4. Discussion and Action: FY25-26 Audit, Raul Hernandez & Company, P.C. & Adrian Webb CPA

Raul Hernandez & Company, P.C.
Certified Public Accountants
5402 Holly Rd. Suite 102
Corpus Christi, Texas 78411
Office: (361) 980-0482 Fax: (361) 980-1002

October 29, 2026

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, 2026.

Audit Scope and Objectives
We will audit the financial statements of the governmental activities and each major fund of the Development Corporation of Mercedes, a discretely presented component unit of the City of Mercedes, Texas, as of and for the year ended September 30, 2026, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements. 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 Corporation of Mercedes's 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 Corporation of Mercedes's 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
3) Schedules Related to TMRS Pension Plan
4) Schedules Related to TMRS OPEB Plan
5) Notes to Required Supplementary Information

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. 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 and *Government Auditing Standards* 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.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

Auditor's Responsibilities for the Audit of the Financial Statements
We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records of Development Corporation of Mercedes and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, 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 the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

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 and *Government Auditing Standards*. 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 and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written responses to our legal inquiry letters from your attorneys, as applicable.

We have identified the following significant risks of material misstatement as part of our audit planning:

> Management override of internal controls, including inappropriate journal entries and management bias; improper revenue recognition, particularly sales and use tax revenues, including the accuracy and timing of revenue and related receivables; and improper recognition or disclosure of economic development incentives, liabilities, and contractual commitments. These risks are based on our preliminary understanding of the Development Corporation of Mercedes and may be revised as audit planning progresses.

As this represents our initial audit engagement with the Development Corporation of Mercedes, we will communicate with the predecessor auditor, Adrian Webb, CPA, who audited the Corporation's financial statements for the year ended September 30, 2025. By signing this engagement letter, you authorize the predecessor auditor to respond fully to our inquiries and permit access to relevant prior-year audit documentation, subject to applicable professional standards and arrangements established by the predecessor auditor. These communications may include matters relating to significant accounting and auditing issues, internal controls, identified or suspected fraud, noncompliance with laws and regulations, disagreements with management, and other matters relevant to our audit.

In accordance with generally accepted auditing standards, we will perform procedures to obtain sufficient appropriate audit evidence regarding the Corporation's opening balances, including evaluating whether prior-year closing balances have been properly brought forward and whether accounting policies have been consistently applied. Management agrees to provide the prior-year financial records, supporting documentation, and other information necessary to facilitate these procedures. Our review of the predecessor auditor's work does not relieve us of our responsibility to obtain sufficient appropriate audit evidence to support our opinion on the financial statements.

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 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 the system of internal control, 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. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. 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 significant deficiencies or material weaknesses. 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 and *Government Auditing 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's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

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, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for the preparation and presentation of the required supplementary information identified in the Audit Scope and Objectives section in accordance with applicable accounting principles generally accepted in the United States of America. Management is also responsible for providing the underlying records and information necessary for us to perform the limited procedures required by generally accepted auditing standards.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statement date or shortly thereafter (for example, within an additional three months if currently known). 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 your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written 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, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Other Services

We will also assist in preparing the financial statements and related notes of Development Corporation of Mercedes in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. 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 relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, and/or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare the supporting schedules and provide the information necessary for the external confirmations we request. We will maintain control over the confirmation process, including selecting the items to be confirmed, determining the appropriate confirming parties, and sending confirmation requests and receiving responses directly from the confirming parties.

We will provide copies of our reports to the Corporation, however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Raul Hernandez & Company, P.C. 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 to regulators or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for the purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Raul Hernandez & Company, P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the regulators. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Raul Hernandez, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit upon receipt of financial statements and supporting documentation. We anticipate completing the audit and issuing our final report by February 28, 2027, provided that all requested information is received timely and no unforeseen circumstances arise that could delay completion.

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, confirmation service provider fees, etc.) except that we agree that our gross fee, including expenses, will range from $7,000 to $10,000; 25% is due upon engagement letter 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 30 days or more 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's financial statements. Our report will be addressed to the board of directors 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 issue reports, or we may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that Development Corporation of Mercedes is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

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,

Raul Hernandez & Company, P.C.

Raul Hernandez & Company, P.C.

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: FY26-27 Travel & Trade Shows

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Memo

To: DCM Board of Directors

From: Zefra Mascorro, Administrative Coordinator

CC: File

Date: 11/13/2026

Re: FY26-27 Travel & Trade Shows

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1. **ICSC-Red River** San Antonio, Texas is taking place on January 27-28, 2027 at the Henry B. Gonzalez Convention Center. For ICSC-Red River set up can be completed Wednesday Jan 27, 2027 from 8:00AM-5:00PM. Deal making takes place on January 28, 2027 from 9:00AM-5:00PM.

