

4. Discussion and Action: Election of Officers

Memo

To: DCM Board of Directors
From: Zefra Mascorro, Administrative Coordinator
CC: File
Date: 1/28/2026
Re: Election of Officers

The annual Board Meeting will be held every January (3.07). The Board shall choose such officers at each annual meeting or soon thereafter as possible.

Recommendation: Table if whole Board is not in attendance.

thereby created shall be filled pursuant to law in the same manner as other vacancies for such office are filled.

4.2 If any member of the Board of Directors falls in debt to the City of Mercedes by incurring delinquent property taxes, such delinquency shall constitute an automatic resignation of their position as a Director of the Development Corporation of Mercedes then held, and the vacancy thereby created shall be filled pursuant to law in the same manner as other vacancies for such office are filled.

ARTICLE FIVE ETHICS

5.1 Directors of the Mercedes Economic Development Corporation shall conduct themselves in accordance with the following ethical standards in order to address any conflicts of interest should they arise. If a Director has a substantial interest, as that term is defined in Texas Local Government Code in a business entity or real property which is the subject of deliberation by the Board of Directors, that Director shall file an affidavit with the City Secretary stating the nature and extent of his interest. Such affidavit shall be filed prior to any vote or decision upon the matter by the Board of Directors, and if required by Texas Local Government Code Chapter 171, the interested Director shall abstain from any vote or decision upon the matter.

ARTICLE SIX NOTICES

6.01 Whenever, under the provisions of the governing statutes of these bylaws, notice is required to be given to any Director, it shall be construed to mean notice in writing, by mail or in person, addressed to such Director at address as appears on the books of the corporation, and such notice shall be deemed to be given at the time when the same shall be thus mailed. Whenever any notice is required to be given under the provisions of the statutes or bylaw, a waiver thereof in writing signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE SEVEN OFFICERS

7.01 The elected officers of the corporation shall be President, Vice- President, Secretary and Treasurer. Any two (2) officers may be held by the same person, except the offices of President and Secretary.

7.02 The Board shall choose such officers at each annual meeting or as soon thereafter as possible. Officers shall serve a term of one (1) year; providing,

however, that the officers shall continue to serve until the election of their successors.

- 7.03 The Board may appoint such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and who shall exercise such power and perform such duties as shall be determined from time to time by the Board.
- 7.04 Any officer elected or appointed by the Board may be removed at any time by the affirmative, vote of a majority of the whole Board. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board for the remaining term.
- 7.05 The President shall preside at all meeting of the Directors, and shall have general supervision of the management and business of the corporation, and shall see that all orders and resolutions of the Board are carried into effect. The President shall have the right to vote on all matters coming before the Board. The President shall execute bonds, mortgages, and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed thereof shall be delegated by the Board to some other officer or agent of the corporation. The President shall have the authority, upon notice to members of the Board, to call a special meeting of the Board when in his judgment such meeting is required. The President shall have the authority to appoint committees to aid and assist the Board in its business undertaking or other matters incidental to the operation and function of the Board. In general, the President shall perform all duties incident to the office, and such other duties as shall be prescribed from time to time by the Board of Directors.
- 7.06 In the absence of the President, or in the event of his or her inability to act, the Vice President shall perform the duties of the President, and shall perform other such duties as the Board shall prescribe.
- 7.07 The Secretary shall attend all sessions of the Board and record all votes and minutes of all proceedings in a book to be kept for the purpose. The Secretary shall give, or cause to be given notices of all meetings of the Board and shall perform such other duties which may be prescribed by the Board or the President. The Secretary shall be the custodian of the corporate records and seal of the corporation and shall keep a mailing address and street address, if different, of each Director.
- 7.08 To the extent not otherwise provided by the Board, by rules and regulations, in resolutions relating to the issuance of bonds, or in any financing documents relating to such issuance, the Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all monies

and other valuable effects in the name and to the credit of the corporation. The Treasurer shall be bonded for the faithful discharge of his/her duties with such surety and sureties and in such sum as the Board of Directors shall determine by Board Resolution, but in no event shall the amount of such bond be less than an amount equal to the average sums which the Treasurer has access to and the ability to convert during a twelve (12) month period of time. The Treasurer shall, in general, perform all duties incident to that office and such other duties as from time to time may be assigned to him/her by the President of the Board. The Board may require the President, Vice-President, and Secretary, (in addition to the Treasurer) to give the corporation bonds and such sums and with such surety or sureties as shall be satisfactory to the Board for the faithful performance of the duties of their office.

