



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

Type of Meeting: Regular Meeting  
Date and Time: Thursday, February 19<sup>th</sup>, 2026 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, Treasurer Brett Riff, Rachel Ramirez & Rose Mary Mares.

Roger Hernandez was not present.

*“President J. Gruber called the meeting to order at 7:01 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 January 15<sup>th</sup>, 2026 regular meeting minutes.

*“Ronnie Miller made the motion to approve the consent agenda items. Rose Mary Mares seconded the motion. Motion carried 6-0”*

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

4.1 Presentation and approval of Q1 Financials – Chris Hill (CFO – City of Hondo)

With CFO Chris Hill absent, Executive Director Sean Patty presented the first quarter financials (October–December), noting the organization is 25% through the fiscal year.

**Revenue:**

Sales tax revenue is trending ahead of budget at **35% collected**, compared to the expected 25% benchmark for the first quarter, indicating stronger-than-projected performance.

**Personnel:**

Personnel expenses are slightly over budget due to seven pay periods falling within Q1 rather than the budgeted six. This timing difference is expected to level out over the fiscal year.



**Lodging & Training:**

Lodging expenses are elevated due to attendance at conferences, sales tax workshops, and training sessions for two staff members. Staff noted these expenditures are complete for the year.

**Contingency Expense – LiftFund:**

The largest variance reflects the **\$105,000 LiftFund allocation**, which is temporarily reflected under contingency expense. This amount will be reclassified during the April budget amendment process, as previously approved by City Council.

After removing the LiftFund allocation, Q1 net income reflects a positive balance of approximately **\$32,600**. Once adjusted, contingency will retain approximately \$24,000 remaining.

**Marketing & Promotion:**

Marketing expenditures are at 31%, and promotion/advertising at 36%, reflecting front-loaded expenses tied to website enhancements, marketing campaigns, and project rollouts (including advanced air mobility initiatives).

Staff also noted that the **\$35,000 Chamber contract** counts toward the statutory 10% cap on promotional spending for EDCs. With an \$800,000 budget, promotional expenditures cannot exceed \$80,000 annually. Staff confirmed compliance and emphasized the importance of clearly distinguishing marketing and promotional expenses to remain within statutory limits.

**Balance Sheet Highlights:**

- Total assets: approximately **\$3.4 million**
- Seven-month CD maturing in July at approximately 4% interest
- Annual airport note payment: \$29,442 received each June
- Current portion of long-term debt: \$150,000 (principal payments)

**Bond Debt Status:**

- **2016 Bond (originally 2007):** One remaining principal payment of \$85,000 due next year.
- **2021 Bond:** Four remaining principal payments following the most recent \$65,000 payment.

Board discussion included clarification regarding the airport note terms and bond history. Staff will follow up with additional details as needed.

*“Rose Mary Mares made the motion to approve the financials as presented. Ashley Lowe seconded the motion. Motion carried 6-0”*

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

5.1 Discussion on mural project for 1707 Ave M St – Hondo

The Board discussed the condition of the former Ray Theater wall located at 1707 Avenue M. Staff explained that the original adjoining wall, previously part of the neighboring Patrick Nye property, had deteriorated significantly and was deemed unsafe. Upon removal, it exposed the side of the Ray Theater building. The property owner subsequently installed plywood to enclose the exposed interior; however, the temporary boarding has negatively impacted the appearance of the downtown streetscape.

Staff obtained an estimate of approximately **\$11,500** from a local contractor to remove the flashing and apply stucco to properly finish the wall. The Ray Theater ownership is not currently in a financial position to utilize the Façade Improvement Grant, which requires upfront payment with reimbursement of 50% upon completion.

In addition, staff explored the possibility of installing a mural on the wall. A professional muralist provided a preliminary estimate ranging from **\$15,000 to \$25,000**, depending on design complexity and equipment needs. As an alternative, staff discussed the possibility of partnering with the local Art League to complete a mural on a volunteer basis with donated materials.

Legal considerations were also reviewed. Staff indicated that access to the neighboring property would require formal permission, potentially through an easement or written agreement, to allow for installation and long-term maintenance of a mural. Initial conversations with the adjacent property owner indicated willingness to cooperate, though no formal agreements are in place.

Board members discussed potential funding avenues, including grants, donations, and long-term redevelopment concepts. Broader ideas were mentioned, such as exploring ownership or redevelopment opportunities; however, no specific proposals were advanced.