The DCM previously budgeted $15,000.00 for ICSC-Red River 2027 and has purchased Booth 1439 a 10x20 booth space at a cost of $2,030.00 leaving a remaining $12,970.00. The event includes 1 free event badge. The remaining budget is $11,860.00.

Estimated Attendance Cost for 2 days of Event	
Registration Fee:	$550.00 per person-Advance registration ends Nov. 27, 2026
Membership 1 Year:	$175.00 per person
Hotel:	$500.00 per person
Meal Per Diem:	$225.00 per person
Mileage Per Diem:	$385.00 per person
Total	**$1,835.00 per person**

Recommendation: 2 staff members and up to 5 board members can attend. Who is interested in attending ICSC- Red River San Antonio 2027?

2. **ICSC-Las Vegas** is scheduled for May 24-26, 2027 at the Las Vegas Convention Center, in Las Vegas Nevada. ICSC-Las Vegas booth set up is on Monday May 24 from 8:00AM-5:00PM. Deal making begins on May 25, 2027 from 9:00AM-5:00PM.

The DCM has budgeted $19,000.00 for ICSC-Las Vegas 2027 and has purchased Booth 516U a 20x10 200 square foot booth space at a cost of $3,650.00 leaving a remaining $15,350.00 for event expenditures. The event includes 2 free event badges.

Estimated Attendance Cost for 3 days of Event	
Registration Fee:	$900.00 per person-Advance registration ends Feb. 23, 2027
Membership 1 Year:	$175.00 per person
Flight:	$700.00 per person
Hotel:	$600.00 per person
Meal Per Diem:	$390.00 per person
Mileage Per Diem:	$ 35.00 person
Total	**$2,345.00 per person**

Recommendation: 2 staff members, RGVLS Executive Director Luis Saldana, and up to 3 board members can attend. Who is interested in attending ICSC-Las Vegas 2027.

3. **Retail Live- Austin, Texas** has not released their schedule, likely the date will be September 1, 2027 the first Wednesday of the month. The event typically is at the JW Marriott, in Austin, TX from 1:00PM-5:00PM.

The DCM has budgeted $8,540.00 for Retail Live- Austin, Texas and has not purchased a sponsorship yet, the cost for the FY25-26 sponsorship was $4,500.00 inclusive of 4 free event badges. The sponsorship purchase at an estimated cost of $4,500.00 would leave the remaining budget of $3,480.00

Estimated Attendance Cost for 1 day of Event	
Registration Fee:	$300.00 per person-Early-bird registration Ends May 1, 2027
Membership 1 Year:	$175.00 per person
Flight:	$370.00 per person
Meal Per Diem:	$155.00 per person
Mileage Per Diem:	$ 35.00 per person
Total	**$1,035.00 per person**

Recommendation: 2 staff members can attend and 3 board members. Who is interested in attending Retail Live- Austin Texas 2027?

6. Discussion and Action: Historic City Hall

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Memo

To: DCM Board of Directors

From: Melissa Ramirez, Executive Director

CC: File

Date: 10/15/2026

Re: Historic City Hall

Negrete and Kolar provided an updated cost estimate on remodeling historic city hall ($4.6 million).

Potential Financial Opportunities			
Texas Preservation Trust Fund	$10K- $50K	$1 to $1 match	Dec 2026
USDA Community Facilities Loan	TBD	40 yrs at 4.625%	Revolving
USDA Community Facilities Grant	35% loan proceeds		Revolving
Congressional Allocation			March

Estimated Monthly Payments	
USDA Community Facilities Loan	$21,299.41
USDA Community Facilities Loan ($3,025,289.90) + Grant	$13,844.61
Allocation ($1 Million) + USDA Community Facilities Loan+ Grant	$10,870.02

Recommendation: Discussion

MERCEDES EDC - HISTORIC CITY HALL AND FIRE STATION PRESERVATION & REHAB
CONCEPT PHASE PROBABLE CONSTRUCTION COST
MERCEDES TEXAS
SEPTEMBER 21, 2026
NEGRETE & KOLAR ARCHITECTS LLP

