

4. Discussion and Action: Texas Class Quarterly Report

Memo

To: DCM Board of Directors
From: Zefra Mascorro, Administrative Coordinator
CC: File
Date: 6/12/2026
Re: Texas Class Quarterly Report

Recommendation: Approve Texas Class Quarterly Report



Summary Statement

May 31, 2026

Page 1 of 5

Investor ID: TX-01-0607

0000474-00005501 FCF1 998591

Development Corporation of Mercedes Inc.
 320 S Ohio
 Mercedes, TX 78570

Texas CLASS

Texas CLASS		Average Monthly Yield: 3.7477%						
		Beginning Balance	Contributions	Withdrawals	Income Eamed	Income Eamed YTD	Average Daily Balance	Month End Balance
TX-01-0607-0001	DEVELOPMENT CORPORATION OF MERCEDES	198,974.08	0.00	0.00	634.27	3,105.55	199,313.73	199,608.35
TX-01-0607-0002	EDC 2006 RESERVE	278,466.64	0.00	0.00	887.67	4,346.38	278,942.01	279,354.31
TX-01-0607-0003	EDC RBEG FUND	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TX-01-0607-0004	IRP FUND OPERATING/RESERVE	82,016.37	0.00	0.00	261.46	1,280.17	82,156.39	82,277.83
TOTAL		569,457.09	0.00	0.00	1,783.40	8,732.10	569,412.13	569,124.49

Texas CLASS Portfolio as of June 4, 2026

Daily Yield (%)	3.7567
YTD Yield (%)	3.7902
7-Day Yield (%)	3.7701
30-Day Yield (%)	3.7447
Weighted Average Maturity (To Reset)	55
Weighted Average Maturity (To Final)	87
Daily Dividend	0.0001029230
Net Asset Value (NAV)	1.00002390

Texas CLASS Government Portfolio as of June 4, 2026

Daily Yield (%)	3.5302
YTD Yield (%)	3.5490
7-Day Yield (%)	3.5348
30-Day Yield (%)	3.5091
Weighted Average Maturity (To Reset)	27
Weighted Average Maturity (To Final)	83
Daily Dividend	0.0000967170
Net Asset Value (NAV)	0.99991409



Type of Class: Texas Class

Maturity Date: None

Interest Rate Variable Average August: 3.74%

Presented Before Board: June 17, 2026

Signature: _____ Date: _____

5. Discussion and Action: Series 2007 Bond Payoff

Memo

To: DCM Board of Directors
From: Melissa Ramirez, Executive Director
CC: File
Date: 6/5/2026
Re: Series 2007 Bond Payoff

The payoff for the Series 2007 Bond is \$528,872.50. This would cover the principle payments due in 2026 and 2027 as well as accrued interest. This payoff amount is valid until June 30, 2026; it will vary by \$60/day if unpaid.

The DCM has already accounted for the principal payment this year, \$255,000. The Bond Reserve Fund has a balance of \$279,354.31. The DCM can utilize the Bond Reserve Fund to pay the remaining funds owed. This will not affect the budget.

Recommendation: Payoff the Series 2007 Bond.



PAYOFF STATEMENT

TO: City of Mercedes Economic Development Corporation, The
320 S Ohio Ave
Mercedes TX 78570

RE: Loan Agreement, dated as of Aug 15, 2007, by and among City of Mercedes Economic Development Corporation, The (the "Borrower"), and Bank of America, N.A. (the "Bank") (as amended, modified, extended, restated, replaced, or supplemented from time to time, the "Loan Agreement"; and together with all documents related thereto, the "Loan Documents")

BOFA LOAN NO: DEVELOPMEN00006

DATE: Jun 3, 2026

PAYOFF STATEMENT

Provided below is the payoff statement, as of Jun 30, 2026 (the "Payoff Date"), for the outstanding loans and other obligations owing by the Borrower pursuant to the terms of the Loan Agreement.

The outstanding amount owing under the Loan Agreement, if paid, in immediately available funds (which, if payment is by check, shall be when the check has been honored by the financial institution on which it is drawn), on the Payoff Date by 2:00p.m. (Eastern Time) (the "Payoff Time") is as follows (together with any Per Diem Amount the "Payoff Amount"):

Principal:	\$520,000.00
Interest:	\$8,872.50
Unused Commitment Fee:	\$0.00
Prepayment Fees:	\$0.00

Payoff Amount: \$528,872.50

The "Paid Date" shall mean the date that the Payoff Amount is received by the Bank in accordance with the terms of this payoff statement.

