

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

AGENDA ITEM NO. 34

**TO:** Mayor and City Council

**FROM:** Milo Nitschke, Director, Finance Department

**SUBJECT:** Approving Publication of the Notice of Intention to Issue Combination Tax and Revenue Certificates of Obligation; Approving the Form, Content and Distribution of the Preliminary Official Statements Related to General Improvement and Refunding Bonds, Series 2005 and Combination Tax and Revenue Certificates of Obligation, Series 2005 and Approving a Reimbursement Resolution Related to the future issuances of general improvement bonds and Certificates of Obligation, Series 2005-A

**DATE:** February 25, 2005

**SUMMARY AND RECOMMENDATIONS**

- A. This Ordinance authorizes and approves publication of the Notice of Intention to issue "City of San Antonio, Texas Combination Tax and Revenue Certificates of Obligation, Series 2005" in a maximum principal amount not to exceed \$11,600,000.00; complying with the requirements contained in Securities and Exchange Commission Rule 15c2-12, including the approval and distribution of the Preliminary Official Statements pertaining to the issuance of such obligations and approximately \$31,990,000.00 "City of San Antonio, Texas General Improvement Bonds, Series 2005", and "City of San Antonio, Texas General Improvement and Refunding Bonds, Series 2005" in the approximate amount of \$68,550,000.00; authorizing the City's staff, co-financial advisors, and co-bond counsel to take all actions deemed necessary in connection with the sale of such obligations; and providing for an effective date.
- B. This Resolution authorizes a resolution relating to establishing the City's intention to reimburse itself for the prior lawful expenditures of funds from the proceeds of tax-exempt obligations to be issued by the City for authorized purposes designated as future issuances of general obligation bonds and "City of San Antonio Combination Tax and Revenue Certificates of Obligation, Series 2005-A"; authorizing other matters incident and related thereto; and providing for an effective date.

Staff recommends approval of this Ordinance and Resolution.

## **BACKGROUND INFORMATION**

The fiscal year 2005 Debt Management Plan includes the proposed sale of approximately \$31,990,000 General Improvement Bonds, Series 2005 (the "2005 Bonds") and Combination Tax and Revenue Certificates of Obligation, Series 2005 (the "2005 Certificates") in an amount not to exceed \$11,600,000.

The City routinely evaluates the possibility of executing refunding transactions to achieve interest cost savings. If market conditions exist to achieve significant interest cost savings by refunding certain outstanding obligations a refunding would be considered that would range in an issuance amount between \$49,000,000 and \$185,000,000.

The 2005 New Money Bonds are being issued to provide funds (1) to finance the construction of general improvements to the City, including (a) streets and pedestrian improvements; (b) drainage improvements; (c) parks and recreation improvements; (d) library improvements; and (e) public health and safety improvements; and (2) to pay the costs of issuance. The sale of the 2005 Bonds represents the second installment of the 2003 Authorized Bond Program and the allocation of funds is detailed below.

Streets and Pedestrian Improvements	\$ 4,596,982
Drainage Improvements	8,764,293
Parks and Recreation Improvements	13,554,575
Library Improvements	2,711,150
Public Health and Safety	<u>2,363,000</u>
Total 2005 Bonds	<u>\$ 31,990,000</u>

The 2005 Certificates will be used for the purpose of providing funds for the payment of contractual obligations to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) constructing public safety improvements, including renovating and improving existing fire stations, (2) constructing drainage improvements, sidewalk improvements, bridge improvements, street improvements and drainage incidental thereto, (3) constructing improvements and renovations to existing municipal facilities, including the, Levi Strauss Building and the Witte Museum, (4) acquiring, constructing and renovating park facilities, (5) purchasing materials, supplies, machinery, land, and rights-of-way for authorized needs and purposes relating to public safety, drainage, street and public works purposes, and (6) the payment of professional services related to the construction and financing of the aforementioned projects.

The allocation of funds is detailed below:

Fire	\$ 1,619,000
Parks and Recreation	3,990,000
Kelly USA	1,500,000
Brooks City Base	1,300,000
Metropolitan Planning Organization	306,000
Streets	1,777,000
Estimated Cost of Issuance	<u>288,000</u>
Total 2005 Certificates	<u>\$ 10,780,000</u>

In connection with the issuance and sale of the bonds and certificates, documents will be mailed to Rating Agencies and Insurance Companies on or about March 11, 2005. Any ensuing discussions will be conducted via telephone conversations.

It is anticipated that the bonds and certificates will be sold the week of March 28, 2005 by an underwriting syndicate including First Southwest Company as Senior Book Running Manager; Ramirez & Company as Co-Senior Manager; and M.E. Allison, Southwestern Capital Markets and Southwest Securities as Co-Managers.

