

Development Corporation of Mercedes, Inc.

Agenda

Joint Workshop

September 3, 2020 at 5:00PM

400 S. Ohio

Development Corporation of Mercedes, Inc.

Agenda

September 3, 2020 5PM

400 S Ohio

NOTICE, is hereby given that the Development Corporation of Mercedes, Inc. and Mercedes City Commission will be holding a **JOINT WORKSHOP** on **Thursday, September 3, 2020 at 5PM** at the Commission Chambers of Mercedes City Hall located at 400 South Ohio Street, Mercedes, Texas for the purpose of discussing:

1. Call meeting to order
2. Establish Quorum
3. Pledge of Allegiance
4. Discussion regarding the Development Corporation of Mercedes FY2020-2021 Budget
5. Discussion regarding the Marketing Plan Budget as Proposed by the Development Corporation of Mercedes FY2020-2021
6. Adjournment

ATTEST:



Melissa Ramirez, Development Corporation of Mercedes

1. Call meeting to order

2. Establish Quorum

3. Pledge of Allegiance

4. Discussion regarding the Development Corporation of Mercedes FY 2020-2021 Budget

DEVELOPMENT CORPORATION OF MERCEDES
BUDGET FY20-21

SOURCES OF CASH		FY 19-20	FY 20-21		
TAXES					
					1,900,000.00
25-40040	SALES TAX	\$1,521,903.47	\$ 1,141,427.56	Assumption 25% decrease in sales tax revenue	38,000.00
TOTAL TAXES		\$1,521,903.47	\$ 1,141,427.56		4,750.00
MISCELLANEOUS					
25-44020	INTEREST- TXCLASS	\$ 6,000.00	\$ 2,352.00	Decrease in interest rate	
25-44026	INTEREST-L&G CONCRETE	\$ -			
25-44027	INTEREST-MD INT'L (ORBIT)	\$ 5,456.57			
25-44041	LOAN PRINCIPAL PAYMENTS	\$ 30,000.00		Covid-19	
25-44097	CARRY OVER FUNDS	\$ 500,000.00	\$ 387,126.76	Assumption of \$50K for September	
	TXCLASS		\$ 127,519.63		
	INTEREST- ELIAS GONZALEZ	\$ 102.00	\$ -		
REAL ESTATE SALES					
OTHER INCOME- CITY REIMBURSEMENTS					
	OTHER INCOME- CITY PMT VTX	\$ 125,000.00	\$ 95,000.00	Deffered 3 months, Payments start Jan 2021	
TOTAL MISCELLANEOUS		\$ 666,558.57	\$ 611,998.39		
TOTAL REVENUE					
		\$2,188,462.04	\$ 1,753,425.95		

