



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

Type of Meeting: Regular Meeting  
Date and Time: Thursday, May 15<sup>th</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, Treasurer Brett Riff, Rachel Ramirez & Rose Mary Mares.

Absent: Secretary Ashley Lowe, Vice-Chair Ronnie Miller, Roger Hernandez

*“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 April 17<sup>th</sup>, 2025 regular meeting minutes.

*“Rose Mary Mares made the motion to approve the consent agenda items. Rachel Ramirez seconded the motion. Motion carried 3-0 w/Brett Riff abstaining”*

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

#### 4.1 Presentation and approval of Q1 2025 Financials (Olivia Hancock – Asst. Finance Director)

Olivia Hancock presented the Q1 2025 financials on behalf of Chris Hill, who was unable to attend. She began with a note from Chris requesting input from the Board regarding a Certificate of Deposit (CD) currently held at Texan Bank that is set to mature on **May 17**.

The Board discussed whether to roll over the CD or explore alternative investment options. Since Ronnie (bank representative) was not present and it's unclear whether the current rate of **4.25%** would still be honored, the Board agreed that more information was needed.

- **Action Taken:** Olivia will reach out to Ronnie via email to inquire about the renewal rate and report back to the Board.



- The Board expressed comfort in allowing the CD to roll over temporarily, given that there is no immediate alternative investment vehicle and early withdrawal penalties are minimal (primarily lost interest).

#### **Financial Summary – March 2025 (50% of Fiscal Year Completed)**

- **Total Year-to-Date Revenue:** \$415,000
- **Total Year-to-Date Expenses:** \$218,000
- **Net Operating Income:** \$197,000

#### **Key points discussed:**

- Sales tax and interest income are tracking well.
- Salary expenses are under budget due to a previously vacant staff position.
- No significant budget concerns were identified.

#### **Balance Sheet Overview (as of March 31, 2025)**

- **Cash on Hand:** Approximately \$250,000
- **Certificate of Deposit:** \$2.4 million (under review)
- **Sales Tax Receivable:** \$118,000
- **Note Receivable (Airport Loan):** Still active
- **Liabilities:** Include accounts payable and \$10,000 in scholarship funds (paid after March 31)
- **Bond Payable:** \$520,000
- **Fund Balance:** Healthy and in alignment with expectations

#### **Liquidity & Fund Use Considerations**

- The Board reviewed the adequacy of current cash reserves.
- Olivia confirmed that current liquidity (~\$250,000) provides a sufficient cushion, with bi-weekly payables ranging from **\$10,000 to \$20,000** plus payroll.
- The Board discussed the idea of setting an informal policy or threshold for when excess cash should be reinvested or redirected to projects, possibly using a percentage-based cushion (e.g., 10% over budgeted needs).
- **Action Item:** Olivia will discuss a potential liquidity threshold and reinvestment policy with Chris Hill.

**Motion:** No motion was made to approve the Q1 financials.

#### 4.2 Presentation of Façade Improvement Grant Expansion (Sean Patty – Exec. Director HEDC)

Sean Patty provided an update on the current Façade Improvement Grant program, originally limited to the Central Business District (CBD) in Hondo. The program was budgeted at \$100,000 for the fiscal year, with \$5,480 distributed to date, leaving a balance of approximately \$94,520.

##### **Discussion Highlights:**

- The current boundary of the program follows the officially designated Central Business District, outlined in orange on the zoning map.
- Outreach efforts have been made to businesses within this district, with limited uptake so far.
- Sean proposed expanding eligibility to include all **commercially zoned areas** in the city, identified in green on the zoning map. This would extend coverage to properties along **Highway 90, 14th Street**, and other commercial corridors outside the CBD.
- Sean emphasized the intent of the program is to invest in visual and structural improvements that benefit the broader commercial environment. Given the low disbursement so far and remaining budget, he recommended extending eligibility to qualified commercial businesses citywide.
- Sean also noted support from Development Services, who expressed willingness to cooperate with expanded implementation.

##### **Key Points of the Program:**

- It remains a **matching reimbursement grant**, up to **\$10,000 per business**, covering **50% of eligible costs**.
- Participants must still go through the City’s approval process for color, design, and code compliance.

##### **Conclusion:**

The Board expressed strong support for the expansion, citing the opportunity to beautify Highway 90 and other commercial corridors, make fuller use of allocated funds, and ensure broader support for local businesses looking to invest in property improvements.