ARTICLE VII MANAGERS, EMPLOYEES, CONTRACTORS

- 8.01 The Board shall have the right to employ a manager for the corporation, and such other full or part-time employees as needed to carry out the programs of the corporation. These employees shall perform the duties as assigned to them by the Board.
- 8.02 The corporation may contract with any qualified and appropriate person or association, for designated tasks which will aid or assist the Board in performance of its duties. However, no such contract shall ever be approved or entered into which seeks or attempts to divest the Board of Directors of its discretion and policy making functions in discharging the duties hereinabove set forth.

ARTICLE IX FINANCIAL PROVISIONS

- 9.01 Fiscal year of the corporation shall begin October 1 and end on September 30 of the following year.
- 9.02 A budget for the forthcoming year shall be submitted and approved by the Board of Directors and the City Commission. The budget proposed for adoption shall include the projected operating revenue and expenses, estimated year-end fund balances, encumbered funds and such other information useful or appropriate for the Board of Directors and the City Commission.
- 9.03 Any two directors of the corporation including the Executive Director shall sign checks or demands for money and notes of the corporation
- 9.04 All funds of the corporation shall be deposited on a regular basis to the credit of the corporation in the City of Mercedes' depository bank.

5.Discussion and Action: DCM Investment Policy

Memo

To: DCM Board of Directors
From: Zefra Mascorro, Administrative Coordinator
CC: File
Date: 1/28/2026
Re: DCM Investment Policy

Each year, the investment policy must be approved.

Recommendation: Approve

DEVELOPMENT CORPORATION OF MERCEDES INVESTMENT POLICY AND STRATEGY

I. INTRODUCTION

It is the policy of the Development Corporation of Mercedes that the administration of its funds and the investment of those funds shall be handled as its highest public trust. Investments shall be made in a manner which will provide the maximum security of principal while meeting the daily cash flow needs of the Development Corporation of Mercedes and conforming to the Public Funds Investment Act (the "Act") Texas Government Code Chapter 2256. It is the intent of the Development Corporation of Mercedes to be in complete compliance with local law and the Act. The receipt of a market rate of return will be secondary to the requirements for safety and liquidity. The earnings from investment will be used in a manner that best serves the interests of the Development Corporation of Mercedes. The purpose of this Policy is to set specific investment policy and strategy guidelines. Direct specific investment parameters for the investment of public funds in Texas are found in the Act. The Public Funds Collateral Act, Chapter 2257, Texas Government Code, specifies collateral requirements for all public Texas funds deposits.

II. SCOPE

This investment policy applies to all financial assets of the Development Corporation of Mercedes and any new funds created unless specifically exempted by the Development Corporation of Mercedes Development Corporation of Mercedes Board of Directors and this Policy.

III. OBJECTIVES

It is the policy of the Development Corporation of Mercedes that all funds shall be managed and invested with four primary objectives, listed in order of their priority: safety, liquidity, diversification and yield. Investments are to be chosen in a manner which promotes diversity. To match anticipated cash flow requirements the maximum weighted average maturity (WAM) of the overall portfolio may not exceed 12 months.

Safety

The primary objective of the investment activity is the preservation of capital. Each investment transaction shall be conducted in a manner to avoid capital losses, whether from security defaults, safekeeping, or erosion of market value.

Liquidity

The investment portfolio shall be structured to meet all expected obligations in a timely manner. This shall be achieved by matching investment maturities with forecasted cash flow liabilities and maintaining additional liquidity for unexpected liabilities.

Diversification

The portfolio shall be diversified by institution, market sector and maturity as much as possible.

Yield

The benchmark for the commingled portfolio shall be the comparable period 12 month U. S. Treasury Bill, designated for its comparability to the expected average cash flow pattern. The investment program shall seek to augment returns above this threshold consistent with risk limitations identified and the Development Corporation of Mercedes' prudent investment strategy.

Cash management is the process of managing funds in order to insure maximum cash availability and reasonable yield on short-term investments. The Development Corporation of Mercedes shall strive for a cash management program which includes timely collection of accounts receivable, vendor payments in accordance with invoice terms, and prudent investment of assets.

IV. INVESTMENT STRATEGY

The Development Corporation of Mercedes maintains one commingled portfolio for investment purposes which incorporates the specific uses and the unique characteristics of the funds in the portfolio. The investment strategy has as its primary objective assurance that anticipated liabilities are matched and adequate investment liquidity provided. The Development Corporation of Mercedes shall pursue conservative portfolio management strategy. This may be accomplished by creating a laddered maturity structure with some extension for yield enhancement. The maximum dollar weighted average maturity of six months or less will be calculated using the stated final maturity date of each security.

