

4. Discussion and Action: FY24-25 Audit, Adrian Webb CPA

ADRIAN K WEBB
Certified Public Accountant
Edinburg, Texas

October 1, 2025

To the Board of Directors and Management
Development Corporation of Mercedes
Mercedes, Texas

We are pleased to confirm our understanding of the services we are to provide Development Corporation of Mercedes for the year ended September 30, 2025.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, and the disclosures, which collectively comprise the basic financial statements of Development Corporation of Mercedes as of and for the year ended September 30, 2025. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Development Corporations of Mercedes basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Development Corporations of Mercedes RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Budgetary Comparison Schedules

We have also been engaged to report on supplementary information other than RSI that accompanies Development Corporation of Mercedes's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

- 1) Combining and individual fund statements

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and will include tests of your accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of the financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Development Corporation of Mercedes compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

Other Services

We will also assist in preparing the financial statements of Develop Corporation of Mercedes in conformity with accounting principles generally accepted in the United States of America based on information provided by you.

We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statement preparation services and any other nonattest services we provide; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws and regulations.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Adrian Webb, CPA, and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Adrian Webb, CPA personnel. Furthermore, upon request, we may provide copies of selected audit documentation to or its designee. Development Corporation of Mercedes or its designee may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Adrian Webb, CPA, is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to begin our audit upon audit engagement approval.

Our fee for services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$7,000; 25% is due upon engagement approval in order to initiate the audit. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Reporting

We will issue a written report upon completion of our audit of Development Corporation of Mercedes financial statements. Our report will be addressed to the Board of Directors and Management of Development Corporation of Mercedes. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We appreciate the opportunity to be of service to Development Corporation of Mercedes and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

Adrian Webb
Adrian Webb, CPA

RESPONSE:

This letter correctly sets forth the understanding of Development Corporation of Mercedes.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

5. Discussion and Action: Bad Debt Policy

Loan Write-Off Policy

DRAFT PROPOSED POLICY

Section 1. Purpose

To establish consistent standards for writing off delinquent loans in order to maintain accurate financial statements, prevent asset overstatement, and protect the credibility of the Development Corporation of Mercedes (DCM).

Section 2. Policy

1. Automatic Write-Off Rule: Any loan that is 365 days (12 months) past due with no approved repayment plan in place shall be automatically written off as uncollectible. Justification: Retaining loans beyond 365 days past due creates an asset overstatement and misrepresents the financial condition of the Corporation.

2. Allowance for Doubtful Accounts: Loans approaching 365 days delinquent may be reserved against in part or full prior to write-off.

3. Negotiated Extensions: If a borrower is amenable to revised terms, the negotiated terms must be completed and approved by the DCM Board before the 12th month of delinquency. Extensions granted after 365 days past due are not permitted under this policy.

4. Ineligibility for Future Funding: Any borrower in default, and any business in which the borrower holds ownership, partnership, or management interest, is ineligible for EDC funding until the debt is settled in full.

5. Collection Costs: All associated collection costs, legal fees, and administrative expenses incurred by the EDC shall be added to the total due from the borrower.

6. Transparency: Write-offs, extensions, and collection efforts must be documented and included in quarterly board packets with delinquency aging schedules.

Section 3. Governance & Amendment Control

This policy shall remain in effect unless amended. Amendments or repeal require a unanimous vote of the Mercedes City Commission.

Section 4. Implementation

Effective upon adoption by the DCM Board. Annual review during audit. Loans written off remain subject to collection; recovered amounts are recognized as income when received.

Foreclosure Policy

DRAFT PROPOSED POLICY

Section 1. Purpose

To establish standards for initiating foreclosure on defaulted loans to ensure due diligence, fairness, and compliance with Texas law.