The Board expressed interest in continuing to explore options that would enhance the downtown appearance while remaining consistent with policy and financial constraints.

*No formal action was taken at this time.*

5.2 Monthly Sales Tax Report

The Executive Director presented the Monthly Sales Tax Report.

**January collections were up 10% compared to January of the prior year.** Fiscal year-to-date sales tax revenue is **up 22.4% year-over-year**, reflecting strong overall performance.

Staff reviewed how the net allocation amount is calculated, explaining that total collections are derived from prior, current, future, audit, single rate, and unidentified collections. From that total, the State's service fee and current retained amounts are deducted, prior retained amounts are added back, resulting in the final net allocation.



Board discussion included clarification that the increase reflects overall taxable economic activity, including local retail, construction-related purchases, and online sales such as Amazon.

Comparative data showed Hondo trending favorably relative to neighboring communities, with discussion noting that city limit boundaries can influence reported sales tax figures.

Staff concluded that sales tax revenue continue to trend positively. No action was required.

## 6. Standing Reports

### 6.1 Executive Director Report – Sean Patty & Kaitlynn Jensen

#### **Website Analytics & Marketing Tracking**

- The Executive Director reported on new website tracking capabilities as part of the marketing expenditure.
- Over the last 30 days:
  - **889 entities** visited the website.
  - **18 conversions** were recorded.
- Conversions include:
  - Newsletter sign-ups.
  - Visits and engagement with the Job Center following social media posts.
- The system allows tracking of:
  - Pages visited (e.g., Job Center, team page, airport information).
  - Devices used (e.g., Apple/iCloud).
  - In some cases, identifiable information tied to newsletter sign-ups.
- The **Job Center** is currently the most visited page.
- Increased traffic was observed following media coverage (e.g., the James Avery story).
- Board discussion included privacy considerations and appropriate use of visitor data.

#### **Targeted Email Campaign**

- A new targeted email marketing campaign titled “**Three Runways, No Waiting**” will be launched.
- The campaign is structured as a multi-part email series.
- Additional reporting on recipients and campaign performance will be provided next month.

#### **Social Media & Digital Growth Report**

- **Facebook**
  - Followers increased to approximately 1,325.
  - 38 new followers gained last month.
  - Views increased by 83%.
  - Visits increased by 29.5%.
  - Interactions increased.
  - A promotional map post generated nearly 17,000 views.

- Business spotlight posts (e.g., Brag Pecan and Aching for Baking) generated strong engagement.
- **LinkedIn**
  - 49 new followers gained.
  - Increased engagement due to shared map post and proactive connection invitations.
- **Instagram**
  - Newly launched platform.
  - Currently set to cross-post from Facebook to allow businesses to tag the organization.
- **Newsletter**
  - 72 subscribers currently (expected to increase following recent sign-ups).
  - Open rate decreased from 80% (January) to 65%.
  - 188 click-throughs recorded.

### **Lunch B.I.T.E.S. Workshop**

- 40 businesses RSVP'd; 38 attended.
- 75% of surveyed participants rated the workshop as "Excellent."
- 16 responses received to date.
- Feedback highlights:
  - Actionable and easy-to-follow content.
  - Strong presenter engagement (virtual presenter from Arizona).
  - High overall satisfaction; only one comment preferred an in-person presenter.
- Participants expressed willingness to pay for future workshops, though current workshops are offered at no charge.
- Workbooks were professionally prepared and distributed.
- Attendance included a broad mix of local and home-based businesses, primarily from Hondo with some from Castroville.
- Positive follow-up feedback received during subsequent business visits.

### **Budget Workshop Planning**

- Proposed date: **April 9** (Thursday).
- Proposed time: **11:00 AM – 1:00 PM**.
- Location: TXN Bank (pending confirmation).
- Lunch arrangements similar to previous year (sandwiches) unless otherwise determined.
- Date and time were agreed upon by members present.

7. **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

**8. Actions Resulting from Executive Session**

*“The Board entered Executive Session at 7:51 a.m. and exited at 8:01 a.m.*

*Rose Mary Mares made a motion to approve promotion and associated benefits as presented. Motion was seconded by Ronnie Miller. Motion carried 6-0”*

**9. Adjournment**

*“Brett Riff made a motion to adjourn, and Rachel Ramirez seconded. The meeting was adjourned at 8:06 a.m.”*

**ATTEST:**



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Ashley Lowe, Board Secretary

On 3-19-2024