



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

September 19th, 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 7:04 a.m.”

2. Public Forum

No comments were made by a visitor.

3. Consent Agenda

3.1) Approval of Minutes from the August 2024 meeting.

Action item: Motion to approve the Consent Agenda

Brett Riff highlighted a correction in Item #5. Ronnie Miller motioned to approve corrected consent agenda and Rose Mary Mares promptly seconded the motion. Motion carried 6-0.

4. Review of YTD Revenue & Expenses

The Board reviewed the YTD revenues and expenditures report.

• Presentation of Revenue & Expenses:

Sean Patty shared a detailed breakdown of revenue and expenses year-to-date, including a new graph showing sales tax trends.

- **Sales Tax Review:**

The new sales tax chart showed a net payment breakdown, comparisons with surrounding areas, and overall trends. It was noted that Hondo is experiencing a decline in sales tax, similar to neighboring communities, reflecting a broader economic slowdown.

- **Question on Miscellaneous Revenue:**

A question was raised regarding the budgeted miscellaneous revenue of \$315,000, with only \$171,000 used year-to-date.

- It was clarified that this figure relates to carryover funds for improvements to the Rec Center. Of the \$315,000 allocated, \$171,000 had been spent on the project, with the remainder available. The project in question was for lighting, painting, and pool improvements, which had been completed months ago under Jamie Kindred's oversight. There was discussion on whether the remaining funds could be reallocated for next year.

Action Item:

Sean Patty will check with Chris Hill (CFO) on the remaining balance and the potential to reallocate these funds for other EDC projects.

- **Sales Tax Decline:**

It was noted that sales tax collections have been down consistently, with a 7% decline reported in August and an 18% decline for September (reflecting sales from July). Board members inquired whether this trend could be attributed to broader economic conditions.

- Local retailers have been reporting slower sales, and the region appears to be in a "wait and see" mode as businesses anticipate potential economic changes in the coming months.

- **Correction in Past Revenue Figures:**

A spike in previous sales tax figures was explained as the result of a state audit correction, emphasizing that future revenue figures may similarly fluctuate due to audits.

5. Action Items:

5.1) Review & discuss resolution authorizing funding for Hwy 90 Pole Banner Project in the amount of \$11,236.00 from the Downtown Revitalization Program.

The Board reviewed, discussed and approved the resolution to authorize funding for the Hwy 90 Pole Banner Project for \$11,236.00, which would come from the approved Downtown Revitalization Program.

- **Presentation of Sample Banner:**

A sample banner was displayed for review, showcasing a potential design to be placed on light poles along Hwy 90. The Board expressed positive feedback regarding the design and color scheme. It was noted that the banners would feature various themes, such as hunting scenes and downtown landmarks, with around 10 unique designs to be repeated across the stretch of Hwy 90.

- **Image Rights:**

To ensure legal compliance, the Board discussed the importance of using original

photographs or having permission. The Chamber of Commerce is assisting with taking new photos, ensuring that all images used are owned by the EDC.

- **Banner Logistics:**
The banners will be double-sided, displaying the same image on both sides for visibility from both directions. The City has agreed to assist with the installation of the banners, and TXDOT has already granted the necessary approvals.
- **Banner Design & Color Scheme:**
The Board confirmed that the maroon background color, selected by the Chamber of Commerce, would be the standard for all banners. Members agreed that the color worked well with the overall theme and did not suggest any changes. The banners themselves are relatively inexpensive, costing approximately \$55 to \$65 each, with the majority of the project cost going toward the hardware.
 - **Hardware Quality:**
The hardware chosen for the banners is designed for durability and longevity. They are wind-resistant, featuring a spring-action mechanism to prevent breakage and ensure the banners can withstand the elements.
- **Quotes & Vendor Selection:**
Three quotes were obtained for the project, including one from a local vendor, Boehle Signs, who has previously done excellent work for the City of Hondo and EDC.
 - The Board discussed giving preference to the local vendor, provided the bid is within 5% of the lowest quote, in accordance with city policy. It was confirmed that the project does not require a formal RFQ as it falls under the \$50,000 threshold.
- **Funding Source:**
The funding for the pole banner project will come from the Downtown Revitalization Program and will be allocated in the next fiscal year's budget starting in October 2024.