ITEM	QUANT.	UNITS	UNIT COST	ITEM COST	
SITE IMPROVEMENTS					
DIVISION 2 - SITEWORK					
EXISTING BUILDING ADDITION DEMOLITION	6,000	SF	$ 20.00	$ 120,000.00	
HAZMAT ASSESSMENT & REMDEDIATION	12,000	SF	$ 4.00	$ 48,000.00	
INTERIOR HISTORIC DEMOLITION	6,000	SF	$ 12.00	$ 72,000.00	
INTERIOR SALVAGE / RE-USE	6,000	SF	$ 4.00	$ 24,000.00	
ACESSIBLE RAMPS	5	EA	$ 28,000.00	$ 140,000.00	
PERIMETER MASONRY FENCING	1,000	SF	$ 80.00	$ 80,000.00	
STEELGATES	6	EA	$ 3,200.00	$ 19,200.00	
PAVERS	5,000	SF	$ 18.00	$ 90,000.00	
FLAGPOLE & MONUMENT	1	EA	$ 14,000.00	$ 14,000.00	
LANDSCAPE & IRRIGATION	1,200	SF	$ 14.00	$ 16,800.00	
TRELLIS	810	SF	$ 40.00	$ 32,400.00	
DIVISION TOTAL					**$ 656,400.00**
DIVISION 3 - CONCRETE					
CONCRETE FLOOR INFILL - 1ST FL	1,700	SF	$ 21.00	$ 35,700.00	
CONCRETE CORES - 2ND FL	6	EA	$ 1,000.00	$ 6,000.00	
MISC. CONCRETE REPAIR	3,000	SF	$ 18.00	$ 54,000.00	
DIVISION TOTAL					**$ 95,700.00**
DIVISION 4 - MASONRY					
MASONRY RESTORATION & CLEANING	7,000	SF	$ 44.00	$ 308,000.00	
NEW CAST STONE & BRICK CORRECTION	80	LF	$ 194.00	$ 15,520.00	
DIVISION TOTAL					**$ 323,520.00**
DIVISION 5 - STEEL					
STRUCTURAL STEEL REPAIRS BUDGET	6,000	SF	$ 8.00	$ 48,000.00	
DIVISION TOTAL					**$ 48,000.00**
DIVISION 6 - WOOD AND PLASTICS					
MISC. WOOD BLOCKING	6,000	SF	$ 6.00	$ 36,000.00	
MILLWORK / TRIMWORK	6,000	SF	$ 20.00	$ 120,000.00	
DIVISION TOTAL					**$ 156,000.00**
DIVISION 7 - THERMAL / MOISTURE PROTECTION					
EXISTING ROOF REPAIRS	9,000	SF	$ 20.00	$ 180,000.00	
THERMAL ENVELOPE UPGRADE	3,000	SF	$ 8.00	$ 24,000.00	
MASONRY SEALER	7,200	SF	$ 4.00	$ 28,800.00	
SEALANTS	6,000	SF	$ 2.00	$ 12,000.00	
DIVISION TOTAL					**$ 244,800.00**
DIVISION 8 - DOORS AND WINDOWS					
REPLACEMENT OF STEEL WINDOWS	33	EA.	$ 4,000.00	$ 132,000.00	
REHAB OF SOUTH ENTRY WOOD DOORS	2	EA.	$ 3,200.00	$ 6,400.00	
NEW EAST ENTRANCE DOORS	2	EA.	$ 4,800.00	$ 9,600.00	
NEW COURTYARD EXIT DOORS	2	EA.	$ 3,000.00	$ 6,000.00	
NEW STEEL WINDOWS @ GARAGES	3	EA.	$ 25,500.00	$ 76,500.00	
NEW STEEL FRAME DOOR FOR SF	1	EA.	$ 3,800.00	$ 3,800.00	

