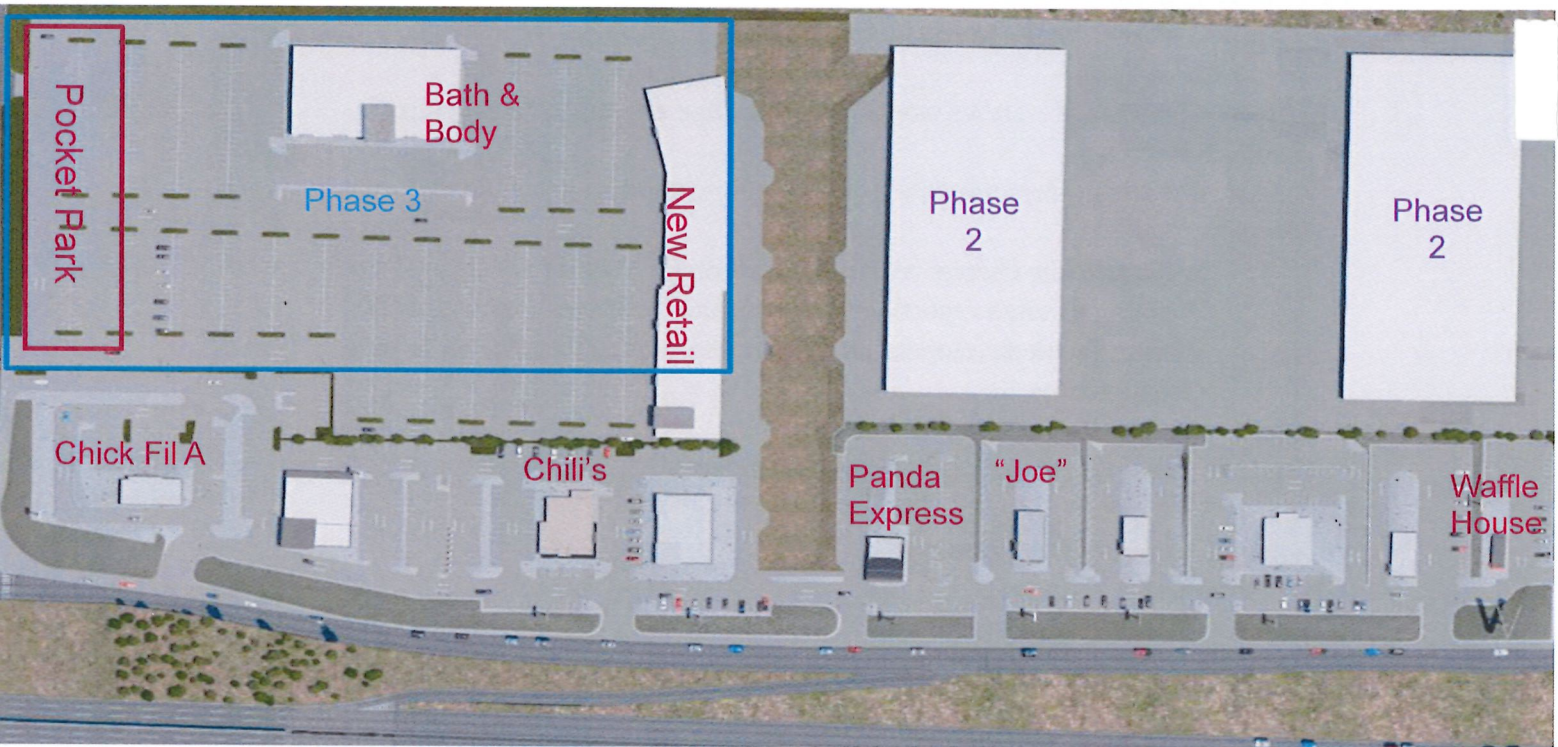
7.6 Pursue redevelopment of the Outlet Mall

- Panda Express building permits issued; construction anticipated soon
- Chili's building permits issued; construction anticipated soon
- Chick Fil A building permits issued; construction anticipated soon
- Bath& Body Works building permits issued; construction anticipated soon
- Waffle House civil plans are under review
- Demolition continues; costs have increased due to unexpected depth of piers
- Staff/ developer weekly calls
- Beginning to tee up the design for the buildings that will remain

Phase 1: 6-24 mos

Phase 2: 2-5 yrs

Phase 3: 7-12 yrs



vii. Enhance Quality of Life

- Library
 - Facilities
 - Prepping for work on doors
 - Programming
 - Regular programming continues, including knitting, chess club, story hour, Club Code, and others
- Parks & Recreation
 - Wallace Park: Tournaments every weekend through December

b. Recent and Upcoming Staff Activities and Events

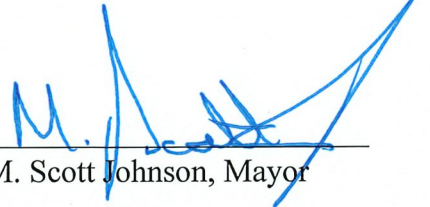
Staff Activities

- Open enrollment held for new insurance coverages
- Preparing to fill vacancies October 1 or soon thereafter

Events:

- Music at the Yard every Saturday through October
- Movies in the Park continuing through October
- AutumnFest October 11
- Octoberfest October 18

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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