DEVELOPMENT CORPORATION OF MERCEDES
BUDGET FY 19-20

USES OF CASH		FY19-20 BUDGET	FY20-21 BUDGET	
PERSONNEL COSTS				
25-510-1010	SALARIES	\$ 119,000.00	\$ 119,000.00	
25-510-1015	AUTOMOBILE ALLOWANCE	\$ 4,800.00	\$ 4,800.00	
25-510-1100	TMRS CONTRIBUTION	\$ 23,757.22	\$ 23,757.22	
25-510-1120	SOCIAL SECURITY	\$ 9,470.70	\$ 9,470.70	
25-510-1140	UNEMPLOYMENT COMP	\$ 1,500.00	\$ 1,500.00	
25-510-1160	HEALTH/LIFE INSURANCE	\$ 13,896.00	\$ 13,896.00	
25-510-1180	WORKER'S COMP	\$ 305.00	\$ 305.00	
25-510-xxxx	CELL PHONE ALLOWANCE	\$ 600.00	\$ 600.00	
TOTAL PERSONEL COSTS		\$ 173,328.92	\$ 173,328.92	
OTHER SERVICES & CHARGES				
25-510-2020	Audit	\$ 21,500.00	\$ 21,500.00	
25-510-2012	Automobile Mileage	\$ 500.00	\$ 200.00	
25-510-2014	Billboards	\$ -	\$ 3,000.00	Change Artwork Chamber Billboard
25-510-2134	Bld Lease	\$ 15,582.00	\$ 15,582.00	
25-510-2340	Chamber	\$ 20,000.00	\$ 5,000.00	
	Texas Street Festival \$15,000			
	Dues \$5,000			
25-510-2011	Contract Labor- Writer	\$ 6,000.00	\$ 6,000.00	
25-510-2102	Crime Insurance	\$ 700.00	\$ 700.00	
25-510-2036	Downtown Development	\$ -	\$ -	
25-510-2165	Electricity	\$ 3,000.00	\$ 3,000.00	
25-510-xxxx	Home Development Incentive Program	\$ -	\$ -	
25-510-2142	Janitorial	\$ 11,000.00	\$ 11,000.00	
25-510-2125	Legal	\$ 45,000.00	\$ 45,000.00	
25-510-2021	Loan Fees- EDC	\$ 1,100.00	\$ 750.00	
25-510-2010	Marketing & Promotion	\$ 17,800.00	\$ 7,300.00	Ask Rose for sponsorship for GeoTours
	Step & See \$5,000			
	GeoTours \$10,000			
	Market Profile \$2,000			
	Loopnet \$800			
25-510-2095	Meetings	\$ 3,500.00	\$ 1,500.00	Covid
25-510-2130	Membership/Subs	\$ 4,000.00	\$ 1,000.00	Covid
25-510-2133	Miscellaneous	\$ 1,000.00	\$ 500.00	
25-510-2080	Office Equipment- Lease	\$ 2,342.40	\$ 2,342.40	
25-510-xxxx	Outlet Mall Oct 2018-Oct 2028	\$ 100,000.00	\$ 70,000.00	Covid
25-510-2138	Postage	\$ 300.00	\$ 300.00	
25-510-2320	Professional Fees- Accounting	\$ 19,200.00	\$ 19,200.00	
25-510-xxxx	Project CL Healthcare	\$ 118,000.00	\$ 59,000.00	Pending Modification
25-510-xxxx	Project Cortinos	\$ 58,302.50	\$ 58,302.50	
25-510-xxxx	Project Fiesta	\$ -	\$ -	
25-510-xxxx	Project Orchard Grove Apartments	\$ 100,000.00	\$ 100,000.00	
25-510-2361	Project Residency	\$ 150,000.00	\$ 75,000.00	Pending Modification
25-510-xxxx	Project RGV Livestock Show Park	\$ 50,000.00	\$ 25,000.00	
25-510-2362	Project Rios of Mercedes	\$ 50,800.00	\$ 50,800.00	
25-510-xxxx	Project TRLA	\$ 25,000.00	\$ 25,000.00	
25-510-2365	Project VIDA	\$ 15,000.00	\$ -	
25-510-xxxx	Project La Herencia	\$ -	\$ 66,666.00	New
25-510-xxxx	Project Raybec	\$ -	\$ 50,000.00	New
25-510-2335	Projects	\$ 88,191.00	\$ 168,592.17	Needs to be adjusted. McDonalds, Cortinos, Dollar Tree
25-510-2144	Receptionist	\$ 12,000.00	\$ -	
25-510-2355	Series 2007- Interest	\$ 83,720.00	\$ 83,720.00	
25-510-2356	Series 2007- Principle	\$ 195,000.00	\$ 195,000.00	
25-510-2360	Series 2010A- Interest & Principle 8/21	\$ 64,856.00	\$ 64,856.00	
25-510-2310	Sponsorships	\$ 20,000.00	\$ -	
	National Professional Bullriders \$ 1,000			
	Smokin' on the Rio \$12,500			
	RGV Livestock Show \$ 5,000			
	Newspapers in Schools \$ 250			
	Birding Classic \$ 1,000			
25-510-2025	Telephones	\$ 5,400.00	\$ 5,400.00	
25-510-2371	TLF Repayment- Interest	\$ 33,608.56	\$ 33,608.56	
25-510-2372	TLF Repayment- Principle	\$ 97,897.40	\$ 97,897.40	
25-510-2150	Travel & Training	\$ 1,200.00	\$ 1,200.00	
25-510-xxxx	VTX Note	\$ 250,000.00	\$ 190,000.00	Deffered for 3 months
25-510-2160	Water Bill	\$ 1,200.00	\$ 1,200.00	
25-510-2131	Website	\$ 7,980.00	\$ 7,980.00	
TOTAL OTHER SERVICES & CHARGES		\$ 1,700,679.86	\$ 1,573,097.03	

MAINTENANCE

25-510-2520	OFFICE EQUIPMENT	\$	6,000.00	\$	3,000.00	
25-510-2540	MAINTENANCE	\$	3,000.00	\$	2,000.00	
TOTAL MAINTENANCE		\$	9,000.00	\$	5,000.00	
25-510-3050	OFFICE SUPPLIES	\$	3,000.00	\$	1,000.00	
TOTAL SUPPLIES		\$	3,000.00	\$	1,000.00	
CAPITAL OUTLAY						
25-510-4005	FURNITURE & FIXTURES	\$	3,000.00	\$	1,000.00	
TOTAL CAPITAL OUTLAY		\$	3,000.00	\$	1,000.00	
TOTAL 10-DEVELOPMENT CORP. OF MERC						
TOTAL EXPENDITURES		\$	1,889,008.78	\$	1,753,425.95	1753425.95 \$