If payment of the Payoff Amount is not made by the Payoff Time on the Payoff Date, the Payoff Amount will be recalculated to include an additional \$65.72 per day for each day thereafter to and including the date of payment (the "Per Diem Amount"). This payoff statement is valid through the earlier to occur of (a) Jul 10, 2026, (b) any additional advance or payment is made or other charge is incurred under the Loan Documents and (c) if the interest rate is variable, any change in the interest rate

The Payoff Amount also assumes that any letters of credit issued under the Loan Agreement shall be cancelled and returned to the Bank prior to the Paid Date.

The Payoff Amount should be forwarded pursuant to the below:

Wiring Instructions:

Bank of America, N.A
ABA# 026009593
ACCOUNT# 1365840632100
Reference: City of Mercedes Economic
Development Corporation, The -
DEVELOPMEN00006
ATTN: BL OPERATIONS
Bank to Bank Instructions: LOAN WIRE ACCOUNT

*Mailing Address:

Bank of America N.A.
Attn: Transaction Processing/Payoffs
Mail Stop: FL9-200-02-08
9000 Southside Blvd Bldg 200
Jacksonville FL 32256

*If the Payoff Amount is sent by check, please reference the Borrower Name and the Loan Number with such payment.

Subject to the receipt by the Bank of the Payoff Amount, which receipt, unless otherwise agreed to in writing by Borrower and Bank, shall constitute a termination of all commitments and other obligations of the Bank under the Loan Documents to extend credit to Borrower, the Bank agrees that:

- (a) all obligations of the Borrower under the Loan Agreement (other than (i) contingent obligations, including without limitation, indemnities, under the Loan Agreement or other Loan Documents which, by their express terms, survive termination of the Loan Agreement or such Loan Document; (ii) to the extent not paid, any obligation of Borrower to reimburse the Bank for fees and expenses of counsel to the Bank in connection with this payoff and the Loan Agreement and the other Loan Documents) shall be paid in full and terminated;
- (b) all guarantees (if any) guaranteeing only Borrower's obligations to the Bank under the Loan Agreement and other Loan Documents shall be terminated (other than contingent obligations, including, without limitation, indemnities which by their express terms, survive termination of such guaranty); and
- (c) Any security interest or lien granted to the Bank (if any) securing amounts owing solely under the Loan Agreement or other Loan Documents shall automatically terminate.

At the expense of the Borrower (it being understood and agreed that such expense may be in addition to the amounts included in the Payoff Amount), the Bank will, upon receipt of the Payoff Amount in immediately available funds and receipt of any further written confirmation requested by the Bank that all obligations and commitments of the Bank to extend credit under the Loan Documents have been terminated, (a) execute and deliver to the Borrower (or any designee of the Borrower) any such lien releases, mortgage releases, discharges of security interests, pledges and guarantees and other similar discharge or release documents, as are reasonably requested and necessary to release, as of record, the security interests and liens (if any) previously filed by the Bank under the Loan Documents and (b) deliver to the Borrower (or any designee of the Borrower) all instruments (if any) evidencing pledged debt and all equity certificates and any other similar collateral previously delivered to the Bank securing solely the Loan Documents; provided that any lien, security interest, mortgage or other security interest or guarantee securing the Loan Documents shall not be released or terminated to the extent such lien, security interest, mortgage or other security interest or guarantee also secures or guarantees other obligations owing to the Bank

Notwithstanding the terms of this payoff statement to the contrary, if the Bank determines that an amount that was due and payable under the Loan Documents was mistakenly excluded from the Payoff Amount, the Borrower shall remain obligated to pay such excluded amount after the Bank provides evidence to the Borrower that such excluded amount was due and payable.

If you have any further questions pertaining to this matter, please call at (888)-852-5000 .

BANK OF AMERICA, N.A.

Commercial Credit Fulfillment & Operations Loan Servicing Cc: Woodruff, Barnard O

6. Discussion: FY26-27 Draft Budget

**DEVELOPMENT CORPORATION OF MERCEDES
BUDGET FY26-27**

SOURCES OF CASH		FY 26-27 BUDGET
TAXES		
25-40040 SALES TAX	\$	2,314,440.29
TOTAL TAXES	\$	2,314,440.29
MISCELLANEOUS		
25-44020 INTEREST- TXCLASS	\$	2,000.00
25-44026 INTEREST-L&G CONCRETE		
25-44027 INTEREST-MD INT'L (ORBIT)		
25-44041 LOAN PRINCIPAL PAYMENTS		
25-44097 CARRY OVER FUNDS	\$	1,397,746.70
TXCLASS	\$	198,686.13
INTEREST- ELIAS GONZALEZ REAL ESTATE SALES		
OTHER INCOME- CITY REIMBURSEMENTS		
OTHER INCOME- CITY PMT MKTG	\$	-
OTHER INCOME- CITY PMT VTX		
TOTAL MISCELLANEOUS	\$	1,598,432.83
TOTAL REVENUE	\$	3,912,873.12