V. DELEGATION OF RESPONSIBILITY

No unauthorized person may engage in an investment transaction and all transactions shall be executed as provided under the terms of this Policy and its supporting procedures.

Investment Officer(s)

The Rudy Salinas and the Development Corporation of Mercedes Manager will be designated as Investment Officers, by governing body ordinance, responsible for investment decisions and activities. The Investment Officer(s) are responsible for creating and maintaining the portfolio in accordance with this Policy, providing timely quarterly reporting to the Development Corporation of Mercedes Board of Directors, and establishing supporting procedures.

All investment officers shall attend at least ten hours of training approved by the Development Corporation of Mercedes Development Corporation of Mercedes Board of Directors within 12 months of designation as investment officer and shall attend ten hours of training every two successive fiscal years.

Investment Officers shall refrain from personal and business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. An Investment Officer who has a personal business relationship within two levels of blood or marriage with an organization seeking to sell an investment to the Development Corporation of Mercedes shall file a statement disclosing that relationship to the Development Corporation of Mercedes Development Corporation of Mercedes Board of Directors and the Texas Ethics Commission.

Development Corporation of Mercedes Development Directors Responsibilities

The Development Corporation of Mercedes Board of Directors holds ultimate fiduciary responsibility for the portfolio. It will designate investment officer(s), receive and review quarterly reporting, approve and provide for investment officer training, approve broker /dealers, and review and adopt the Investment Policy and Strategy at least annually.

VI. PRUDENCE AND CONTROLS

The standard of prudence to be applied to all Development Corporation of Mercedes investments shall be the "prudent person" rule, which states: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

In determining whether an investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the investment of all funds under the Development Corporation of Mercedes' control, over which the officer has responsibility rather than a consideration as to the prudence of a single investment.

The Investment Officer, acting in accordance with written procedures and exercising due diligence, shall be responsible but not liable for a specific security's credit risk or market price changes, provided that these deviations are reported immediately and that appropriate action is taken to control adverse developments.

Internal Controls

The Investment Officer is responsible for establishing and maintaining internal controls to reasonably assure that assets are protected from loss, theft, or misuse. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and, the valuation of costs and benefits requires ongoing estimates and judgments by management.

The internal controls shall address the following points at a minimum:

Control of collusion, Separation of transaction authority from accounting and record keeping, Custodial safekeeping, Clear delegation of authority, Written confirmation for all transactions, and Review, maintenance and monitoring of security procedures both manual and automated.

Annually the Investment Officer shall perform a check -list compliance audit to assure compliance with requirements of this policy and the Act. Annually, the Development Corporation of Mercedes's external auditor shall review the quarterly reports.

Cash Flow Forecasting

Cash flow forecasting is designed to protect and sustain cash flow requirements of the Development Corporation of Mercedes. The Investment Officer will analyze and maintain a cash flow plan to monitor and forecast cash positions for investment purposes.

Competitive Bidding

All security transactions will be made on a competitive basis to assure the Development Corporation of Mercedes is receiving good market rates. When- issued securities should be compared to other securities available in the secondary market.

Monitoring Credit Ratings

The Investment Officer shall monitor, on no less than a monthly basis, the credit rating on all authorized investments in the portfolio which require credit ratings based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by Policy, the Investment Officer shall notify the Development Corporation of Mercedes manager of the loss of rating, and liquidate the investment within two days.

Monitoring FDIC Status for Mergers and Acquisitions

The Investment Officer shall monitor, on no less than a weekly basis, the status and ownership of all banks issuing brokered CDs owned by the Development Corporation of Mercedes based upon information from the FDIC ("§ c.gov). If any bank has been acquired or merged with another bank in which brokered CDs are owned by the Development Corporation of Mercedes, the Investment

Officer or Adviser shall immediately liquidate any brokered CD which places the Development Corporation of Mercedes above the FDIC insurance level.

VII. AUTHORIZED INVESTMENTS

Assets of the Development Corporation of Mercedes may be invested only in the following instruments as further defined by the Act. If changes are made to the Act they will not be authorized until this Policy is modified and adopted by the Development Corporation of Mercedes Development Corporation of Mercedes Board of Directors. All investment transactions will be made on a competitive basis.