Section 2. Policy

1. Automatic Foreclosure Trigger: Any loan that remains in default for 24 consecutive months (730 days) with no repayment plan in place shall automatically move into foreclosure proceedings, subject to applicable state foreclosure laws and loan/security agreements.
2. Required Documentation Packet: Prior to foreclosure, EDC staff shall present to the Board a complete collection packet, including:
 - Copies of emails sent to the borrower,
 - Certified letters from EDC staff,
 - Certified letters from attorneys representing the EDC, and
 - Any other formal communications documenting good-faith collection efforts.
3. Board Action: Upon presentation of the documentation packet, foreclosure proceedings shall automatically move forward unless legal counsel advises delay for statutory compliance.
4. Ineligibility for Future Funding: Borrowers subject to foreclosure, and any associated businesses, are ineligible for future EDC funding until all debts and foreclosure costs are fully satisfied.
5. Collection Costs: All foreclosure-related costs, attorney's fees, filing fees, and administrative expenses incurred by the EDC shall be added to the total due from the borrower.
6. Transparency: All foreclosure actions will be reported quarterly to the Board with status updates.

Section 3. Governance & Amendment Control

This policy shall remain in effect unless amended. Amendments or repeal require a unanimous vote of the Mercedes City Commission.

Section 4. Implementation

Effective upon adoption by the DCM Board. Reviewed annually during audit. All foreclosure actions must comply with the Texas Property Code, Chapter 51 and applicable loan/security agreements.

6. Discussion and Action: Approval of Mural

Memo

To: DCM Board of Directors
From: Mario A. Salinas, Marketing Specialist
CC: File
Date: 10/16/2025
Re: Downtown Mercedes Mural – Concept, Cost & Location Overview

As part of our ongoing Downtown Mercedes revitalization efforts, the EDC has commissioned our **first public mural**—a bold **super graphic** design—to enhance community pride, encourage foot traffic, and support local arts engagement.

The artist, **Leo's Murals – Victoriano Rivera**, has been collaborating closely with the EDC on this project. After reviewing the first two mural concepts, the Board requested additional revisions to better align with the overall vision for the Downtown Revitalization initiative.

Leo has now developed and provided a **third set of renderings** that incorporate the Board's feedback and reflect a more cohesive direction for the project. These new visuals are being presented for the Board's review and approval before proceeding with production.

Project Overview

- **Location:** 339 W. 3rd Street, Mercedes, TX
- **Purpose:** Serve as a visual landmark within the downtown district and provide a vibrant photo opportunity.
- **Artist:** Leo's Murals - Victoriano Rivera
- **Timeline:** Start Mid-September / Finish End of September (Roughly a 2-week job)