	DOOR FRAMES - MTL	3	EA.	$ 650.00	$ 1,950.00		
	NEW DOORS	14	EA.	$ 750.00	$ 10,500.00		
	NEW DOOR FRAMES	14	EA.	$ 580.00	$ 8,120.00		
	DOOR HARDWARE	20	EA.	$ 2,900.00	$ 58,000.00		
	DIVISION TOTAL					$	312,870.00
DIVISION 9 - FINISHES							
OPEN OPTION	PERIMETER WALL	6,300	SF	$ 13.00	$ 81,900.00		
INTERIOR SPACES	INTERIOR METAL STUD & DRYWALL	7,200	SF	$ 12.00	$ 86,400.00		
	INTERIOR MASONRY PAINTING	7,200	SF	$ 4.50	$ 32,400.00		
	INTERIOR DRYWALL PAINTING	14,400	SF	$ 4.50	$ 64,800.00		
	CEILINGS	4,500	SF	$ 4.50	$ 20,250.00		
	FLOORING	6,000	SF	$ 18.00	$ 108,000.00		
	GYPSUM BOARD CEILINGS	1,000	SF	$ 8.00	$ 8,000.00		
	DIVISION TOTAL					$	401,750.00
DIVISION 10 - SPECIALTIES							
	BATHROOM ACCESSORIES	3	EA	$ 2,000.00	$ 6,000.00		
	FIRE EXTINGUISHERS	20	EA	$ 700.00	$ 14,000.00		
	DOOR SIGNAGE	115	EA	$ 125.00	$ 14,375.00		
	DIVISION TOTAL					$	34,375.00
DIVISION 11 - EQUIPMENT							
	NONE	0	EA	$ -	$ -		
	DIVISION TOTAL					$	-
DIVISION 12 - FURNISHINGS							
	SYSTEM FURNITURE	6,000	SF	$ 14.00	$ 84,000.00		
	MARKER, TACK & PRESENTATION BDS	500	SF	$ 18.00	$ 9,000.00		
	WINDOW BLINDS - WOOD	33	EA	$ 1,200.00	$ 39,600.00		
	DIVISION TOTAL					$	132,600.00
DIVISION 13 - SPECIAL CONSTRUCION							
	CIRCULAR STAIR REPLACEMENT	1	EA	$ 16,000.00	$ 16,000.00		
	DIVISION TOTAL					$	16,000.00
DIVISION 14 - CONVEYING SYSTEMS							
	NEW ELEVATOR	1	LS	$ 180,000.00	$ 180,000.00		
	DIVISION TOTAL					$	180,000.00
DIVISION 15 - MECHANICAL / PLUMBING							
	HVAC EQUIPMENT	6,000	SF	$ 38.00	$ 228,000.00		
	HVAC CONTROLS	6,000	SF	$ 10.00	$ 60,000.00		
	NEW DUCTWORK DISTRIBUTION/DEVICES	6,000	SF	$ 14.00	$ 84,000.00		
	PLUMBING	14	EA.	$ 7,500.00	$ 105,000.00		
	FIRE SPRINKLER	6,000	SF	$ 8.00	$ 48,000.00		
	DIVISION TOTAL					$	525,000.00
DIVISION 16 - ELECTRICAL SYSTEMS							
	ELECTRICAL POWER DISTRIBUTION/OUTLETS	6,000	SF	$ 18.00	$ 108,000.00		
	NEW FIRE ALARM SYSTEM	6,000	SF	$ 7.00	$ 42,000.00		
	ELECTRICAL LIGHTING	6,000	SF	$ 24.00	$ 144,000.00		
	COMPUTER WIRING /SYSTEMS	6,000	SF	$ 7.00	$ 42,000.00		
	DIVISION TOTAL					$	336,000.00
TOTAL MATERIALS AND LABOR - BUILDING.					$ 3,463,015.00	$	3,463,015.00
GENERAL CONTRACTOR SUPERVISION				6%		$	207,780.90
GENERAL CONTRACTOR GEN. CONDITIONS				8%		$	277,041.20
GENERAL CONTRACTOR OH/P				6%		$	207,780.90
GRAND TOTAL - BUILDING/IMPROVEMENTS						$	4,155,618.00
SOFT COSTS/SURVEYS/PERMITS/FEES ETC.				12%		$	498,674.16
RECOMMENDED TOTAL BUDGET						$	4,654,292.16

7. Discussion and Action: Tabled Items-Election of Officers, Crexi Platform, Streets

8. Executive Session: Section 551.087: Economic development negotiations with Project Clean, Project A. Gonzalez, Project A. Rosas, Project HCA, Project Reganti, Project R. Morales, Project OG, Project Supply, Project C. Hinojosa, Project Blue, Project R. Lozano, Project N. Dosser, Project R30, Project J. San Miguel, Project Travel Center, Project American Legion, Project Trevino, Project Sanchez, Project Bert Ogden, Project Kamel, Project M30, Project Food, Project M. Rivera, Project PE, Project Petro, Project More, Project ZIWA, Project Gomez, Project Stay, Project ASHTI, Project Arts, Project 150, Project M2, Project Cruz, Project RGVLS, Project G. Schwarz, Project Coffee, Project Rios and Project UT, Section 551.074: Personnel Issues and Section 551.071: pending legal issues (a.) Consultation with legal counsel pursuant to Texas Government Code 551.071 pending litigation *(City of Mercedes and DCM v. Texas Valley Communities Foundation, Arriola, et al.; Cause No. C-1604-20-G; 370th District Court, Hidalgo County, Texas)*, delinquent loans: MD International, and on any regular agenda item requiring confidential, attorney-client advice necessitated by the deliberation or discussion of said item as needed.

9. Discussion and Action: Item #8

10. Adjournment