



**THE HONDO ECONOMIC DEVELOPMENT CORPORATION, (HEDC)  
Meeting Minutes**

Type of Meeting: Regular Meeting  
Date and Time: Thursday, August 21<sup>st</sup>, 2025 7:00 a.m.  
Location: South Texas Regional Airport Board Room  
700 Vandenberg Road, Hondo, TX 78861

**1. Determination of Quorum**

**1.1 Call to Order**

Chair J. Gruber, Vice-Chair Ronnie Miller, Secretary Ashley Lowe, Rachel Ramirez, Roger Hernandez & Rose Mary Mares.

Absent: Treasurer Brett Riff

*“President J. Gruber called the meeting to order at 7:04 a.m.”*

**2. Public Forum:** *Upon recognition by the Chair, persons desiring to address the Board may speak on any topic not to exceed three (3) minutes in length. Board Members are prohibited from deliberating on any item presented but may recommend placement on a future agenda for discussion.*

*No comments were made by a visitor.*

**3. Consent Agenda:** *All consent items are considered to be routine and will be enacted by one motion. If requested by a Board Member, any item may be taken off the Consent Agenda by the Chair for individual consideration.*

3.1 Approval of July 17<sup>th</sup>, 2025 regular meeting minutes.

3.2 Table request for funds for HDBA until 2026-2027 budget cycle.

*“Ashley Lowe made the motion to approve the consent agenda items. Rose Mary seconded the motion. Motion carried 5-0”*

**4. Consider Items: Consider and take any action necessary**

4.1 Presentation of Q3 Financials (Chris Hill – CFO of City of Hondo)

**Financial Performance (Through June – 75% of Fiscal Year):**

• **Sales Tax Revenue:**

- Trending **2.9% above budget** (approx. 3%).
- Originally projected to remain flat, so this represents stronger-than-expected growth.

• **Investment Income:**

- **Above budget** – currently at **76% of projection**.
- \$76,000 earned through June; projected to reach ~\$102,000 by year-end.



- **Expenses:**
  - **Personnel Costs:** Below budget (62%), largely due to Kaitlynn starting in March rather than at fiscal year start.
  - **Office Supplies:** Slightly over budget, attributed to initial under-budgeting.
  - **Overall Operating Expenses:** ~50% of budget (well under the 75% mark).
  - **Debt Payments:** On schedule at 75% of budget; February and August obligations fully met.

#### **Debt Overview:**

- **2016 Debt:** Two years of payments remaining.
- **2021 Debt:** Five years of payments remaining.

#### **Surplus Position:**

- **Net Income (through June):** \$103,000 surplus after nine months.
- Original budget anticipated transferring **\$99,000 from fund balance** to cover expenses; no transfer required.
  - Indicates actual position is even stronger than reported surplus.

#### **Balance Sheet & Cash Position:**

- **Operating Accounts:** \$103,000 on hand.
- **Certificates of Deposit (CDs):**
  - **7-Month CD:** \$2.468 million, maturing December.
  - **3-Month CD:** \$150,000 (matured July 19).
    - Used to ensure \$100,000/month in operating needs plus \$50,000 cushion.
    - Decision was ultimately made to not renew the CD for cash to be available for LiftFund program.

***“Ronnie Miller made the motion to approve the Q3 Financials. Ashley Lowe seconded the motion. Motion carried 5-0”***

#### **4.2 LiftFund Small Business Empowerment Program (Sean Patty – Director HEDC) \$105,000**

##### **Program Overview:**

- Proposed **budget of \$105,000:**
  - **\$100,000** allocated to buy down loan interest rates to **0%**.
  - **\$5,000** allocated for program marketing.
- Structure:
  - HEDC is **not directly lending money**. Funds are used to buy down interest, reducing small business loan rates (typically 12–14%) to **0%**.
  - Loans available for **\$500 up to \$35,000–\$40,000**, with terms up to five years.
  - Program commitment is **one year**; unused funds are returned at year-end.
    - Example: If only half of funds are lent, \$50,000 is returned.



- Eligibility:
  - Program is for **for-profit businesses located within Hondo city limits**.
  - Businesses must generate **sales tax**.

#### **Administration & Metrics:**

- **LiftFund** manages all vetting, underwriting, and compliance, including:
  - SmartLinks reports
  - Secretary of State verification
  - Business due diligence
- HEDC role:
  - Program sponsorship and **local marketing/outreach** to ensure Hondo businesses are aware.
  - LiftFund also conducts its own promotional efforts.
- **Program metrics to be tracked:**
  - Jobs created and retained
  - Loan amounts disbursed
  - Repayment performance

#### **Comparative Success in Other Cities:**

- **San Antonio (since 2016):**
  - 247 loans from 2016–2023.
  - 46 loans between January–April 2024.
  - \$2M lent; \$691,000 in interest bought down.
  - Reported strong satisfaction with program results.
- **Laredo (since 2020):**
  - \$1.9M lent across 100+ loans.
  - 380 full-time equivalent jobs supported.
  - Local EDC described LiftFund as an “*incredible partner*”.