Cost Breakdown

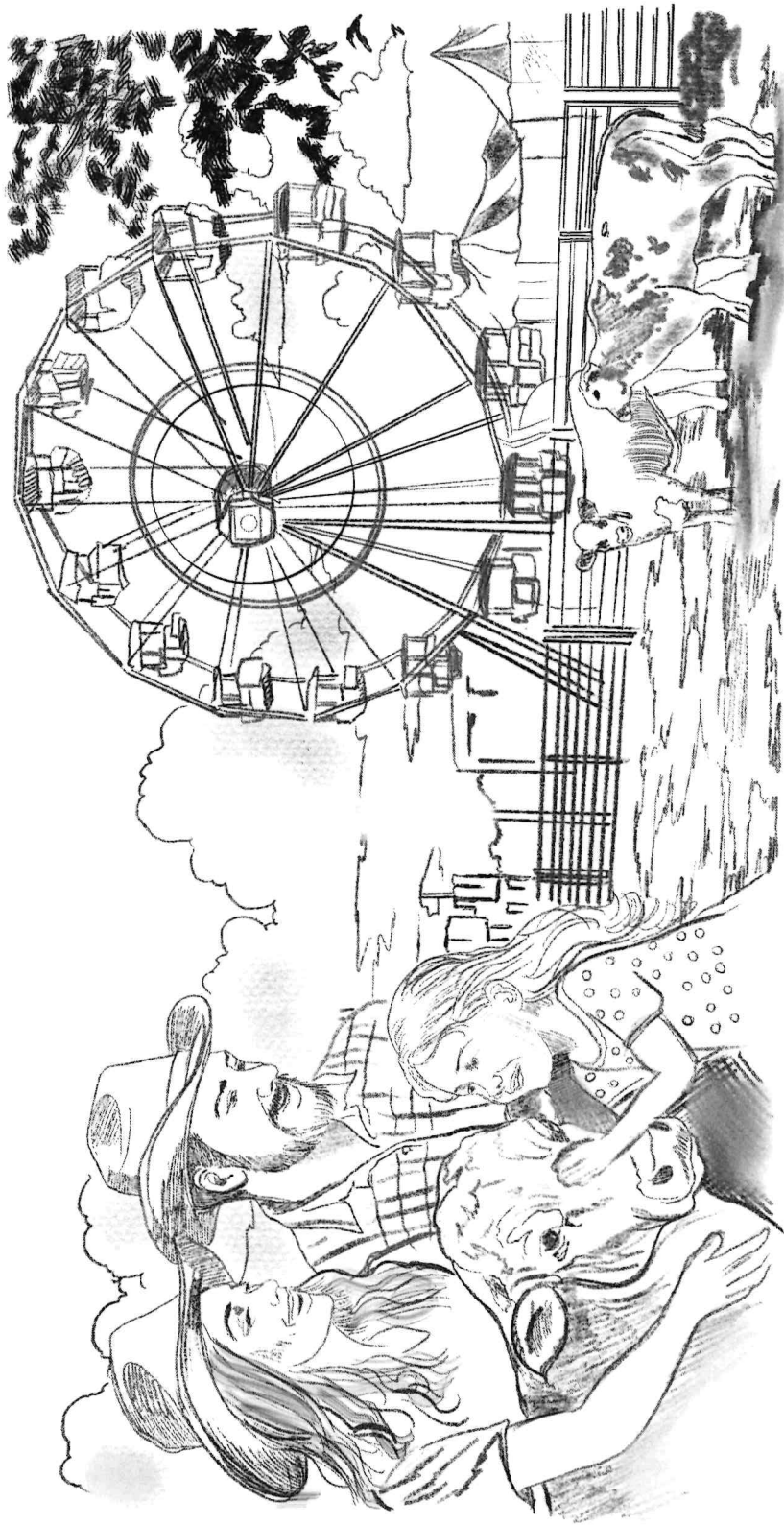
Total Project Cost: \$6,490

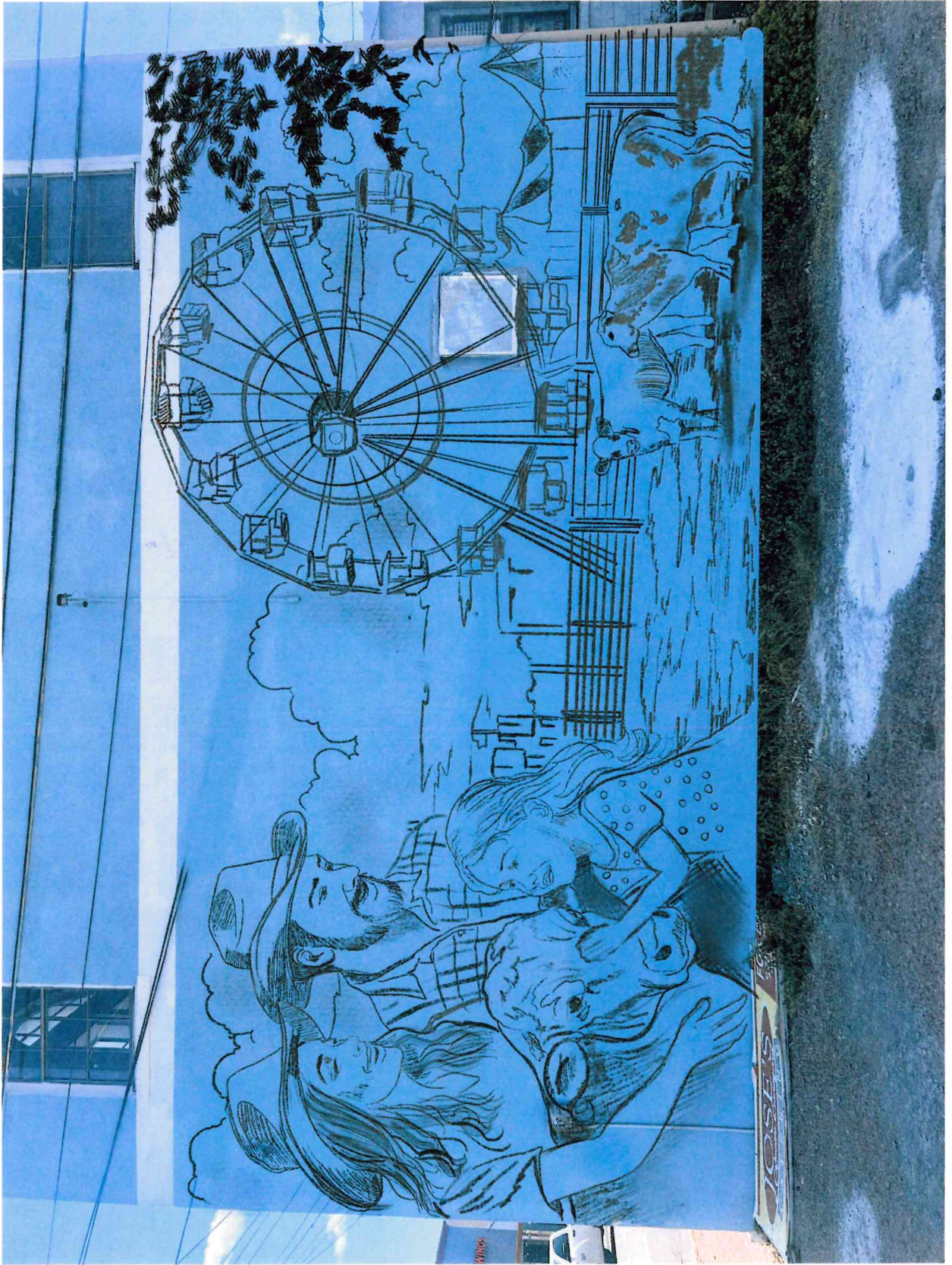
- Materials Total: \$973.50 (15% of \$6,490.00)
- Acrylic paints: \$450.00
- Primer and sealant: \$225.00
- Brushes, rollers, and supplies: \$198.50
- Drop cloths and masking materials: \$100.00
- Labor: \$5,516.50 (estimated based on artist rates)
- Subtotal: \$6,490.00
- **Additional Cost:** Scissor Lift Rental – 2 Weeks - \$500 Est.

Recommendation: Review and approve the revised mural concept for production.









7. Discussion and Action: Downtown Façade Project

Memo

To: DCM Board of Directors
From: Melissa Ramirez, Executive Director
CC: File
Date: 10/17/2025
Re: Façade Grant

Attached is the façade grant program from 2017. The Board previously discussed funding a façade program this fiscal year.

Recommendation: Discussion

Façade Renovation and Improvement Policy

A. Purpose

The purpose of the Façade Renovation and Improvement Policy is to maintain Texas Street and the Central Business District attractive to retail, office, and commercial operations by encouraging restoration and improvement of commercial property through financial incentives.

B. Targeted Area

Commercial Corridor, defined as south from the Expressway 83 frontage on Texas to Sixth Street and from the floodway east of US Business 83 to Rio Rico Road (FM 491). Vermont from Expressway 83 to US Business 83. The Storage Depot Plaza is not eligible.

C. Objective

Funds will be made available for the enhancement of, or improvements to: the exterior or facade of a building-improvements may include enhancement to the facade, signage, and display area. Such improvements may include window and door repair, glass replacement, facade addition and repair, brick and mortar repair, awnings, trim repair or replacement, paint, parking and landscaping.

D. Grant Amount Amounts

The amount of each grant is limited to Five Thousand (\$5,000) per lot on a fifty-fifty (50-50) match, to be determined on a case-by-case basis. In all cases, the maximum amount of a façade Grant is limited to fifteen thousand dollars (\$ 15,000). Grants will be funded as a reimbursement upon completion of the project and documentation of the expenditure for the improvement.

