



MINUTES

THE HONDO ECONOMIC DEVELOPMENT CORPORATION, (HEDC) CITY OF HONDO TYPE B ECONOMIC DEVELOPMENT CORPORATION

HEDC REGULAR BOARD MEETING
700 Vandenberg
Airport Board Room
Hondo, Texas 78861

October 17th, 2024 at 7:00 A.M.

BOARD MEMBERS' BUSINESS

1. Roll Call for Quorum & Call to Order.

Chair J. Gruber, Vice Chair Ronnie Miller, Treasurer Brett Riff, Secretary Ashley Lowe, Rachel Ramirez, Rose Mary Mares

Absent: Roger Hernandez

Staff Present: EDC Director Sean Patty

“President J. Gruber called the meeting to order at 7:02 a.m.”

2. Public Forum

No comments were made by a visitor.

3. Consent Agenda

3.1) Approval of Minutes from the September 2024 meeting.

Action item: Motion to approve the Consent Agenda

Ronnie Miller made a motion to approve consent agenda. Rose Mary Mares promptly seconded. Motion carried 6-0.

4. Presentation of Q4 and FY 2023-2024 Financials – Chris Hill CFO, City of Hondo

Chris Hill, CFO of the City of Hondo, presented the Q4 and preliminary end-of-year financials for the EDC. He noted that the income statement and balance sheet reflect data through September, except for a few pending credit card expenses and a final sales tax adjustment to be recorded in November.

Key points included:

- **Sales Tax Revenue:** The year-end total was \$694,700, slightly above budget projections. However, Chris highlighted a concerning six-month trend of declining sales tax, with a 2.5% decrease compared to earlier increases. The next year's budget anticipates flat sales tax revenue, but if the downward trend continues, there could be a shortfall of \$20,000 to \$25,000.
- **Expenses:** Payroll came in under budget due to staffing changes, and office supplies were also below budget. Dues and subscriptions exceeded the budget due to an unexpected expense related to GoMedina. Marketing expenses were slightly over budget due to Marketing Alliance bills.
- **Surplus:** A projected surplus of \$146,550 was discussed, with final adjustments pending November. This surplus will roll into the fund balance, bringing the total to approximately \$140,000. Once audited, the final figures will be available in Q1 of next year.
- **Fund Balance:** The fund balance stands at approximately \$2.6 million, which includes \$2.4 million in CDs and \$240,000 in the operating account. Any future spending beyond the budget would require board approval and a budget amendment.

Chris also explained the process for managing surplus funds and how the board can utilize these through budget amendments during the year, with amendments typically addressed mid-year and year-end.

5. Action Items:

5.1) Review & approval of Q4 and FY 2023-2024 Financials.

Motion made by Ashley Lowe to renew 7 Month CD at TXN Bank @4.25%. Rose Mary Mares seconded the motion. Motion carried 6-0.

Motion made by Ronnie Miller to approve Q4 & FY 2023-2024 Financials. Promptly seconded by Ashley Lowe. Motion carried 6-0.

5.2) Review, discuss & approval of revised BRE Job Description & Benchmarking for hiring/job progression.

EDC Director Sean Patty presented revisions to the BRE job description and salary benchmarks for board approval. Based on input from Michelle Thacker in HR, Sean recommended removing the "Director" title, as it was not appropriate for an organization of this size to have a director reporting to another director. The revised job description focuses on BRE, incorporating marketing duties.

Sean proposed a job progression structure with three levels:

- **Business Retention and Expansion (BRE) Coordinator** – an entry-level position, aligned with city salary standards.
- **Business Development Specialist** – the next step with additional responsibilities and education gained on the job.
- **Senior Business Development Manager** – the highest level, requiring at least three years of experience and appropriate qualifications.



The salary ranges for the positions were adjusted as follows:

- **Coordinator:** \$55,000 to \$60,000
- **Specialist:** \$61,000 to \$70,000
- **Manager:** \$71,000 to \$80,000

The board expressed satisfaction with the titles and salary adjustments. The board agreed to continue posting the position to explore other candidates.

Motion to approve BRE Job Description & Benchmark was made by Rose Mary Mares. Motion was seconded by Ashley Lowe. Motion carried 6-0.