Not including the Bond Reserve

**DEVELOPMENT CORPORATION OF MERCEDES
BUDGET FY 26-27**

USES OF CASH	FY 25-26 BUDGET	FY 26-27 BUDGET
PERSONNEL COSTS		
25-510-1010 SALARIES	\$ 226,800.00	\$ 226,800.00
25-510-1015 AUTOMOBILE ALLOWANCE		
25-510-1100 TMRS CONTRIBUTION	\$ 42,000.00	\$ 42,000.00
25-510-1120 SOCIAL SECURITY	\$ 14,300.00	\$ 14,300.00
25-510-1140 UNEMPLOYMENT COMP	\$ 2,200.00	\$ 2,200.00
25-510-1160 HEALTH/LIFE INSURANCE	\$ 21,460.00	\$ 21,460.00
VISION		\$432
DENTAL		\$184.32
25-510-1180 WORKER'S COMP	\$ 430.00	\$ 430.00
25-510-xxxx CELL PHONE ALLOWANCE	\$ 600.00	\$ 600.00
TOTAL PERSONEL COSTS	\$ 307,790.00	\$ 307,790.00
OTHER SERVICES & CHARGES		
25-510-2020 Audit	\$ 8,000.00	\$ 8,000.00
25-510-2012 Automobile Mileage	\$ 2,000.00	\$ 2,000.00
25-510-2014 Billboards		
25-510-2134 Bld Lease	\$ 24,000.00	\$ 24,000.00
25-510-2340 Chamber	\$ 53,500.00	\$ 53,500.00
Texas Street Festival		\$15,000
Dues		\$5,000
Annual Banquet		\$2,000
Little Nashville		\$30,000
Mixers		\$1,500

25-510-2355	Receptionist	\$12,000							
25-510-2356	Health	\$2,000							
25-510-2310	Series 2007- Interest								Pay Off Bond Early in August 2026
	Series 2007- Principle								Pay Off Bond Early
	Sponsorships								
	4th of July								
	Aurora House March								
	Aurora House Gala								
	Smokin' on the Rio								
	RGV Livestock Show								
	Newpapers in Schools								
	RGVLS Fall Fest								
	RGVLS Gala								
	State of the City								
	Angels of Love								
25-510-2025	Telephones								
25-510-2150	Travel & Training								
	ICSC Texas								
	ICSC Las Vegas								
	Retail Live!								
	Other								
25-510-xxxx	VTX Note								
25-510-2160	Water Bill								
25-510-2131	Website								
	TOTAL OTHER SERVICES & CHARGES								
	MAINTENANCE								
25-510-2520	OFFICE EQUIPMENT								
25-510-2540	MAINTENANCE								
	TOTAL MAINTENANCE								
25-510-3050	OFFICE SUPPLIES								
	Adobe Creative Cloud								
	TOTAL SUPPLIES								

\$ 34,807.50 \$ - Pay Off Bond Early in August 2026
 \$ 225,000.00 \$ - Pay Off Bond Early
 \$ 27,850.00 \$ 45,850.00

\$ 5,400.00 \$ 5,400.00
 \$ 52,540.00 \$ 52,540.00

\$ 93,749.00
 \$ 2,000.00 \$ 2,000.00
 \$ 7,980.00 \$ 7,980.00
 \$ 2,481,137.88 \$ 3,533,283.12

\$ 10,000.00 \$ 10,000.00
 \$ 57,200.00 \$ 57,200.00
 \$ 67,200.00 \$ 67,200.00

\$ 3,000.00 \$ 3,000.00
 \$ 3,000.00 \$ 3,000.00

\$16,000
 \$1,100
 \$2,000
 \$12,500
 \$7,000
 \$250
 \$2,000
 \$3,000
 \$1,000
 \$1000

\$15,000
 \$19,000
 \$8,540
 \$10,000

\$419.88

CAPITAL OUTLAY
25-510-4005 FURNITURE & FIXTURES
TOTAL CAPITAL OUTLAY
TOTAL 10-DEVELOPMENT CORP. OF MERC
TOTAL EXPENDITURES

\$ 1,600.00 \$ 1,600.00

\$ 1,600.00 \$ 1,600.00

\$ 2,860,727.88 \$ 3,912,873.12

\$ -

Memo

To: DCM Board of Directors

From: Melissa Ramirez, Executive Director

CC: File

Date: 6/12/2026

Re: Marketing Budget

The marketing budget was amended in accordance to the recommendations from the joint meeting. EDC's are statutorily restricted from spending more than 10% of their annual sales tax revenue on promotional expenses. The total anticipated sales tax revenue \$2.3 million; next year's marketing expenditures are at \$235K.