E. Grant Limitation

All facade improvements must be complete within (90) days of the Board's approval. Failure to complete the improvements within ninety (90) days makes the project ineligible for a facade grant, terminates the grant and the grant will not be funded.

F. Requirements

Improvements are to be preapproved by the DCM Board. Grants are to be used solely for labor and materials to improve the exterior of the building. No funds are available for interior improvements, inventory, or working capital. Requests for façade grants need to be submitted prior to starting the work. Works in progress will not be considered.

Modified: January 18, 2017

8. Discussion and Action: Audio-Visual Bid

Memo

To: DCM Board of Directors
From: Zefra Mascorro, Administrative Coordinator
CC: File
Date: 10/16/2025
Re: Audio-Video Solutions BID

Due to a need to enhance the Audio-Video Solutions and functionality of the Board room, Audio-Video Solution BIDs were requested.

The following Audio-Visual Solution BID was submitted:

1. AISYS Consulting, LLC
1301 E. Hackberry Avenue
McAllen, Texas 78501

Cost: \$24,270.45

Deposit: No upfront deposit

Warranty: 2-year partnership of success Audio Visual Service Care Plan with equipment & support for hardware installed based on manufacturer warranty.

AI Options- Product suggestions were provided, but AISYS does not provide the AI Software.

Recommendation: Award AISYS Consulting, LLC the Audio Video Solutions BID.



AISYS Consulting, LLC

1301 E. Hackberry Avenue
McAllen, Texas 78501

Estimate

Phone 956.686.0101
Fax 956.686.0106

joelh@aisysconsulting.com
www.aisysconsulting.com

Date 9/24/2025

Purchasing COOP -TIPS # 230105

Name / Address
City of Mercedes Attn: Melissa Ramirez 320 South Ohio, Mercedes, Texas 78570

Contact	Project Name	Estimate #	Valid Thru	Terms
jcamos@cityofmercedes.com	Conference Room & Lobby	14957	10/17/2025	Net 30

Item	Description	Qty	Unit Cost	Total
AV Hardware	98" display and 55" display - Newline 98" commercial grade display with mounting equipment -5 Year manufacturers warranty - Push button easy to use wall mounted controller to turn monitor on/off, select various inputs and volume control - HDMI + USB + USB-C HDBaseT wall plate - Multiple input switcher and video distribution transmitter and receiver - Wireless device connectivity for guest - Blue-Ray player - Cable connectivity - Digital Signage media player and 1 year software - 55" Newline commercial grade display for lobby 5 Year manufacturers warranty	1	10,167.45	10,167.45
AV Hardware	- Voice Tracking processor for PTZ camera includes (2) cameras - Audio Conferencing Soundbar System with microphone array - Cable connectivity	1	8,875.00	8,875.00
Misc	- Equipment rack to equipment into shelving in storage room - 1U power supply - (6) Equipment rack shelves - Wall plate grommets for cable security and installation	1	900.00	900.00
Integration Ser...	Integration Services include: Installation of above equipment and testing	1	2,250.00	2,250.00
Freight In	Actual freight cost may vary from this estimate and will be based upon multiple criteria to be confirmed at time the order is placed. OPTIONAL	1	778.00	778.00
Gold Service	Two Year Partnership of Success Audio Visual Service Care Plan	1	1,300.00	1,300.00
**Due to unpredictable tariffs and rising costs, all estimates are only valid through the end of the month. Please contact us at the beginning of the next month for updated pricing. These factors can quickly change the final price of goods.				

Thank you for the opportunity to earn your business. Should you require additional information, do not hesitate to contact me at 956.686.0101.

Total \$24,270.45

Sincerely,
Joel Hernandez, CTS

AISYS Consulting, LLC is a Certified Audio
Visual Provider through InfoComm International. InfoComm
is the standard in the trade association for the audiovisual
and information communication industries.

Client Signature _____

Date ____/____/____

This document contains confidential information that is property of AISYS Consulting, LLC. Do not copy, redistribute, use for template, to provide a design, use any portion of this document to obtain or provide competitive quotations. Redistribution of any portion of this document or utilize as design for competitive quotations is subject to a minimum \$500 design fee. In addition, AISYS Consulting, LLC reserves the right to charge a minimum \$150.00 for on-site consultation fee.