Resolution ED 1-24: A motion was made by Rose Mary Mares and seconded by Rachel Ramirez to approve the resolution authorizing funding for the Hwy 90 Pole Banner Project in the amount of \$11,236.00. The motion carried 6-0.

5.2) Review & discuss resolution authorizing funding for the BluDot Open Rewards Incentive Program for \$4,475.00.

The Board reviewed, discussed and approved the resolution to authorize funding for the BluDot Open Rewards Program in the amount of \$4,475. This program is designed to encourage local shopping by offering a 5% reward on purchases made at participating retailers.

- **Key Features of the BluDot Program:**
 - **Reward System:**
The program would provide customers with a 5% reward on purchases made at participating retailers. For example, a customer spending \$100 would receive a \$5 reward.
 - The reward limit for individual purchases is set at \$100, ensuring the reward distribution remains manageable.
 - **Refund Flexibility:**
If the full \$2,500 allocated for the reward program is not used, the remaining funds can be refunded to the EDC, preventing any loss of unspent funds.

- **Financial and Operational Logistics:**
 - **Funds Management:**

All funds for the BluDot program will be deposited into a Choice Financial Group bank account, which handles BluDot transactions. Payments to BluDot will continue in the same manner as current payments for their business tracking (CRM) system and business directory services, both of which are already in use by the EDC.
 - **Promotional Support:**

BluDot will assist with social media marketing to promote the program. Additionally, the EDC plans to promote it through flyers, newspaper ads, and city social media outlets. The Board agreed that outreach to local retailers would be a key part of the program's success, with one-on-one meetings to explain the benefits and encourage participation.
 - **Program Duration:**

The program will run from October through February, with a monthly cost of \$395. This duration aligns with seasonal shopping periods and allows the EDC to create special promotions for events like "Night on 90." Promotions can also offer enhanced rewards (e.g., 10% back instead of 5%) for specific events to further drive local retail activity.
 - **Retailer Participation:**

The program is designed to support local retailers. The Board left room to reconsider participation for larger retailers in the future if there is interest.
- **Cost Breakdown:**
 - The total cost of \$4,475 includes the \$2,500 deposit for the reward fund, plus the advance payment for five months of the program's monthly fee (\$395/month). This setup allows for flexibility in the program's duration and scope.

Resolution ED 2-24:

A motion was made by Rose Mary Mares and seconded by Brett Riff to approve the resolution authorizing funding for the BluDot Open Rewards Program in the amount of \$4,475. The motion carried 6-0.

5.3) Review & discuss approval of BRE Benchmarking for hiring/job progression.

Item was moved to Executive Session

6. Executive Director Report

No report was provided this month.

7. Review and discussion and possible action on Personnel matters.

Action item: Motion to adjourn to Executive Session for discussion of Personnel matters and Contract negotiations.

The Board convened to Executive Session at 7:36 a.m.



ADJOURNMENT OF OPEN MEETING TO GO INTO EXECUTIVE SESSION IN ORDER TO DISCUSS MATTERS LISTED ON THE AGENDA PERTAINING TO PERSONNEL MATTERS & CONTRACT NEGOTIATIONS.

EXECUTIVE SESSION

A closed executive session may be conducted under authorization of Texas Government Code Annotated Chapter 551. Such closed meetings may be held only for the purpose of a discussion. Any action as a result of a discussion, must be taken in open session.

The following executive session is authorized under Section 551.073, to deliberate the contract negotiations.

8. Return to open session from closed session.

8.1) Return to open session.

The Board returned to open session at 7:59 a.m.

8.2) Discuss and/or take appropriate action, if any, regarding personnel and contract matters.

Action item: Motion to approve the use of the BRE benchmarking for hiring and job progression with requested modifications of titles to be reviewed at the next Board meeting. A motion was made by Ronnie Miller and seconded by Ashley Lowe. Motion carried 6-0.

9. Directors Comments.

No comments were made.

10. Adjourn.

A motion was made by Ronnie Miller to adjourn the meeting, Rose Mary Mares promptly seconded and the meeting was adjourned at 8:01 a.m.

Attest:

Ashley Lowe

Board Secretary

On October 17, 2024