5.3) Review & discuss resolution authorizing approval & funding of Greater SATX 2025 Regional Partner Agreement for \$10,000.

EDC Director Sean Patty presented the proposal for the 50% funding increase for the Greater SATX Regional Partner Agreement, raising the annual contribution from \$5,000 to \$10,000. Sean provided background on Greater SATX as a regional economic development organization that includes partner communities such as Castroville, Hondo, Seguin, and New Braunfels. In the past, the EDC paid \$5,000 to be part of this organization, which helps distribute Requests for Information (RFIs), primarily from the State Office of the Governor.

Sean expressed concerns regarding the value of the increased contribution, noting that he already receives RFIs directly from the Governor's Office, often before receiving them from Greater SATX. He acknowledged that only one or two proposals were funneled through Greater SATX, including a visit from a South Korean company and another corporate office relocation inquiry, but the outcomes were unclear.

The board members expressed skepticism about the return on investment for the increased fee and discussed whether Go Medina's participation in Greater SATX made the EDC's membership redundant. There was consensus that paying \$10,000 annually did not appear to be a worthwhile investment for the EDC, considering the limited direct benefits received from the partnership.

Motion made by Ronnie Miller to discontinue participation in the Greater SATX Regional Partnership due to 50% increase in cost. Motion was seconded by Rose Mary Mares. Motion carried 6-0.

6. Executive Director Report

Sean Patty provided updates on several ongoing projects and initiatives:

- **Hwy 90 Banners:** The banners for Hondo will be delivered soon from the printer and installed by the City of Hondo

- **BluDot Open Rewards Program:** A soft launch occurred on October 7. Marketing efforts include emails, flyers, social media, newspaper ads, and city utility bill inserts. As of now, 100 users have signed up, with \$277 in rewards distributed and an estimated \$541 in local economic impact. Businesses are gradually joining the program.
- **Business Retention & Expansion (BRE):** The EDC has logged 118 RFIs in the past year, with 10 projects in lead, active or completed status. Notable recent completions include James Avery's facility, which now features a renovated patio and other upgrades.
- **Hondo Website & Social Media:** Website traffic has grown steadily, with increased visibility from social media and organic searches. Facebook and LinkedIn engagement continues to grow.
- **Facade Improvement Program:** The program has garnered interest from numerous businesses, Approved projects receive funding of up to \$10,000, with \$100,000 dedicated to the initiative. The program is gaining traction, and the EDC is focused on ensuring city compliance for design approvals.
- **Navigator RFQ:** An Request for Qualifications (RFQ) was released in September seeking an operator for the Navigator Café project. The deadline for submissions is set for November 20th. As of last week, no responses had been received. Patty explained that the lack of submissions could be attributed to several factors, such as the timing of the fall season, economic challenges, and the ongoing election period. He noted that if no responses are received by the deadline, the RFQ might need to be reissued early next year.
- **Academic Jumpstart Program Proposal:** The *Academic Jumpstart Program* is an exploratory concept utilizing behavioral biometrics to assess and enhance subconscious traits in individuals. Patty explained that the program aims to address societal issues by helping individuals who may lack essential traits like intelligence, motivation, and problem-solving skills. The program uses a combination of behavioral biometrics and neuroplasticity-based therapies to enhance cognitive function and personal attributes.

The purpose of the project would be to target underperforming students at Hondo High School in a smaller test case. The goal would be to administer personality assessments and implement writing-based therapy to reprogram neural pathways. The program would focus on approximately 100 students identified by teachers as the most at risk. Initial costs for testing are estimated to be around \$2,500 to \$3,000, with a monthly fee of \$25 per student for continued therapy.


Patty emphasized that this is currently a theoretical concept, and no decisions are being made at this time. However, he suggested that it could be explored further as a future initiative to support struggling students and improve their academic and personal outcomes.

7. Adjourn.

A motion was made by Brett Riff to adjourn the meeting, Rachel Ramirez promptly seconded and the meeting was adjourned at 8:13 a.m.



Attest:



Ashley Lowe

Board Secretary

On 11/21/ _____, 2024