

**MINUTES  
CITY OF HONDO  
ECONOMIC DEVELOPMENT CORPORATION  
BOARD OF DIRECTORS MEETING  
AUGUST 7, 2007, 3:00 P.M.**

The City of Hondo Economic Development Corporation Board of Directors (CoHEDC) met on the 7<sup>th</sup> day of August, 2007, at 3:00 p.m. in the City Council Chambers, City Hall, 1600 Avenue M, Hondo, Texas.

Present: Board Members Arturo Dominguez, Jr., President, Ann-Michelle Long, Secretary, Keith Lutz, Eric Torres, Jim Tomey and James Garcia.

City Staff: Robert T. Herrera, City Manager, Debbie Sills, City Treasurer, and Yolanda C. Benitez, City Secretary

Guests: Mayor James Danner, John Hall (Estrada-Hinojosa), and Clay Binford (Bond Counsel)

Absent: Board Member Aniceto Colunga

President Dominguez called the meeting to order at 3.01 p.m.

**3. APPROVAL OF MINUTES**

Motion was made by Ann-Michelle Long, seconded by Keith Lutz, to approve the minutes of the November 9, 2006 meeting, as written. Motion carried 5 to 0.

**4. RECEIVE REPORT FROM CITY TREASURER ON 4B FUNDS**

City Treasurer Debbie Sills presented the financial report and noted that the CD's are currently earning 5% interest. Ms. Sills also stated that the balance for the 4B account was approximately \$670,000 at the end of July, 2007.

**5. REVIEW SALES TAX REPORT FROM COMPTROLLER'S OFFICE**

Mr. Herrera reviewed the sales tax report from the Comptroller's Office and pointed out the steady increase in tax revenue which is being generated for the 4B Corporation. He noted that one-third (1/3) of the sales tax revenue is deposited into the 4B account.

**6. CONSIDER REQUEST FROM CITY OF HONDO TO PARTICIPATE IN CERTAIN ECONOMIC DEVELOPMENT PROJECTS.**

President Arturo Dominguez, Jr., turned the meeting over to City Manager Robert Herrera at this point. Mr. Herrera stated that there are four projects that The City of Hondo would like for the 4B Corporation to consider, and he reviewed the projects for the board members. Mr. Herrera stated that there is a possibility that the Veterans Boulevard project may decrease by \$100,000, but that won't be known for a while.

A lengthy discussion followed wherein Financial Advisor John Hall of Estrada Hinojosa reviewed the following:

- 1) Pre-2007 schedule which shows the current standing of The City of Hondo.
- 2) Post-2007 [A] – depicting the estimated tax rate impact; and
- 3) Allocation of Series 2007 – showing the board's portion of the issuance (\$875,000) with an average yearly payment of \$72,400.

Mr. Hall also noted that 99% of the time, costs are lower with the issuance of Certificates of

Obligation, and you are able to do more projects. He further stated that the fees and charges are less if the issuance of the Certificates of Obligation is handled with the four local banks.

Several questions were raised, such as: Is there enough right-of-way on 22<sup>nd</sup> Street to the slough? Is it a possibility that some of the residents might sell their properties which can be turned into commercial properties? Can the board increase the amount of funding they wish to contribute to The City of Hondo?

Clay Binford, Bond Counsel, explained the options available to the board and noted that they could agree to participate in the issuance of the Certificates of Obligation as presented; they could pay a lump sum payment upfront and borrow less; or they could come back at a later date and do a refunding bond issuance.

After a lengthy discussion, with emphasis by President Dominguez with regard to the Board's wishes, motion was made by James Garcia and seconded by Eric Torres to approve participation in the Economic Development Projects in the amount of \$875,000, and the board further committed to contributing an additional \$100,000 (if needed) for the completion of the 22<sup>nd</sup> Street project. Motion carried 5 to 0.

President Dominguez polled the membership and the consensus was to have the next meeting on Tuesday, August 14, 2007 at 3:00 p.m.

Board member James Garcia requested that they be provided with the specific costs for each project they are being asked to participate in. City Manager Herrera stated he would provide that information to the board.

7. **ADJOURN:** There being no further business to come before the Board, President Dominguez adjourned the meeting at 4:30 p.m.

**PASSED AND APPROVED ON THIS 7<sup>th</sup> DAY OF AUGUST, 2007.**

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ARTURO DOMINGUEZ, JR.  
PRESIDENT

**ATTEST:**

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ANN-MICHELLE LONG, SECRETARY

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YOLANDA C. BENITEZ, CITY SECRETARY