Approval of the reimbursement resolution will enable the City to reimburse itself for project expenditures to be funded by the issuance of future obligations but expenditures incurred prior to the sale and delivery of such obligations' proceeds. Such expenditures are related to projects funded by the future issuance of general improvement bonds and combination tax and revenue certificates of obligation which are anticipated to be sold in November, 2005. The next installment of general improvement bonds is anticipated to be sold in November, 2005. The future sale of the certificates is anticipated to be approximately \$11,000,000. The anticipated sale of the general improvement bonds and 2005-A Certificates is consistent with the Debt Management Plan and the Adopted 2005 Capital Budget.

### **POLICY ANALYSIS**

The aforementioned transactions are consistent with approved capital projects, the 2005 Approved Capital Budget and the Debt Management Plan.

### **FISCAL IMPACT**

Any costs pertaining to the proposed bond transactions will be paid from the proceeds derived from the issuance and sale of such obligations. Therefore, there is no impact on the City's Operating Budget.

## **COORDINATION**

This action was coordinated with the City Manager's Office, City Attorney's Office, the Departments of Finance, Public Works, Parks and Recreation, Fire, the Office of Management and Budget, the City's Underwriting Syndicate, Co-Financial Advisors and Co-Bond Counsel.

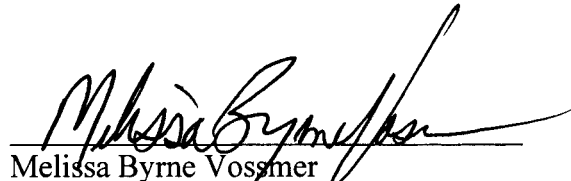
## **SUPPLEMENTAL COMMENTS**

The disclosures required by the City's Ethics Ordinance for each of the underwriting firms are attached.



Milo D. Nitschke  
Director, Finance Department

Approved:



Melissa Byrne Vossmer  
Assistant City Manager



J. Rolando Bono  
Interim City Manager

## 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:

Not Applicable

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

First Southwest Company

and the name of:

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

Not Applicable

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:

First Southwest Holdings, Inc.

(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 who would be a party to the discretionary contract:

<sup>1</sup> 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.

Not Applicable

**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:**

Not Applicable

**Amount:****Date of Contribution:****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 question<sup>2</sup> 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.

Not Applicable

**Signature:****Title:**

Senior Vice President

**Company:**

First Southwest Company

**Date:**

3/2/05

<sup>2</sup> 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.

**LITIGATION DISCLOSURE**

Failure to fully and truthfully disclose the information required by this Litigation Disclosure form may result in the disqualification of your proposal from consideration or termination of the contract, once awarded.

1. Have you or any member of your Firm or Team to be assigned to this engagement ever been indicted or convicted of a felony or misdemeanor greater than a Class C in the last five (5) years?

Circle One

YES

☒ NO

2. Have you or any member of your Firm or Team been terminated (for cause or otherwise) from any work being performed for the City of San Antonio or any other Federal, State or Local Government, or Private Entity?

Circle One

YES

☒ NO

3. Have you or any member of your Firm or Team been involved in any claim or litigation with the City of San Antonio or any other Federal, State or Local Government, or Private Entity during the last ten (10) years?

Circle One

☒ YES

NO

If you have answered "Yes" to any of the above questions, please indicate the name(s) of the person(s), the nature, and the status and/or outcome of the information, indictment, conviction, termination, claim or litigation, as applicable. Any such information should be provided on a separate page, attached to this form and submitted with your proposal.

TO THE BEST OF MY KNOWLEDGE, THE ABOVE INFORMATION IS TRUE AND CORRECT.

Company Name: First Southwest Company

Anne Burger Entekin

Signature of Principal:

Anne Burger Entekin

Printed Name of Principal:

Senior Vice President

Title of Principal

3.

Except as provided below, there has been no claim or litigation with the City of San Antonio or any other Federal, State or Local Government, or Private Entity involving First Southwest Company ("FSC") or any member of the firm during the past ten (10) years related to the firm's public finance business.

- a. In April 2000, FSC was joined as a defendant in a lawsuit in Starr County, Texas, by Rio Grande City Consolidated Independent School District and Rio Grande City Public Facilities Corporation in connection with a lease revenue bond offering in 1995 in which FSC acted, nominally, as a co-manager in the underwriting of the bonds. There were no specific allegations of wrongdoing by FSC, but it was alleged that the managing underwriter represented that a lower interest rate would be obtained than that which was ultimately attributed to the bonds when issued. FSC denied the claims as same relate to FSC, and filed for removal of the case to federal court. FSC and the other defendant prevailed in the matter with a directed verdict entered on January 8, 2003. The plaintiff appealed the decision, but it was affirmed by the Court of Appeals on April 14, 2004.
- b. In 2001, Brownsville Independent School District instituted an action in state court in Brownsville, Texas based on a claim that FSC, as financial advisor to the district, acted to convince the district of a need for trips to New York to meet with ratings agencies in connection with certain bond offerings when, according to the district's allegations, the trips were unnecessary. The district claimed to have incurred travel expenses in an amount approximating \$65,000 for the three trips which they sought to recover from FSC. FSC filed an answer denying the claim and filed a counterclaim seeking to recover additional costs for the ratings trips for which FSC had not been reimbursed. The case was settled amicably with the school district agreeing to pay to FSC a portion of its unreimbursed expenses as sought in the counterclaim.



