HONDO
ECONOMIC DEVELOPMENT
THIS IS GOD'S COUNTRY

THE HONDO ECONOMIC DEVELOPMENT CORPORATION, (HEDC)

Meeting Minutes

Type of Meeting:	Regular Meeting
Date and Time:	Thursday, July 16th, 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, Rachel Ramirez, Roger Hernandez & Rose Mary Mares.

   Secretary Ashley Lowe and Treasurer Brett Riff were not present.

   "President J. Gruber called the meeting to order at 7:03 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 June 18th, 2026 regular meeting minutes.

   "Ronnie Miller made the motion to approve the consent agenda items. Rose Mary Mares seconded the motion. Motion carried 5-0"

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

   4.1 Final Approval of HEDC 2026-2027 Annual Budget in the amount of $869,305.00

   Executive Director Sean Patty presented the proposed FY 2026–2027 Hondo Economic Development Corporation Annual Budget totaling **$869,305.00**. He reviewed the budget highlights and noted that the proposed budget reflects the Board's previous budget workshop discussions while maintaining a fiscally responsible approach.

   Key budget updates included:

   - A cost-of-living salary adjustment for staff, along with updated unemployment insurance and related personnel costs, bringing total personnel expenses to approximately **$254,000**.
   - A reduction in office supply expenses and consolidation of travel-related expenses into a single budget category to provide greater flexibility for mileage, lodging, meals, airfare, and other travel costs.

- A modest increase in engineering services to accommodate potential project needs offset by reductions in website expenses.
- Elimination of the standalone online business directory subscription, with those services transitioning to the Marketing Alliance platform at no additional cost, improving efficiency while reducing costs.
- Minor reductions in computer equipment expenditures while maintaining adequate funding for future technology replacements.
- A 24% reduction in the Chamber of Commerce contract.
- Reclassification of Open Rewards funding into the "Other Incentives" category without increasing the overall budget allocation.
- Workforce Development funding of **$31,600** to support the Hondo ISD Career & Technical Education (CTE) Flight Training Program.
- Continued funding for BRE initiatives, including Lunch B.I.T.E.S., Morning Sips, and other business engagement programs.
- Marketing Alliance funding of **$50,000**, including implementation of an AI-powered website chat assistant at no additional cost during the pilot phase.
- Continued funding for the Retail Coach contract through the Promotion & Advertising budget.
- Maintenance of the Downtown Façade Improvement Grant Program at **$50,000**, as previously approved by the Board.
- A contingency allocation of **$25,000** and city shared services funding of **$30,000**.
- A slight increase in annual debt service payments.

The Board also reviewed projected revenues, including **$750,000** in sales tax revenue, **$100,000** in interest income (including earnings from certificates of deposit and the airport note), with fund balance available to cover any remaining budget needs.

"Ronnie Miller made the motion to approve the annual budget as presented. Roger Hernandez seconded the motion. Motion carried 5-0"

5. <u>Discussion Items: Discuss with no formal action to be taken</u>

5.1 Expiration of terms for Board Members

The Board reviewed the upcoming expiration of Board member terms. It was noted that Board Member **Rachel Ramirez** had been officially reappointed by the City Council during its recent meeting, and the Board thanked her for her continued service.

Staff advised that the terms for **Roger Hernandez** and **Ashley Lowe** are scheduled to expire in **September 2026**. The Board Chair stated that he would contact Ashley Lowe regarding her interest in seeking reappointment and requested that Roger Hernandez also consider whether he wished to continue serving.

The Board discussed the timeline for the reappointment process and agreed that decisions should be finalized prior to September to allow sufficient time for the Mayor and City Council to consider appointments. The Board Chair indicated the matter would be brought back for discussion in **August**.

5.2 August 20th Board Meeting – Attendance Discussion

The Board discussed scheduling the August Board meeting due to anticipated absences. Chairman J. Gruber and Vice Chair Ronnie Miller advised they would both be out of town for the regularly scheduled meeting date of **August 20, 2026**, and requested the Board consider rescheduling to ensure a quorum.

After reviewing member availability, the Board determined that **Tuesday, August 18, 2026, at 7:00 a.m.** would accommodate the majority of members. Staff was directed to notify all Board members of the revised meeting date and time via email.

6. Standing Reports

6.1 Executive Director Report – Update on budget, sales tax, marketing & approved programs

Executive Director Sean Patty presented a series of updates on current economic development initiatives, financial performance, and recently approved programs.

Mr. Patty provided an overview of the **Retail Coach** program, highlighting demographic and retail market profile reports that will be used to support retail recruitment efforts. He explained that the data identifies Hondo's trade area, consumer spending patterns, and retail opportunities, which will assist both prospective businesses and existing local retailers in making informed decisions. He also shared an initial list of targeted retail prospects and noted that regular coordination meetings with Retail Coach have begun, with additional recruitment activities planned through an upcoming retail conference.

The Board discussed the importance of attracting businesses that complement Hondo's existing retail base while recognizing the significant economic impact generated by travelers and seasonal visitors passing through the community.

Mr. Patty also updated the Board on the proposed **26-acre housing development**, reporting that legal review confirmed a Type B Economic Development Corporation may only participate in qualifying affordable housing projects as defined by state and federal law. Because the proposed development was intended as a market-rate subdivision, staff determined the project does not qualify for EDC funding and will not move forward in its current form.

The Board received a **sales tax update**, noting that although the most recent monthly collection was slightly below the prior year, fiscal year-to-date sales tax revenues remain approximately **14.8% above** the previous fiscal year. Staff reviewed sales tax trends and the city's top sales tax generators, emphasizing the continued importance of tourism and visitor spending to the local economy.

An update was also provided on the **LiftFund 0% Loan Program**. Staff reported that no additional loans had closed since the previous report; however, the program continues to demonstrate positive results through business investment and job retention, and promotion of the program remains ongoing.

Mr. Patty presented progress on the **National Center for Economic Gardening (NCEG) Pilot Program**, highlighting research completed for participating local businesses. He explained that the program provides participating companies with extensive market intelligence, customer identification, search engine optimization recommendations, competitive research, and industry analysis designed to support business expansion. The Board expressed appreciation for the value of the information being provided and looked forward to future updates on program outcomes.

The Board also received a **marketing update** from Kaitlynn Jensen. Social media engagement continued to increase significantly, with recent testimonial videos, employment-related content, and promotional campaigns generating record audience growth and engagement. Ms. Jensen reported continued success with the HEDC newsletter, expansion of the online job board, and the ongoing **Hondo HOOT (Helping Our Own Thrive)** program, which encourages participating businesses to support one another through local purchasing and collaboration.

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**

"No action was taken"

9. **Adjournment**

"Rose Mary Mares made a motion to adjourn, and Roger Hernandez seconded. The meeting was adjourned at 8:02 a.m."

ATTEST:

Ashley Lowe, Board Secretary

On 8/18/26