Entity	Commitment	Paid in 15-16	Paid in 16-17	Paid in 17-18	Commitments 18-19	Commitments 19-20	Commitments 20-21	Commitments 21-22	Commitments 22-23	Commitments 23-24	Balance Due
Bonds/Loans											
Series 2007 Bond- Refinanced Number		278,000	278,000	280,328	277,138	278,770	279,848	280,520	280,738	280,500	765,000
Series 2010A Bond		65,000	65,000	65,000	65,000	65,000	65,000	-	-	-	0
Texas Leverage Fund		120,000	120,000	120,000	120,000	120,000	120,000	-	-	-	55,893.32
VTX				62,500	124,998	124,998	94,000	124,998	124,998	124,998	
RGV Outlet Mall vs 1.37 20% of 1%					100,000	100,000	70,000				
City Property Settlement- March 2023									78,805		
Incentives											
Knapp Medical Center	750,000	-	150,000	150,000	150,000	150,000	75,000	75,000	-	-	-
OA Mercedes Health Realty	590,000	-	118,000	118,000	118,000	118,000	59,000	59,000	-	-	-
Rio Grande Livestock Show	300,000	-	50,000	50,000	25,000	25,000	25,000	25,000	25,000	25,000	50,000
Llano Grande Mobile Park	250,000	125,000	125,000	-	-	-	50,000	50,000	-	-	0
Raybecc Ohio Street LLC	200,000	50,000	50,000	50,800	50,800	50,800	50,800	-	-	-	-
Rios of Mercedes	254,000	50,800	50,800	-	-	-	50,800	-	-	-	-
Storage Depot (Demo paid directly tc	145,943	145,943	-	-	-	-	-	-	-	-	-
JWTC Homes	75,000	75,000	-	-	-	-	25,000	25,000	-	-	-
Texas Rio Grande Legal Aid	330,000	50,000	130,000	50,000	25,000	25,000	-	-	-	-	-
Protech	75,000	37,500	37,500	-	-	-	-	-	-	-	-
Bert Ogden	300,000	-	-	60,000	60,000	60,000	60,000	60,000	NO CONTRACT	-	0
La Herencia	200,000	-	-	-	100,000	100,000	50,000	-	-	-	133,332
Orchard Grove Apartments											200,000
Total		997,243	1,123,500	1,006,628	1,215,936	1,217,518	1,090,314	699,518	509,541	430,498	1,204,225

FY 18-19

Employee	Position	Base Pay	Vehicle	Education	Adj. Base Pay	TMRS	7.65%	UnemployComp	H&L Ins	Wkrs Comp	Total
100% Melissa Ramirez	Executive Director	\$ 80,000.00	\$4,800.00		\$ 84,800.00	\$ 15,518.40	\$ 6,487.20	\$ 800.00	\$ 6,948.00	\$ 180.00	\$ 114,733.60
100% Rose Saenz	Administrative Assistant	\$ 36,000.00			\$ 36,000.00	\$ 6,988.00	\$ 2,754.00	\$ 700.00	\$ 6,948.00	\$ 125.00	\$ 53,115.00
	Dept. Total	\$ 116,000.00	\$4,800.00		\$ 120,800.00	\$ 22,106.40	\$ 9,241.20	\$ 1,500.00	\$ 13,896.00	\$ 305.00	\$ 167,848.60

FY19-20

Employee	Position	Base Pay	Vehicle	Education	Adj. Base Pay	TMRS	7.65%	UnemployComp	H&L Ins	Wkrs Comp	Total
100% Melissa Ramirez	Executive Director	\$ 80,000.00	\$4,800.00		\$ 84,800.00	\$ 15,518.40	\$ 6,487.20	\$ 800.00	\$ 6,948.00	\$ 180.00	\$ 114,733.60
100% Rose Saenz	Administrative Coordinator	\$ 39,000.00			\$ 39,000.00	\$ 7,137.00	\$ 2,983.50	\$ 700.00	\$ 6,948.00	\$ 125.00	\$ 56,893.50
	Dept. Total	\$ 119,000.00	\$4,800.00		\$ 123,800.00	\$ 22,655.40	\$ 9,470.70	\$ 1,500.00	\$ 13,896.00	\$ 305.00	\$ 171,627.10