## 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:

George W. Graham, MANAGING DIRECTOR  
Tom Mead, MANAGING DIRECTOR  
Mary Meyers, VICE PRESIDENT, UNDERWRITING

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

Samuel A. Ramirez & Company, Inc.

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;

N/A

<sup>1</sup> 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 who would be a party to the discretionary contract.

NONE

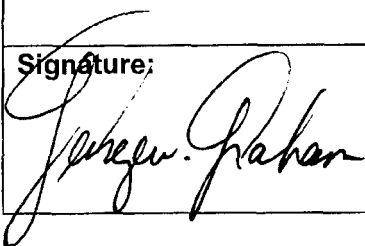
#### Political Contributions

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:
NONE		

#### 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 question<sup>2</sup> 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.

NONE		
Signature: 	Title: <i>MANAGING DIRECTOR</i> Company: <i>SAMUEL A. RAMIREZ &amp; Co.</i>	Date: <i>MARCH 1, 2005</i>

<sup>2</sup> 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.

## LITIGATION DISCLOSURE

Failure to fully and truthfully disclose the information required by this Litigation Disclosure form may result in the disqualification of your proposal from consideration or termination of the contract, once awarded.

1. Have you or any member of your Firm or Team to be assigned to this engagement ever been indicted or convicted of a felony or misdemeanor greater than a Class C in the last five (5) years?

Circle One

YES

NO

2. Have you or any member of your Firm or Team been terminated (for cause or otherwise) from any work being performed for the City of San Antonio or any other Federal, State or Local Government, or Private Entity?

Circle One

YES

NO

3. Have you or any member of your Firm or Team been involved in any claim or litigation with the City of San Antonio or any other Federal, State or Local Government, or Private Entity during the last ten (10) years?

Circle One

YES

NO

If you have answered "Yes" to any of the above questions, please indicate the name(s) of the person(s), the nature, and the status and/or outcome of the information, indictment, conviction, termination, claim or litigation, as applicable. Any such information should be provided on a separate page, attached to this form and submitted with your proposal.

TO THE BEST OF MY KNOWLEDGE, THE ABOVE INFORMATION IS TRUE AND CORRECT.

Company Name: SAMUEL A. RAMIREZ & Company, Inc.

George W. Graham  
Signature of Principal:

George W. Graham  
Printed Name of Principal:

MANAGING DIRECTOR  
Title of Principal

## 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:

MARK McLINCY

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

Southwest Securities

and the name of:

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

NONE

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:

NONE

<sup>1</sup> 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 who would be a party to the discretionary contract.

NONE


#### 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:
NONE		

#### 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 question<sup>2</sup> 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.

MARK MCLIAIEY		
Signature: 	Title: SR VP Company: Southwest Securities	Date: 3/1/05

<sup>2</sup> 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.

**LITIGATION DISCLOSURE**

**Failure to fully and truthfully disclose the information required by this Litigation Disclosure form may result in the disqualification of your proposal from consideration or termination of the contract, once awarded.**

1. Have you or any member of your Firm or Team to be assigned to this engagement ever been indicted or convicted of a felony or misdemeanor greater than a Class C in the last five (5) years?

Circle One

YES

NO

2. Have you or any member of your Firm or Team been terminated (for cause or otherwise) from any work being performed for the City of San Antonio or any other Federal, State or Local Government, or Private Entity?

Circle One

YES

NO

3. Have you or any member of your Firm or Team been involved in any claim or litigation with the City of San Antonio or any other Federal, State or Local Government, or Private Entity during the last ten (10) years?

Circle One

YES

NO

If you have answered "Yes" to any of the above questions, please indicate the name(s) of the person(s), the nature, and the status and/or outcome of the information, indictment, conviction, termination, claim or litigation, as applicable. Any such information should be provided on a separate page, attached to this form and submitted with your proposal.

TO THE BEST OF MY KNOWLEDGE, THE ABOVE INFORMATION IS TRUE AND CORRECT.

Company Name: Southwest Securities

MARK MCCLWEY  
Signature of Principal:

MARK MCCLWEY  
Printed Name of Principal:

S.R. V.P.  
Title of Principal

## 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:

M. E. Allison, Jr.  
Christopher R. Allison  
E. James Seal  
Mark A. Seal

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

M. E. Allison & Co., Inc.

and the name of:

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

None.