Recommendation: Approve the marketing budget as presented.

FY26-27 Mercedes Marketing Plan

2.0	Marketing					25-26	26-27
ID	Project	Organization	Creative	Location	Time	Cost	Cost
2.1	Publications						
2.1.1	Valley Business Report	City	Tourism	Regional	Annual	\$ 5,925	\$ 6,230
						\$ 5,925	\$ 6,230
2.2	Tradeshows						
2.2.1	ICSC Texas	EDC	Mix Use Development	San Antonio	November	\$ 15,000	\$ 15,000
2.2.2	ICSC Recon	EDC	Mix Use Development	Las Vegas	May	\$ 19,000	\$ 19,000
2.2.3	Retail Live!	EDC	Mix Use Development	Austin		\$ 8,540	\$ 8,540
						\$ 42,540	\$ 42,540
2.3	Online						
2.3.1	mercedeseadc.com	EDC	Organization	Mercedes	Annual	\$ 7,980	\$ 7,980
2.3.2	mercedeschamber.com	Chamber	Organization	Mercedes	Annual	\$ 4,000	\$ -
2.3.3	cityofmercedes.com	City	Organization	Mercedes	Annual	\$ -	\$ -
2.3.4	facebook.com	Chamber/EDC	Social	Mercedes	Annual	\$ -	\$ -
2.3.5	Loopnet/CoStar	EDC	Mix Use Development	Mercedes	Annual	\$ 2,000	\$ 11,600
						\$ 13,980	\$ 19,580
2.4	Collateral						
2.4.1	Market Profile	EDC	Mix Use Development	Mercedes	Annual	\$ -	\$ 500
2.4.2	Boots	EDC	Mix Use Development	Mercedes	Annual		\$ -
2.4.3	Popups	EDC	Mix Use Development	Mercedes	Annual		\$ 2,000
						\$ -	\$ 2,500
2.5	Billboards						
2.5.1	Benchmark	EDC	Tourism	Mercedes	Annual	\$ -	\$ -
2.5.2	Shared Billboard Chamber/DCM	Chamber/EDC	Tourism	Mercedes	Annual	\$ -	\$ -
2.5.3	Chamber	Chamber	Tourism	Mercedes	Annual	\$ -	\$ -
2.5.4	Lone Star Logos	City	Tourism	Mercedes	Annual	\$ 12,825	\$ 12,825
2.5.5	MISD Electronic Billboard/Score Board					\$ 15,000	\$ 15,000
						\$ 27,825	\$ 27,825
2.6	Sponsorships						
2.6.1	Valley Morning Star	EDC	Tourism	Mercedes	October	\$ 250	\$ 250
2.6.2	Smokin on the Rio	EDC	Tourism	Mercedes	February	\$ 12,500	\$ 12,500
	Smokin on the Rio	City	Tourism	Mercedes	February	\$ 12,500	\$ 12,500
2.6.3	RGV Livestock Show	EDC	Tourism	Mercedes	March	\$ 7,000	\$ 12,500
	RGV Livestock Show	City	Tourism	Mercedes	March	\$ -	\$ 12,500
2.6.4	RGV Livestock Show GALA	EDC		Mercedes	December	\$ 3,000	\$ 3,000
2.6.5	RGV Livestock Show Fall Fest	EDC	Tourism	Mercedes	October	\$ 2,000	\$ 2,000
2.6.6	RGV Livestock Show Music Fest	EDC	Tourism	Mercedes	July	\$ -	\$ -
2.6.7	Aura House	EDC	Tourism	Mercedes	December	\$ 2,000	\$ 2,000
2.6.8	Aura House	EDC	Tourism	Mercedes	April	\$ 1,100	\$ 1,100
2.6.9	4th of July	EDC	Tourism	Mercedes			\$ 16,000
	4th of July	City	Tourism	Mercedes			\$ 16,000
2.6.10	State of the City	EDC		Mercedes			\$ 1,000
2.6.11	Angels of Love	EDC		Mercedes		\$ 500	\$ 1,000
						\$ 40,350	\$ 92,350
2.7	Memberships						
2.7.1	Chamber	EDC	Tourism/Mixed Use Development	Mercedes		\$ 5,000	\$ 5,000
2.7.2	Chamber	City	Tourism/Mixed Use Development	Mercedes		\$ 6,000	\$ 6,000
						\$ 11,000	\$ 11,000
2.8	Television/Radio						
2.8.1	Merchant Campaign	City	Tourism/Investment	Regional	Annually	\$ -	\$ -
	Take 5 Campaign	EDC	Tourism/Investment	Regional	Annually	\$ 6,000	\$ 6,000
2.8.2	Spectrum	City	Tourism/Investment	International	Annually	\$ 24,000	\$ 24,000