- A. Obligations of the United States Government, its agencies and instrumentalities with a maximum stated maturity of 2 years excluding mortgage backed securities
- B. Fully insured or collateralized depository certificates of deposit from banks in Texas, with a maximum maturity of one year insured by the Federal Deposit Insurance Corporation, or its successor, or collateralized in accordance with this Policy.
- C. AAA- rated, constant -d ollar Texas Local Government Investment Pools as defined by the Act and authorized by resolution of the Development Corporation of Mercedes Development Corporation of Mercedes Board of Directors.
- D. AAA- rated, SEC registered money market mutual funds striving to maintain a \$ 1 net asset value.
- E. FDIC insured, brokered certificates of deposit securities from a bank in any US state, delivered versus payment to the Development Corporation of Mercedes' s safekeeping agent, not

to exceed one year to maturity. Before purchase, the Investment Officer must verify the FDIC status of the bank on }_ __ to assure that the bank is FDIC insured.

F. FDIC insured or collateralized interest bearing and money market accounts from any FDIC insured bank in Texas.

Delivery versus Payment

All securities shall be purchased on a delivery versus payment (DVP) settlement basis. Funds shall not be released until receipt of the security by the Development Corporation of Mercedes's approved custodian. The custodian shall provide the Development Corporation of Mercedes with proof of ownership or claim by an original document delivered to the Development Corporation of Mercedes.

VIII. REPORTING

Quarterly Reporting

The Investment Officers shall submit a signed quarterly investment report to the governing body in accordance with the Act giving detail information on each portfolio and bank position and summary information to permit an informed outside reader to evaluate the performance of the investment program. The report will include the following at a minimum:

A full description of each individual security or bank/ pool position held at the end of the reporting period including the amortized book and market value at the beginning and end of the period, Unrealized gains or losses (book value minus market value), Overall change in market value during the period as a measure of volatility, Weighted average yield of the portfolio and its applicable benchmarks, Earnings for the period, Allocation analysis of the total portfolio by market sector and maturity, and Statement of compliance of the investment portfolio with the Act and the Investment Policy signed by the Investment Officer(s).

Market prices for the calculation of market value will be obtained from independent sources.

IX. FINANCIAL COUNTER - PARTIES

Depository

At least every five years, a banking services depository shall be selected through a competitive request for proposal or bid process in accordance with the Texas Government Code 105. In selecting a depository, the services, cost of services, credit worthiness, earnings potential, and collateralization by the institutions shall be considered. If securities require safekeeping, the RFP /bid will request information on safekeeping services. The depository contract will provide for collateral if balances exceed the FDIC insurance balance, currently 250,000 per tax identification number.

All time and demand deposits in any depository of the Development Corporation of Mercedes shall be insured or collateralized at all times in accordance with this Policy.

Other banking institutions from which the Development Corporation of Mercedes may purchase certificates of deposit will also be designated as a depository for depository/collateral purposes.

All depositories will execute a depository agreement and have the Bank's Board or Bank Loan Committee pass a resolution approving the agreement if collateral is required.

Security Broker /Dealers

All pools, financial institutions, and broker /dealers who desire to transact business with the Development Corporation of Mercedes must supply the following documents to the Investments Officer(s).

- (if brokers) Financial Industry Regulatory Authority (FINRA) certification and CRD #
- (if brokers) proof of Texas State Securities registration
- policy review certification

Each pool /bank/ broker must be provided a copy of the Development Corporation of Mercedes' s current Investment Policy and certify to a review of the Policy stating that the firm has controls in place to assure only Policy approved investments will be sold to the Development Corporation of Mercedes.

A list of qualified broker /dealers will be reviewed at least annually by the Development Corporation of Mercedes Development Corporation of Mercedes Board of Directors. In order to perfect the DVP process the banking services depository, or its brokerage subsidiary, will not be used as a broker.

XI. COLLATERAL

Time and Demand Deposits Pledged Collateral

All bank time and demand deposits shall be collateralized above the FDIC coverage by pledged collateral. In order to anticipate market changes and provide a level of security for all funds, collateral will be maintained and monitored by the pledging depository at 102% of market value of principal and accrued interest on the deposits. The bank shall monitor and maintain the margins on a daily basis.

Collateral pledged to secure deposits shall be held by an independent financial institution outside the holding company of the depository. The collateral agreement with the depository shall be approved by resolution of the Bank Board or Bank Loan Committee. The Custodian shall provide a monthly report of collateral directly to the Development Corporation of Mercedes.