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;

None.

\* 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 who would be a party to the discretionary contract.

None.

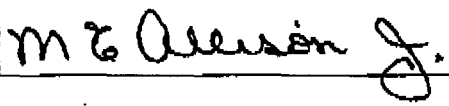
#### Political Contributions

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:
Carroll Schubert Campaign	\$250.00	August 2, 2004
Carroll Schubert Campaign	\$250.00	August 3, 2004

#### 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 question<sup>2</sup> 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: President Company: M. E. Allison & Co., Inc.	Date:  March 3, 2005

<sup>2</sup> 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.



**LITIGATION DISCLOSURE**

**Failure to fully and truthfully disclose the information required by this Litigation Disclosure form may result in the disqualification of your proposal from consideration or termination of the contract, once awarded.**

1. Have you or any member of your Firm or Team to be assigned to this engagement ever been indicted or convicted of a felony or misdemeanor greater than a Class C in the last five (5) years?

Circle One

YES

☒ NO

2. Have you or any member of your Firm or Team been terminated (for cause or otherwise) from any work being performed for the City of San Antonio or any other Federal, State or Local Government, or Private Entity?

Circle One

YES

☒ NO

3. Have you or any member of your Firm or Team been involved in any claim or litigation with the City of San Antonio or any other Federal, State or Local Government, or Private Entity during the last ten (10) years?

Circle One

YES

☒ NO

If you have answered "Yes" to any of the above questions, please indicate the name(s) of the person(s), the nature, and the status and/or outcome of the information, indictment, conviction, termination, claim or litigation, as applicable. Any such information should be provided on a separate page, attached to this form and submitted with your proposal.

TO THE BEST OF MY KNOWLEDGE, THE ABOVE INFORMATION IS TRUE AND CORRECT.

Company Name: M. E. Allison & Co., Inc.

M. E. Allison, Jr.  
Signature of Principal:

M. E. Allison, Jr.  
Printed Name of Principal:

President  
Title of Principal

Rev. 5/31/02

**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:

Robert G. Rodriguez, President & CEO

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

Southwestern Capital Markets, Inc.

**and the name of:**

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

None.

**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:

None.

(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 who would be a party to the discretionary contract.

<sup>1</sup> 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.

None.

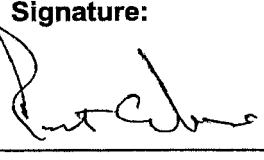
#### Political Contributions

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:
MSRB Rule G-37 prohibits any dealer from engaging in municipal securities business with an issuer within 2 years of any contribution to an official of such issuer except a maximum of \$250 is allowed for someone you may vote for.  A contribution was made to Art A. Hall	\$250.00	Sometime before the May 2003 elections.

#### 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 question<sup>2</sup> 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.

<b>Signature:</b> 	<b>Title:</b> President & CEO <b>Company:</b> Southwestern Capital Markets, Inc.	<b>Date:</b> February 28, 2005

<sup>2</sup> 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.

## LITIGATION DISCLOSURE

**Failure to fully and truthfully disclose the information required by this Litigation Disclosure form may result in the disqualification of your proposal from consideration or termination of the contract, once awarded.**

1. Have you or any member of your Firm or Team to be assigned to this engagement ever been indicted or convicted of a felony or misdemeanor greater than a Class C in the last five (5) years?

Circle One

YES

☒ NO

2. Have you or any member of your Firm or Team been terminated (for cause or otherwise) from any work being performed for the City of San Antonio or any other Federal, State or Local Government, or Private Entity?

Circle One

YES

☒ NO

3. Have you or any member of your Firm or Team been involved in any claim or litigation with the City of San Antonio or any other Federal, State or Local Government, or Private Entity during the last ten (10) years?

Circle One

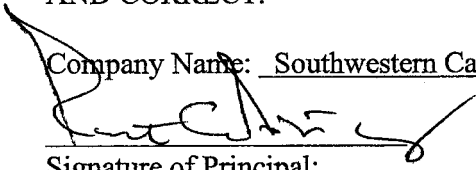
YES

☒ NO

**If you have answered "Yes" to any of the above questions, please indicate the name(s) of the person(s), the nature, and the status and/or outcome of the information, indictment, conviction, termination, claim or litigation, as applicable. Any such information should be provided on a separate page, attached to this form and submitted with your proposal.**

**TO THE BEST OF MY KNOWLEDGE, THE ABOVE INFORMATION IS TRUE AND CORRECT.**

Company Name: Southwestern Capital Markets, Inc.

  
Signature of Principal:

Robert G. Rodriguez  
Printed Name of Principal:

President & CEO  
Title of Principal