#### **Key Notes:**

- HEDC’s participation ensures **0% interest loans** are available for local businesses.
- HEDC has **no liability** for the loans themselves—only the upfront interest buy-down.
- This program is considered an **investment in small business growth and job creation** within Hondo.

*“Ronnie Miller made the motion to approve expenditure for the LiftFund program in the amount of \$105,000. Roger Hernandez seconded the motion. Motion carried 5-0”*

#### 4.3 INCubatoredu – Shadow Year Subscription Fee \$5,000

##### **Program Overview:**

- INCubatoredu is an entrepreneurship program offered through **Uncharted Learning**.



- The **Shadow Year subscription (\$5,000)** provides a preparatory year before full program implementation.

#### **Shadow Year Benefits:**

- Time to **prepare staff and community** for launch.
- Access for administrators and teachers to:
  - Training sessions
  - Meetups
  - Student showcases
  - Program resources and materials
- Allows schools to begin **community engagement** around the program.

#### **Discussion Points:**

- Support for the program expressed by **Superintendent Rose Mary Mares and Principal Mike Mahoney**.
- **Implementation challenge:**
  - Master schedule was built under time constraints after prior student requests were unavailable.
  - As a result, **INCubatoredu classes were not included this year**.
  - Pathway creation (through finance and business-related courses) is still in development.
- **Timeline Considerations:**
  - Program **does not need to begin immediately**.
  - Can start **second semester or later**, giving staff time to build pathways and integrate properly.
  - The Shadow Year ensures there is **no rush to implement** before readiness.
- **Leadership & Oversight:**
  - New **Secondary Education Director, Nikki Jocelyn**, will play a key role in planning and preparation.
  - Potential for **professional development** through ESC Region 20 support.

#### **Consensus:**

- General agreement on the **value of the Shadow Year subscription** as a low-risk exploratory step.
- Recognized need to **align pathways and resources** before launching the full INCubatoredu program.
- Subscription provides flexibility while ensuring access to training and materials.

***“Ashley Lowe made the motion to approve expenditure for the INCubatoredu program in the amount of \$5,000. Rachel Ramirez seconded the motion. Rose Mary Mares Abstained. Motion carried 4-0”***



#### 4.4 Charitable contribution to Meals on Wheels \$1,200

##### **Program Status & Challenges:**

- **37 elderly individuals** currently on a waiting list for Meals on Wheels services.
- Food is delivered from **San Antonio** to Medina County, including Hondo.
- The organization **lost approximately \$20,000 in funding**.
- Federal funding has been significantly cut; current reimbursements **do not cover the full cost of meals** (Meals on Wheels reports losing ~\$3–\$4 per meal provided).

##### **Local & Regional Support:**

- **City of Hondo** has contributed previously.
- **City Councils in Devine and Castroville** were approached but did not provide support.
- **County contributes ~\$50,000 annually**
- Volunteers form a large part of the workforce, though there is one salaried Executive Director.

##### **Fundraising & Sustainability:**

- A recent fundraiser raised **\$9,000**, but leaders described this as insufficient given ongoing operational deficits.
- Discussion acknowledged the program is at risk of **folding without sustainable funding solutions**.

##### **Board Discussion on Contribution:**

- The Board holds **\$1,200 (exact balance: \$1,238)** for charitable giving.
- Question raised on whether the donation would make a meaningful impact.
- Response: **\$1,200 would serve only as a “band-aid”** rather than addressing systemic funding shortfalls.
- Broader issue noted: The program serves the wider Medina County area, not only Hondo, raising considerations of equitable support across communities.

##### **Consensus:**

- Members expressed concern that while a contribution of \$1,200 would provide only short-term relief, it may still demonstrate support for Meals on Wheels and the elderly population it serves.
- Long-term sustainability requires **federal funding restoration and improved financial management** by the organization.

*“No motion was made to approve funding”*



#### 4.5 HDBA Oktoberfest Sponsorship \$1,000

##### **Background:**

- Request submitted by the **Hondo Downtown Business Association (HDBA)** for sponsorship of the upcoming **Oktoberfest event**.
- Originally, the **City of Hondo** had committed \$1,000 sponsorship, but recent organizational and leadership changes left the matter unresolved.
- Funds raised from the event are intended to support the Downtown Business Association, with some portion also pledged to **Meals on Wheels**, though the percentage has **not been determined**.