Product Suggestions

AISYS Consulting expresses our gratitude in the opportunity to provide you audiovisual solutions for your project. We believe our solutions will fit you overall needs to fulfill your goals. We would also like to offer recommendations outside the scope of AiSYS Consulting product and software offering that could enhance your experience.

Recommended specs for the PC to be used to record video conferencing meetings:

- **CPU:** Intel Core i7 (10th Gen or newer) or AMD Ryzen 7 5000 series+
- **RAM:** 16 GB or more
- **Storage:** 512 GB SSD or more (consider 1 TB if storing multiple recordings)
- **GPU:** Dedicated GPU (e.g., NVIDIA GTX 1650 or better) if you're using advanced video processing software or multiple video streams
- **Network:** Wired Ethernet (at least 25 Mbps upload)

Video Call Transcription with AI and what are the costs:

There are two main types of software:

- **Built-in Platform Features:** The easiest option, as these are already integrated into the platforms you use. Examples include **Zoom's Live Transcription**, **Microsoft Teams' Live Captions**, and **Google Meet's transcription** feature.²
- **Third-Party AI Services:** These are dedicated transcription tools that can join your meetings on various platforms. The most popular options are **Otter.ai** and **Fireflies.ai**, which are well-known for their accuracy and advanced features.

Most services use a "**freemium**" model with tiered pricing.

- **Free Plans:** These plans are good for basic use and come with significant limitations on transcription minutes and meeting duration.
- **Paid Plans:** Costs vary depending on the platform, but they typically range from **\$10 to \$25 per user, per month**. These plans offer more transcription minutes, advanced features like automated summaries, and better administrative tools.
- **Platform-Based Fees:** For services like Zoom and Microsoft Teams, transcription is usually included as part of a **paid subscription plan** for the entire platform, rather than a separate fee.⁶

Again, we thank you for the opportunity.

9. Discussion and Action: National Fitness Campaign

Memo

To: DCM Board of Directors
From: Melissa Ramirez, Executive Director
CC: File
Date: 10/17/2025
Re: National Fitness Campaign

Blue Cross BlueShield of Texas has partnered with National Fitness Campaign to provide world class fitness for free. They are targeting communities struggling with high obesity and diabetes rates. Across the nation, NFC is building fitness courts in public parks. Blue Cross BlueShield of Texas is providing \$50K grants. Communities must contribute between \$180K-\$250K.

The fitness court is 38ft x 38ft; it is made out of galvanized steel/carbon. City Administration has identified HEB park as the ideal location. Besides the court, NFC provides a fitness app. City officials can utilize the app to gather information about the users.

Funding

This is a Type B project which the DCM can fund. If funding is considered, the Board will need to follow Type B procedures. Funding for this project will be next fiscal year.

Discussion: Will of the Board

2026 CAMPAIGN FUNDING REQUIREMENT



FITNESS COURT | STUDIO



FITNESS COURT®

— PHASE 1: NFC PROGRAM FUNDING

The Fitness Court® Studio and National Campaign Services

\$210,000

NFC GRANT FUNDING AWARD *(if selected and approved)* (\$30,000-\$60,000)

Optional Fitness Court® Studio Additions: Art & Shade

Fitness Court® Art *(included)*

Custom Art (+\$10,000)

Local Artist Program (+\$25,000)

Shade Structure*



Note: powder-coating color and included art design dependent on campaign sponsor

**funding requirements available upon request*

• **FITNESS COURT® STUDIO & CAMPAIGN SERVICES** \$150,000-\$180,000

See GPR Milestone 2

— PHASE 2: ASSEMBLY FUNDING

• **CONCRETE SLAB** (Slab Dimensions 38'x73' - refer to drawings)

est. \$0-45,000

Can be performed in-house, in-kind or by contractor (separate agreement)

See GPR Milestone 5

• **FITNESS COURT® STUDIO ASSEMBLY**

\$37,750

NFC Approved Network (separate agreement)