FY20-21

Employee	Position	Base Pay	Vehicle	Education	Adj. Base Pay	TMRS	7.65%	UnemployComp	H&L Ins	Wkrs Comp	Total
100% Melissa Ramirez	Executive Director	\$ 80,000.00	\$4,800.00		\$ 84,800.00	\$ 15,518.40	\$ 6,487.20	\$ 800.00	\$ 6,948.00	\$ 180.00	\$ 114,733.60
100% Rose Saenz	Administrative Coordinator	\$ 39,000.00			\$ 39,000.00	\$ 7,137.00	\$ 2,983.50	\$ 700.00	\$ 6,948.00	\$ 125.00	\$ 56,893.50
	Dept. Total	\$ 119,000.00	\$4,800.00		\$ 123,800.00	\$ 22,655.40	\$ 9,470.70	\$ 1,500.00	\$ 13,896.00	\$ 305.00	\$ 171,627.10

**5. Discussion regarding the Marketing Plan Budget as
Proposed by the Development Corporation of
Mercedes FY 2020-20121**

Mercedes Marketing Plan 2020-2021

ID	Marketing Project	Organization	Creative	Location	Time	Cost	Status
2.0	Marketing						
2.1	Publications						
2.1.1	Valley Business Report	City	Tourism	Regional	Annual	\$0	
						\$0	
2.2	Tradeshows						
2.2.2	ICSC Texas	EDC	Mix Use Development	San Antonio	November		
2.2.4	ICSC Recon	EDC	Mix Use Development	Las Vegas	May		
						\$0	
2.3	Online						
2.3.1	mercedeseDC.com	EDC	Organization	Mercedes	Annual	\$6,000	
2.3.2	mercedeschamber.com	Chamber	Organization	Mercedes	Annual	\$4,000	
2.3.3	cityofmercedes.com	City	Organization	Mercedes	Annual	\$0	
2.3.4	facebook.com	Chamber/EDC	Social	Mercedes	Annual	\$0	
2.3.5	Loopnet/CoStar	EDC	Mix Use Development	Mercedes	Annual	\$800	
						\$10,800	
2.4	Collateral						
2.4.1	Market Profile	EDC	Mix Use Development	Mercedes	Annual	\$0	
2.4.2	Step and See	EDC	Tourism	Mercedes	Annual	\$0	
						\$0	
2.5	Billboards						
2.5.1	Benchmark	City	Tourism	Mercedes	Annual	\$0	
2.5.2	Shared Billboard Chamber/DCM	Chamber/EDC	Tourism	Mercedes	Annual	\$0	
2.5.3	Chamber	Chamber	Tourism	Mercedes	Annual	\$6,000	
2.5.4	Lone Star Logos	City	Tourism	Mercedes	Annual	\$12,825	
						\$18,825	
2.6	Sponsorships						
2.6.1	Valley Morning Star	EDC	Tourism	Mercedes	October	\$0	
2.6.2	Smokin on the Rio	EDC	Tourism	Mercedes	February	\$0	
	Smokin on the Rio	City	Tourism	Mercedes	February	\$12,500	
2.6.3	National Professional Bullriders	EDC	Tourism	Mercedes	February	\$0	
	National Professional Bullriders	City	Tourism	Mercedes	February	\$1,000	
2.6.4	RGV Livestock Show	EDC	Tourism	Mercedes	March	\$0	
	RGV Livestock Show	City	Tourism	Mercedes	March	\$0	
2.6.5	Birding Classic	EDC	Tourism	Mercedes		\$0	
						\$13,500	
2.7	Memberships						
2.7.1	Chamber	EDC	Tourism/Mixed Use Development	Mercedes		\$5,000	
2.7.2	Chamber	City	Tourism/Mixed Use Development	Mercedes		\$6,000	
						\$11,000	
2.8	Television/Radio						
2.8.1	Merchant Campaign	City	Tourism/Investment	Regional	Annually	\$0	
2.8.2	Entravis on	City	Tourism/Investment	International	Annually	\$25,840	
						\$25,840	
2.9	Chamber						
2.9.1	Texas Street Festival	City	Tourism	International		\$20,000	
2.9.2	Texas Street Festival	EDC	Tourism	International		\$0	
2.9.3	Little Nashville	City	Tourism	Regional		\$50,000	
2.9.4	Marketing Collateral	City	Tourism	International		\$0	
2.9.5	Annual Banquet	City	Tourism	Regional		\$0	
2.9.6	Christmas Parade	City	Tourism	Regional		\$0	
2.9.7	Winter Texas Reception	City	Tourism	National		\$0	
2.9.8	Mercedes Leadership	City	Tourism	International		\$0	
2.9.9	Movies in the Park	City	Tourism	Mercedes		\$0	
2.9.9.1	Marketing Collateral	City	Tourism	Mercedes		\$0	
						\$70,000	
3.0	Direct Marketing						
3.1.1	GeoTours	EDC	Tourism	International	Annually	\$6,500	Includes \$1500 Sponsorship
						\$6,500	
					City	\$128,165	

6. Adjournment