All collateral shall be subject to inspection and audit by the Development Corporation of Mercedes or its independent auditors.

Authorized Collateral

Only the following securities are authorized as collateral for time and demand deposits or repurchase agreements:

- A. FDIC insurance coverage.
- B. Obligations of the United States, its agencies or instrumentalities, or evidence of indebtedness of the United States guaranteed as to principal and interest including MBS and CMO which pass the bank test.
- C. Obligations of any US state or of a county, Development Corporation of Mercedes or other political subdivision of any state having been rated as investment grade (

investment rating no less than "A" or its equivalent) by two nationally recognized rating agencies.

D. Letter of Credit from the FHLB.

XI. SAFEKEEPING

All purchased securities are to be cleared to the Development Corporation of Mercedes's safekeeping agent on a delivery versus payment (DVP) basis. All safekeeping arrangements shall be approved by the Investment Officer and an agreement of the terms executed in writing. The independent third party custodian shall be required to issue safekeeping receipts to the Development Corporation of Mercedes listing each specific security, rate, description, maturity, cusip number, and other pertinent information.

XII. INVESTMENT POLICY ADOPTION

The Development Corporation of Mercedes's Investment Policy shall be reviewed and adopted by resolution of the Development Corporation of Mercedes Development Corporation of Mercedes Board of Directors. Any changes made to the Policy must be noted in the adopting resolution.

6. Discussion and Action: Appointment to Man and Woman of the Year Committee

Memo

To: City of Mercedes

From: Zefra Mascorro, Administrative Coordinator

CC: File

Date: 1/28/2026

Re: Appointment to Man & Woman of the Year Committee

The Mercedes Area Chamber of Commerce is preparing for the Annual Banquet where the Man and Woman of the Year will be honored. The committee member must attend the committee meetings to review applications and select award recipients.

Recommendation: Will of the Board

7. Discussion and Action: ICSC-Las Vegas

Memo

To: DCM Board of Directors
From: Zefra Mascorro, Administrative Coordinator
CC: File
Date: 1/30/2026
Re: ICSC-Las Vegas, May 18-20, 2026

ICSC-Las Vegas will be held May 18-20, 2026. A total of \$19,000 was budgeted for this event. Due to flights and after event turnover, cost estimates were provided from May 18-21st. Who would like to attend.

Booth Costs

Booth:	\$3,500.00
Total	\$3,500.00

Estimated Marketing Costs

Virtual Marketing	\$600.00
Marketing Board	\$150.00
Shipping of Boot	\$1,200.00
*Booth & Furnishings	\$6,900.00 (See attached details)
Giveaways	\$200.00
Total	\$9,050.00

Estimated Attendee Expenses

Membership:	\$175.00
Registration:	\$875.00
Hotel:	\$600.00
Flight	\$670.00
Per Diem & Mileage	\$550.00
Total	\$2,870.00 per attendee

Total	\$5,240.00 Cost for 2 Board Members & 1 Guest (2 free badges)
Total	\$2,870.00 Cost for Executive Director
Total	\$2,870.00 Cost for Staff Member

Estimated Vehicle Rental

Full Size SUV	\$160.00 Per day
Total	\$650.00 4 days

Grant Total	\$24,180.00
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The budget would need to be amended in the amount of \$5,180.00 to attend ICSC-Las Vegas 2026.

Staff would like to **propose** renting a custom turnkey booth for our upcoming ICSC Las Vegas conference and seek the Board's approval to proceed with this option.

A custom turnkey booth would provide a more professional and cohesive branded presence while significantly reducing logistical demands related to setup, breakdown, and shipping. This would allow staff to focus more on networking and business recruitment during the conference.



The estimated cost for a **10' x 20' booth starts at \$4,600**, which includes:

- Three graphic panels
- Custom fabric graphics
- Shipping and material handling
- Delivery, installation, dismantle, and removal
- Booth rental and turnkey management
- 5% Discount will be applied for combining booth with ICSC furnishings

In addition to the booth rental, staff is also proposing the rental of furnishings to complement the booth setup, including:

- Four (4) barstools
- One (1) 30" round bar table
- One (1) 2-meter exhibit counter

The additional estimated cost for these furnishings is **\$2,300**.

Total estimated projected cost for the booth and furnishings: \$6,900.

This combined setup would enhance functionality, create a welcoming meeting space, and elevate our presence on the ICSC show floor. We are presenting this proposal for discussion and direction from the Board before moving forward.

Please let us know if additional information is needed.

Recommendation: Discussion