City Council
City of Hillsboro, Texas
Minutes of Regular Meeting
October 7, 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
Jessica Trew, Executive Director HEDC
Allyson Cliett, Special Projects Coord.

Others present:
Shannon Cottongame, the Reporter
Hillsboro Police Department
Lynette Hearrell-Director of Hillsboro Chamber of Commerce
Reverend Kenny Kennedy-Trails to the Cross Cowboy Church

Mayor Johnson called the meeting to order at 6:00PM

Reverend Kennedy of the Trails to the Cross Cowboy Church completed the invocation

Mayor Johnson led the Pledge of Allegiance.

Hear Statements from Persons Wishing to Address Council
Basil Zangare was able to address council. He reported that he wanted to speak about transparency. He thanked City Manager, Megan Henderson for replying to his email that sent and expressed that it still did not address the Terry Dickman video. He reported that there is a way for the video to be cut since there is a concern regarding public statements. He shared that some officers have already shown that video is able to be cut. He added that he has already spoken with the City Attorney so he is going to get it. He reported that if he does not have the video by next city council meeting, he will be filing with the District Court and handing all paper work to the City Secretary suing all city council for not running the city in the right capacity. He expressed that he does not want to hurt the residents as they are ones that are paying the taxes. Mr. Zangare provided that his biggest concern is this video. He continued making comments regarding transparency and allowing the public to see how Sgt. Anderson unlawfully arrested a 67 year old man with a pacemaker. He reported that Mr. Dickman's charges have been dropped and he will not be able to be re-charged for anything. Mr. Zangare expressed that the city has the ability to cut videos and requested that the interaction between Mr. Dickman, Officer Garner, and Sgt. Anderson be

provided. Mr. Zangare then shared that the city is over charging for open records requests and illegally charging late fees. He reported that someone brought him a request where they're being charged and harassed for late fees daily. Mr. Zangare expressed that this is illegal and asked if the city is going to be ran properly before concluding.

Consent Agenda

Mayor Johnson informed Council that agenda numbers five (5) through twelve (12) 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 16, 2025.

(Agenda Item #06)

Act on the Approval of Bills.

(Agenda Item #07)

Deliberate and Act on a Resolution Authorizing an Independent Audit as Required by the City Charter, Article 8; Section 8.09 and Authorizing the City Manager to Negotiate and Execute All Necessary Documents.

[Finance Director, Dale Snyder provided council with the following information in the council packet prior to the meeting: Pattillo, Brown & Hill LLP submitted an engagement letter to audit the financial statements of the City of Hillsboro for the year ended September 30, 2025. The fee to perform the audit will not exceed $18,800 for the City, $2,200 for the Hillsboro Economic Development Corporation and $5,000 for the Single Audit of Federal expenditures. Pattillo, Brown & Hill has served as the City's auditor for a number of years and has continued to assist the City staff with implementing various new accounting requirements. City staff recommends that the Council accept the engagement letter as presented.]

(Agenda Item #08)

Deliberate and Act on a Resolution to Deny Oncor Electric Delivery Company LLC's Proposed Increase in Revenue and its Proposed Changes to Rates.

[City Manager, Megan Henderson provided council with the following information in the council packer prior to the meeting: On or about June 26, 2025, Oncor Electric Delivery Company LLC ("Oncor" or "Company") filed a Statement of Intent to increase its revenues by approximately $833.6 million, which equates to a net increase of approximately 13.0% in Oncor's overall revenue. Oncor proposes to implement its proposed increase in rates effective July 31, 2025. For a Residential customer using 1,000 kWh per month, their bill would increase by about $7.00 per month. Earlier, sometime in about July, 2025, to allow time for review of Oncor's proposed increase in rates and to maintain current rates in effect, the City took its initial action on Oncor's application and suspended Oncor's proposed effective date until October 29, 2025. The City must now take its *final* action on Oncor's application to increase rates, and must do so no later than October 29, 2025.]

(Agenda Item #9)

Deliberate and Act on a Resolution Ratifying Approval of Interlocal Agreement for 9-1-1 Public Safety Answering Point Services between the City of Hillsboro and HOTCOG

[City Manager, Megan Henderson provided council with the following information in the council packet prior to the meeting: Our ability to route first responders appropriately when people call 9-1-1 is based on a partnership with HOTCOG. Ratification of this agreement will confirm that the partnership will continue.]

(Agenda Item #10)

Deliberate and Act on a Resolution Supporting of the City's Application to the U.S. Economic Development Administration (EDA) for FY 2025 Disaster Supplemental Grant Funding for Resilient Industrial Infrastructure Improvements, Including but not Limited to Roads and Utilities; Approving an Interlocal Agreement between the City of Hillsboro and the Heart of Texas Economic Development District, Inc. (HOTEDD) for Administrative and Grant Management Services Associated with the EDA Grant; Authorizing the City Manager to Issue a Request for Qualifications for Professional Engineering Services Related to the EDA Grant Preparation and Project Design and Execution; and Authorizing the City Manager to Execute all Necessary Documents.