*“Rose Mary Mares made the motion to approve the lease agreement. Rachel Ramirez seconded the motion. Motion carried 4-0.”*

#### 4.3 2025-2026 Budget Review (J. Gruber – Chair of HEDC Board)

*“The Board convened to executive session at 7:17 a.m. per Section 551.074 - Deliberation on personnel matters.”*

*“The Board exited from executive session at 7:25 a.m.”*

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

- 5.1 Tabled request for Oktoberfest 2025 Funds – \$1,500 (*REQUEST WITHDRAWN*)

*“No action was taken by the Board.”*

## 6. Standing Reports

- 6.1 Budget Report (Sales Tax)

Executive Director Sean Patty provided an update on the City of Hondo’s sales tax performance, highlighting April 2025 collections, which totaled **\$149,705**. He noted that sales tax receipts run on a two-month delay, so this figure corresponds to business activity in February.

Sean shared a visual breakdown of the **Top 10 sales tax contributors** within Hondo, emphasizing their significant role in local revenue. He pointed out that the **top sales tax contributor alone generated more revenue than the next three contributors combined**.

A **year-over-year comparison** showed that Hondo experienced an **11% decline** in sales tax revenue for April compared to the same month the previous year. While some months (e.g., November and December) were up, others like January through March reflected a downturn, leading to a relatively **flat overall trend** for the fiscal year.

Sean also shared a color-coded graph identifying the **Top 20 taxpayers**, with blue indicating growth and orange indicating decline.

Board members asked about other business categories, including automotive, restaurants, and retail. Sean confirmed that some local restaurants were experiencing declines, while other businesses were seeing steady or modest growth.

He concluded by emphasizing the importance of monitoring sales tax trends, particularly for economic planning and identifying opportunities for engagement or support. Sean committed to providing a **monthly sales tax report** moving forward, with anonymized data to comply with confidentiality rules.

Board members expressed appreciation for the detailed insights and agreed that the data offers a valuable narrative on Hondo’s economic performance.

## 6.2 Executive Director Report

Sean Patty highlighted Kaitlynn Jensen’s ongoing efforts in managing the HEDC’s social media outreach, stating she’s doing a “fantastic job” with daily posts. Sean noted that while **LinkedIn** growth has been slower compared to Facebook, it is showing consistent improvement.

Sean also provided an update on the **HEDC Newsletter**, which has now reached its second issue. He encouraged any members who have not yet subscribed to do so, offering to resend the subscription link. The newsletter provides monthly updates and includes performance metrics.

### **Proposed New Initiative: “Business Bingo – SMART Goals Program”**

Sean introduced a new program proposal titled **Business Bingo**, designed to encourage local businesses to adopt and pursue **SMART goals**—those that are Specific, Measurable, Attainable, Relevant, and Time-bound.

- **Purpose:** Encourage businesses to improve operations by developing clear, strategic goals such as enhancing social media reach, increasing profitability, or building workforce skills.
- **Structure:**
  - The program would run over the course of a year.
  - Participating businesses would define their SMART goals and track their progress.
  - The HEDC would serve as a facilitator, helping participants connect with appropriate local, regional, or state-level resources (e.g., legal assistance, SBDC support, bookkeeping professionals).
  - Participants would work independently but have access to guidance and check-ins.
- **Incentives and Recognition:**
  - The program would culminate in an award ceremony recognizing five standout businesses based on progress and execution.
  - Proposed grant awards include:
    - 1st Place: \$5,000
    - 2nd Place: \$3,000
    - 3rd Place: \$2,000
    - 4th & 5th Place: \$1,000 each
  - Total grant pool: **\$12,000**
  - Additional **\$3,000** budgeted for event expenses.
- **Budget:**

A total of **\$15,000** has been earmarked in the **FY 2025–2026 budget** (highlighted in yellow in the working draft). The program is internally developed and not modeled on any pre-existing initiative.

Sean emphasized that while HEDC would organize and promote the program, the onus would be on business participants to define and work toward their own goals. The program aims to encourage entrepreneurial thinking, business plan refinement, and measurable growth. The feedback from the board was generally positive, with members expressing support for continuing to develop the concept and clarify implementation details.

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

*"The Board requested an update on progress that Justin McKenzie is making on the Connect Platform."*

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 agreed upon a cost of living adjustment for the Executive Director to be included in the 2025-2026 Annual Budget."*

10. **Adjournment**

*"A motion was made by Rose Mary Mares to adjourn the meeting. Rachel Ramirez promptly seconded, and the meeting was adjourned at 8:03 a.m."*

**ATTEST:**



Ashley Lowe, Board Secretary

On 6/19/25