See GPR Milestone 6

with prevailing wage rates: \$39,750

Fitness Court® Studio & Assembly Total Program Funding

**\$242,750

Estimate After \$50,000 Grant Funding (if selected and approved)

***Assumes concrete pad costs of \$45,000 (national average), NFC grant of \$50,000, and includes Fitness Court® Art*

— PHASE 1: NFC PROGRAM FUNDING

The Fitness Court® and National Campaign Services

\$175,000

NFC GRANT FUNDING AWARD *(if selected and approved)* (\$30,000-\$60,000)

Optional Fitness Court® Additions: Art & Shade

Fitness Court® Art *(included)*

Custom Art (+\$10,000)

Local Artist Program (+\$25,000)

Shade Structure*



Note: powder-coating color and included art design dependent on campaign sponsor

**funding requirements available upon request*

• **FITNESS COURT® & CAMPAIGN SERVICES** \$115,000-\$145,000

See GPR Milestone 2

— PHASE 2: ASSEMBLY FUNDING

• **CONCRETE SLAB** (Slab Dimensions 38'x38' - refer to drawings)

est. \$0-25,000

Can be performed in-house, in-kind or by contractor (separate agreement)

See GPR Milestone 5

• **FITNESS COURT® ASSEMBLY**

\$30,000

NFC Approved Network (separate agreement)

See GPR Milestone 6

with prevailing wage rates: \$32,000

Fitness Court® & Assembly Total Program Funding

**\$180,000

Estimate After \$50,000 Grant Funding (if selected and approved)

***Assumes concrete pad costs of \$25,000 (national average), NFC grant of \$50,000, and includes Fitness Court® Art*

**10. Discussion and Action: DCM Signage Improvement
Program- Nayelli Valdemar, Eduardo Ozuna, Ruben
Lozano**

Memo

To: DCM Board of Directors
From: Zefra Mascorro, Administrative Coordinator
CC: File
Date: 10/22/2025
Re: Signage Grant Program

The following businesses have completed new applications for the Signage Grant Program:

1. Grant applicant Nayelli Ledesma, Funky Flower Shop, LLC, grant request \$4,500.00.



2. Grant applicant Eduardo Ozuna, O's Burgers and More, grant request \$4,500.00.



3. Grant applicant Ruben Lozano, Tres Pinos Investment Group, LLC, grant request \$4,500.00.



All have met criteria.

Recommendation: Will of the board.

MERCEDES SIGNAGE IMPROVEMENT PROGRAM
BOARD MEETING 10/22/2025

	Submitted	Business Name	Presented to DCM Board	Total Requested	Total Approved	Date Invoice Paid	Check #
1	10/1/2025	Funky Flower Shop, LLC	10/22/2025	\$ 4,500.00			
2	10/1/2025	Papa Joe's Café	10/22/2025	\$ 4,500.00			
3	10/1/2025	Tres Pinos Investment Group, LLC	10/22/2025	\$ 4,500.00			
4							
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12							
13							
14							
15							
Total Approved to be Spent				\$ 70,000.00			
Total Approved Budget				\$			
Total Over Budget				\$			

11. Tabled Items

12. Discussion and Action: Executive Session: Section 551.087: Economic development negotiations with Project M30, Project Food, Project M. Rivera, Project PE, Project Petro, Project More, Project ZIWA, Project Gomez, Project American Legion, Project J. San Miguel, Project Renata Ledesma, Project Stay, Project Kamel, Project ASHTI, Project Arts, Project QSR, Project 150, Project M2, Project Cruz, Project Bert Ogden, Project RGVLS, Project G. Schwarz, Project Coffee, Project Carwash, Project Rios and Project UT, Section 551.072: Acquisition and Sale of Real Estate- BIXBY S735.5'-W862.43' IRR TR -S OF HWY 83 LOT 5 & AN IRR TR E202.58'-S665.51' LOT 6 17.338 AC GR 17.118 AC NET and section 551.071: pending legal issues, delinquent loans and on any regular agenda item requiring confidential, attorney-client advice necessitated by the deliberation or discussion of said item as needed.

13. Discussion and Action: item #12

14. Adjournment