[Executive Director HEDC, Jessica Trew provided council with the following information council packet prior to the meeting: The Economic Development Administration is accepting requests for 2025 DSG funding and the City is eligible to apply for these dollars. If successful, HOTEDD – the economic development entity related to HOTCOG – would serve as grant manager/administrator. We'll also need to procure engineering services associated with this request. The awards are likely to be in the $2.5M – 5M range and will be highly competitive.]

(Agenda Item #11)

Deliberate and Act on a Resolution to Award a Contract to Install Approximately 1600 Feet of 10" Water Line and Associated Valves and Connections Between Hill College Tower and Hillsboro Outlet Mall Property

[City Manager, Megan Henderson provided council with the following information council packet prior to the meeting: This line is both significant in terms of water loss and relatively easy to address because it's not in a street and has few connections, so it makes sense to do this project as soon as possible. At the time of packet preparation bids have not yet been received; if for some reason we don't have a recommendation by meeting time, we'll make a recommendation of no action.]

(Agenda Item #12)

Deliberate and Act on a Resolution to Sell or Exchange City-Owned Property: Craig Street Lot 40C; Craig Street Lot 41, 217 Craig Street; Craig Street Lot 54B; Williamson Block 2 Lot 4B; Williamson Block 3 Lots 4 and 5; McMullin Addition, Block 65 Lot C, 414 South Church Street; McMullin Addition, Block 49 Lot 3, 213 South Covington Street; Hillsboro OT Block 4 Lot 8B, 115 South Waco Street;
[City Manager, Megan Henderson provided council with the following information council packet prior to the meeting: The City has previously approved selling the former Clinic property on Craig Street; this reaffirms that and adds additional properties to sell or exchange. The statute allows us to sell the property or to exchange it for other property, so this preserves that option. Included in consideration for this item are the clinic property, two lots at the north end of Williamson Street, 414 South Church Street, 213 South Covington Street, and the City Records Building (formerly Municipal Court) on South Waco Street. Accepting bids does not obligate the City to accept the bids; if we don't get any compelling bids for a property we could choose to reject the bids and keep the property.]

Consent agenda items. There were no items removed from the Consent Agenda. There were no further questions or comments. On a motion by Councilmember Robinson and second by Councilmember Fleming, Consent Agenda Items #5 through #12 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: R2025-10-55,56,57,58,59,60

Regular Agenda

(Agenda Item #13)

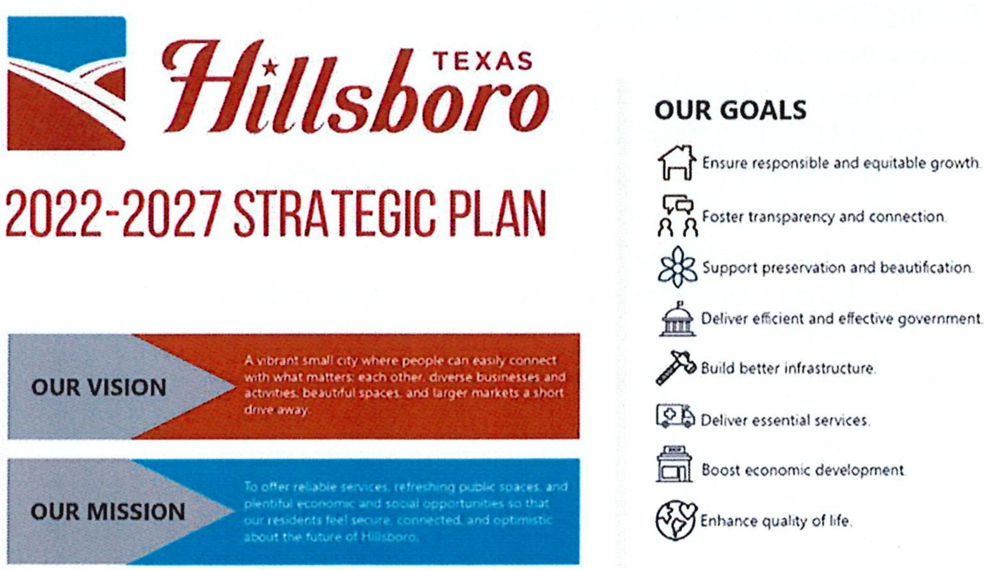
Hold a Public Hearing, First Reading, and Deliberate on a Proposed Ordinance Amending Chapter 13, Utilities, Article 13.200, Rates and Charges, Section 13.207, Rate Schedule for Water Usage; and Repealing All Ordinances or Parts of Ordinances in Conflict Herewith; Containing a Severability Clause; and Providing for Publication and an Effective Date
City Manager Henderson presented the agenda item. City Manager Henderson provided an overview of the circumstances surrounding the city's water rates and the past increases. She shared that Aquilla Water Supply District has proposed increasing their annual requirement by $1M this year. City Manager Henderson informed council that city staff has requested that in lieu of the full amount, they instead go up ½ that much and allow the city to apply the other ½ million to water line replacements so that the city can attempt to