##### **Board Discussion:**

- Concerns raised regarding the **credibility and stability** of the HDBA:
  - Reports of **board members resigning** due to internal issues.
  - Questions over the **accuracy of membership lists**, with some businesses listed as members stating they were not involved or had declined to join.
- General sentiment that the organization lacks a **solid foundation and transparency**, making sponsorship a potential risk.

##### **Consensus:**

- While the Oktoberfest event could benefit downtown activity, the **uncertainty of the association's structure and credibility** led board members to express reluctance to commit funds.

*"No motion was made to approve funding"*

#### 4.6 EDC Christmas Card Display (Kaitlynn Jensen – BRE HEDC) \$300

##### **Discussion:**

- Kaitlynn Jensen introduced the idea of the HEDC participating in the Chamber of Commerce's annual Christmas card display along Highway 90. She noted that HEDC does not currently have a display and recommended creating one at the cost of **\$300**.
- The Chamber has agreed to **store the display**, and the City will be responsible for **installation** alongside other community displays. This ensures the HEDC sign will be placed in a visible location with the Chamber and City displays.
- Initial design concepts were reviewed. A **QR code** was originally included, but it was agreed to **remove it** due to safety concerns (potential distraction to drivers) and Chamber rules. Removing the QR code will also allow for a **larger HEDC logo**, which the group agreed should be the primary focus.
- Suggestions were made to **simplify the design**:



- Members briefly discussed the overall variety of displays, noting they can appear inconsistent, but agreed that the HEDC card should remain **simple, professional, and brand-focused**.

**Action:**

- Kaitlynn will revise the design to incorporate the agreed changes (remove QR code, enlarge logo, simplify text and graphics).
- The final cost of **\$300** for the display will be allocated from HEDC funds.

*“No motion was needed to approve funding”*

**5. Discussion Items: Discuss with no formal action to be taken**

*“No items were listed for discussion”*

**6. Standing Reports**

**6.1 Executive Director Report**

**Discussion:**

- **Facebook Performance:**
  - 49,000 views reported last month (report pulled August 8).
  - Engagement increased, with **98 new followers gained**.
  - Significant growth in followers observed in June and July, attributed to **business spotlights** led by Kaitlynn Jensen. These posts expanded reach organically as spotlighted businesses shared content with their own networks.
  - Current Facebook audience: approximately **75% female / 25% male**.
- **LinkedIn Performance:**
  - 55 new followers gained in the past month, bringing the total to approximately **225 followers**.
  - Primary follower demographics include professionals in **business development, sales, and social services**, concentrated in San Antonio, Dallas, and Austin.
- **Lunch Bites Workshop Series:**
  - A new quarterly initiative, “Lunch Bites” (Business Insights, Tools, Education & Strategies), was introduced.
  - First session scheduled for **October 8**, featuring guest speaker **Stephanie Scheller**, marketing expert and author.
  - Session focus: marketing strategies, with participants receiving **actionable tools** to improve their businesses.
  - Already **14 businesses RSVP’d**; goal attendance is **30 businesses**.
  - Lunch will be provided.



- **Newsletter:**
  - August newsletter achieved **82% open rate** and **86% click-through rate**, indicating strong engagement.
  - Some recipients noted delivery issues due to spam filters; staff encouraged members to whitelist the sender address.
- **Open Rewards Program:**
  - Launched **August 1**.
  - As of last week: **460+ users** and **\$24,000+ in purchases tracked**.
  - Major retailers (Walmart and HEB) included, though capped at 3% reward payout and a **\$10 maximum per transaction**.

**7. Topics for Future Meetings:** *Board/Staff discussion*

*"No specific requests were made"*

**8. Executive Session:** *As authorized by the Texas Open Meetings Act, Texas Government Code Section 551.001, the Board may enter into a closed Executive Session at any time concerning any and all subjects and for any and all purposes permitted by the Act, including, but not limited to, the following:*

- 8.1 Section 551.071 - Consultation with the Board's attorney
- 8.2 Section 551.072 - Deliberation regarding the purchase, exchange, lease or value of real property
- 8.3 Section 551.074 - Deliberation on personnel matters
- 8.4 Section 551.087 - Deliberation regarding economic development negotiations

**9. Actions Resulting from Executive Session**

*"The Board did not enter into Executive Session."*

**10. Adjournment**

*"Roger Hernandez made a motion to adjourn, and Ashley Lowe seconded. The meeting was adjourned at 8:02 a.m."*

**ATTEST:**

Ashley Lowe, Board Secretary

On 9/18/25