

**CITY OF SAN ANTONIO
FINANCE DEPARTMENT
CITY COUNCIL AGENDA MEMORANDUM**

CONSENT AGENDA
ITEM NO. **32**

TO: Mayor and City Council

FROM: Milo Nitschke, Director, Finance Department

SUBJECT: Ordinance to hire Garza/Gonzalez & Associates to provide Financial Reporting Consultation Services for the fiscal year ended September 30, 2004

DATE: December 9, 2004

SUMMARY AND RECOMMENDATIONS

This ordinance authorizes the execution of a professional services contract with Garza/Gonzalez & Associates in an amount not to exceed \$90,000. The ordinance would authorize the Interim City Manager or his designee to execute the agreement, and allow for Garza/Gonzalez & Associates to provide financial reporting consultation services to assist in the preparation of the City's Comprehensive Annual Financial Report (CAFR) for the fiscal year ending September 30, 2004. The contract would terminate upon completion of the contract's objectives.

Staff recommends approval.

BACKGROUND INFORMATION

The Charter of the City of San Antonio and Chapter 103 of the Texas Local Government Code require that an annual audit of the City's financial records and accounts be performed. The City customarily provides this report without the services of an outside consultant. However, with the City implementing the new financial service program (Enterprise Resource Management, or ERM), staff resources are at a minimum. Therefore, the City will need assistance to prepare and review financial statements and other components of the CAFR. The City solicited proposals through a Request for Proposal in October 2004. Garza/Gonzalez & Associates was the only respondent; however, Garza/Gonzalez & Associates also qualifies to provide these services as they are a former external auditor for the City.

Garza/Gonzalez & Associates will provide a minimum of three staff to the City Finance Department from December 2004 through March 2005 to assist, review, and compile portions of the City's annual financial report. This would include training staff on any deficiencies noted, preparation of footnotes and some financial statements, and review of financial statements before submittal to the Controller's Office. The objective in acquiring these additional resources will assist Finance in the accurate and timely preparation of the financial statements, schedules, and other CAFR related information for the fiscal year ending September 30, 2004.

POLICY ANALYSIS

In contracting Garza/Gonzalez & Associates to assist the Finance Department in compiling and reviewing the annual financial report, the City will ensure that a timely, accurate report is produced for the fiscal year ending September 30, 2004. Due to employee turnover and the utilization of key Finance staff at the ERM project, this assistance is essential to allow Finance to submit a CAFR that will satisfy the needs for bond raters, the Government Finance Officer's Association (GFOA), as well as for our citizenry.

FINANCIAL IMPACT

Funding for this contract in the amount of \$90,000 was appropriated in the Fiscal Year 2005 budget process in Non-Departmental One-Time Projects, Cost Center 7001990001, General Ledger Code 5201040.

COORDINATION

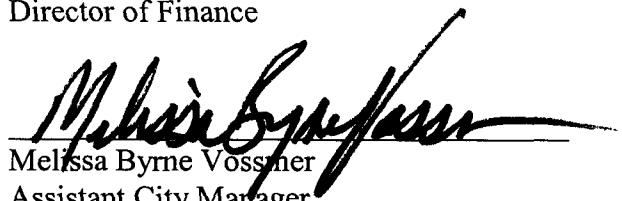
The City Attorney's Office, Contract Services Department, and the Finance Department coordinated with this proposed ordinance item.

SUPPLEMENTARY COMMENTS

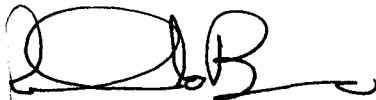
The discretionary contract disclosure is attached.



Milo Nitschke
Director of Finance



Melissa Byrne Vossner
Assistant City Manager



J. Rolando Bono
Interim City Manager

ATTACHMENT 2

City of San Antonio Discretionary Contracts Disclosure*

For use of this form, see City of San Antonio Ethics Code, Part D, Sections 1&2

Attach additional sheets if space provided is not sufficient.

State "Not Applicable" for questions that do not apply.

This form is required to be supplemented in the event there is any change in the information under (1), (2), or (3) below before the discretionary contract is the subject of council action, and no later than five (5) business days after any change about which information is required to be filed.

Disclosure of Parties, Owners, and Closely Related Persons

For the purpose of assisting the City in the enforcement of provisions contained in the City Charter and the Code of Ethics, an individual or business entity seeking a discretionary contract from the City is required to disclose in connection with a proposal for a discretionary contract:

(1) the identity of any **individual** who would be a party to the discretionary contract:

Gregory R. Garza, CPA
Rene E. Gonzalez, CPA

(2) the identity of any **business entity**¹ that would be a party to the discretionary contract:

Garza/Gonzalez & Associates

and the name of:

(A) any individual or business entity that would be a **subcontractor** on the discretionary contract;

N/A

and the name of:

(B) any individual or business entity that is known to be a **partner**, or a **parent** or **subsidiary** business entity, of any individual or business entity who would be a party to the discretionary contract;

Gregory R. Garza, CPA
Rene E. Gonzalez, CPA

¹ A business entity means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law.

- (3) the identity of any *lobbyist* or *public relations firm* employed for purposes relating to the discretionary contract being sought by any individual or business entity that would be a party to the discretionary contract.

N/A

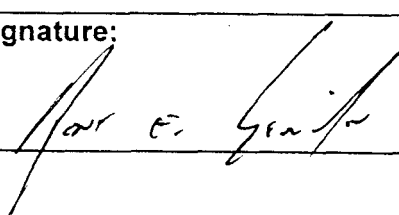
Political Contributions

Any individual or business entity seeking a discretionary contract from the city must disclose in connection with a proposal for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made directly or indirectly to any *current* or *former member* of City Council, any *candidate* for City Council, or to any *political action committee* that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an individual include, but are not limited to, contributions made by the individual's spouse, whether statutory or common-law. Indirect contributions by an entity include, but are not limited to, contributions made through the officers, owners, attorneys, or registered lobbyists of the entity.

To Whom Made:	Amount:	Date of Contribution:
Julian Castro	\$300.00	March 12, 2003

Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city shall disclose any known facts which, reasonably understood, raise a question² as to whether any city official or employee would violate Section 1 of Part B, Improper Economic Benefit, by participating in official action relating to the discretionary contract.

Signature: 	Title: Senior Partner Company: Garza/Gonzalez & Associates	Date: October 20, 2004

² For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.