lower their water loss and be in better financial shape next year when another increase is expected. City Manager Henderson reported that the city's responsibility is now to increase revenues by at least $1M to cover Aquilla's increase while also being able to complete line replacements. City Manager Henderson shared that staff initially wanted to recommend a 17% increase, but 20% is the lowest that staff feels comfortable with after receiving new information. City Manager Henderson provided council with information from Texas Water Development Board, statistics and percentages surrounding the past and current increases, current projected projects, and costs associated with each needed project. City Manager Henderson expressed that a higher increase would give the city more project capacity, but the community is already stretched before concluding.

Councilmember Richmond and Councilmember Robinson was able to ask a question in regards to the Texas Water Development Board and the amount in which bills are projected to increase, City Manager was able to provide more information regarding both questions. There were no additional questions or comments. Mayor Johnson opened the public hearing at 6:31PM. Basil Zangare will able to share comments regarding decreasing the police department's budget in order to help fund the water line improvements needed around the city. There were no further questions or comments from the attendees. Mayor Johnson closed the public hearing at 6:33PM. The first reading of the ordinance was declared complete.

Ordinance No. O2025-10-17

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.



i. **Responsible, Equitable Growth**

- Water Supply
  - Raising Lake Aquilla
    - Update Study ($400k, time)
    - Get Federal approval for project (done)
  - 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
    - We have a meeting with Brazos River Authority in November to discuss our request for water

ii. **Foster Transparency and Connection**

- Still working with new software to create public-facing budget info
- Still improving new City website
- 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
- Open Records Requests
  - Hundreds received; multiple requests per day
  - Charges are calculated and invoices prepared using the OAG online cost calculation tool to ensure compliance with state law

iv. Deliver Efficient, Effective Government

- Comprehensive Plan
  - Downtown plan is kicking off, including several sites identified for possible catalyst projects
  - Next Thursday: Joint meeting at 6:00 with Council, P&Z and Advisory Committee for next set of input and guidance
  - Moving into new Fiscal Year
  - Continuing to use new software tools for work and budget management
  - Reviewing department policies

b. Staff Activities and Events

- AutumnFest: October 11th

iii. Support Preservation and Beautification

- Update on Knox Fuel Stop: Knox brothers will begin doing work in late October to improve the building and property. Will continue to follow up.
- Amigos: Architects are currently working on the plans. Unknown start date.
- 81 Motel: Still waiting to complete building final and CO.
- Walmart: Waiting on fire pump final test.
- Building and Standards Board: Next meeting on October 16th.
- Hillsboro Operation Welcome Mat: Participated in the City Clean Up.
- Curb clean-up: Working Cases.
- O'Reilly Auto parts: This project is complete.
- Southern Star Storage: The building final and CO failed due to having a couple of violations.
- City Wide Cleanup: Code Enforcement Staff hauled 4 large trailer loads full of brush, lumber, bulk items and assisting residents with hauling off their items.
- New Street Apartments: Started Remodel.
- CE Staffing: Currently fully staffed.
- Grass Clippings: Working Cases.

(Agenda Item # 15)

Hold a Closed Session Under the Provisions of Section 551.087 of the Government Code (Economic Development-Project Nosh, Deliberations Regarding Real Property.)

Mayor Johnson announced entrance into closed session at 6:41PM

(Agenda Item #16)

Reconvene in open session

Mayor Johnson announced the exit from closed session at 6:56PM

(Agenda Item #17)

Deliberate and Act on a Resolution to Approve a Chapter 380 Agreement with Chick Fil A

Councilmember Lloyd made a motion to approve a Chapter 380 Agreement with Chick Fil A. Second by was given by Councilmember Jolly. The resolution was accepted and approved.

On roll call, the following votes were cast:
Ayes: Fleming, Lloyd, Robinson, Hernandez, Richmond, Jolly
Nays: none Absent: none
Resolution No: R2025-10-61

With no further business to address, Mayor Johnson adjourned the meeting at 6:58p.m.

M. Scott Johnson

M. Scott Johnson, Mayor

ATTEST:

Jasmine Guy

Jasmine Guy, City Secretary