

Item 4: 1:30PM  
Updated

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

**TO:** Mayor and City Council

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

**SUBJECT:** Authorizing the Issuance, Sale and Delivery of \$116,170,000 General Improvement and Refunding Bonds, Series 2005 and \$10,535,000 Combination Tax and Revenue Certificates of Obligation, Series 2005

**DATE:** March 31, 2005

This memorandum provides an update to the previous memo to Mayor and City Council in connection with the issuance, sale and delivery of City of San Antonio, Texas General Improvement and Refunding Bonds, Series 2005 and City of San Antonio, Texas Combination Tax and Revenue Certificates of Obligation, Series 2005, collectively referred to as the "Obligations." The obligations were priced on March 28, 2005 by a syndicate led by 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. The Obligations are scheduled for City Council consideration on March 31st as components of the 1:30 p.m. time certain Agenda Item 4A and 4B.

Summary results of the aggregate financings are shown below:

**Proceeds:**

	2005 Refunding Bonds	2005 New Money Bonds	2005 Certificates
Principal	\$86,010,000.00	\$30,160,000.00	\$10,535,000.00
Premium	6,913,831.25	2,117,154.20	71,570.45
Accrued Interest	<u>524,259.17</u>	<u>184,730.00</u>	<u>55,983.08</u>
Total Proceeds	<u>\$93,448,090.42</u>	<u>\$32,461,884.20</u>	<u>\$10,662,553.53</u>

**True Interest Cost:**

2005 Refunding Bonds	4.343%
2005 New Money Bonds	4.616%
2005 Certificates	4.618%

**Average Life:**


2005 Refunding Bonds	10.554 Years
2005 New Money Bonds	14.106 Years
2005 Certificates	14.047 Years

The 2005 Refunding Bonds are being issued to refund approximately \$88,105,000 in previously issued tax-exempt general obligation bonds and certificates of obligation. The refunding analysis shows that refinancing approximately \$88,105,000 resulted in an estimated \$1,200,000 savings in fiscal years 2010 and 2011, results in an estimated gross savings of \$3,159,654.34 and a net present value savings of \$2,606,729.24. The estimated present value savings as a percent of refunded bonds is 2.96% and 3.03% of refunding bonds.

In connection with the issuance and sale of the Obligations, the bonds were rated "AA+", "Aa2", and "AA+" by Fitch Ratings, Moody's Investors Services, Inc., and Standard and Poor's Ratings Group respectively.

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.

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



Milo D. Nitschke  
Director, Finance Department



Melissa Byrne Vossmer  
Assistant City Manager



J. Rolando Bono  
Interim City Manager

TIME CERTAIN  
ITEM NO. 4  
1:30PM

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

**TO:** Mayor and City Council

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

**SUBJECT:** Authorizing the Issuance, Sale and Delivery of Approximately \$122,485,000 General Improvement and Refunding Bonds, Series 2005 and Approximately \$10,740,000 Combination Tax and Revenue Certificates of Obligation, Series 2005

**DATE:** March 31, 2005

**SUMMARY AND RECOMMENDATIONS**

- A. This Ordinance authorizes the issuance of approximately \$122,485,000 "City of San Antonio, Texas General Improvement Bonds, Series 2005"; levies a continuing direct annual ad valorem tax for the payment of the bonds; prescribes the form, terms, conditions, and resolves other matters incident and related to the issuance, sale and delivery of the bonds, including the approval and distribution of an official statement pertaining thereto; authorizes the execution of a paying agent/registrar agreement, an escrow agreement and trust agreement, and a purchase contract; complies with the provisions of the Depository Trust Company's letter of representations; and enacting other provisions incident and related to the subject and purpose of this ordinance; and providing for an immediate effective date upon passage by eight affirmative votes.
- B. This Ordinance authorizes the issuance of approximately \$10,740,000 "City of San Antonio, Texas Combination Tax and Revenue Certificates of Obligation, Series 2005"; provides for the payment of the certificates by a levy of an ad valorem tax upon all taxable property within the City and further secures the certificates by a lien on and pledge of the pledged revenues; provides the terms and conditions of the certificates and resolves other matters incident and relating to the issuance, payment, security, sale, and delivery of the certificates, including the approval and distribution of an official statement; authorizes the execution of a paying agent/registrar agreement and a purchase contract; complies with the provisions of the Depository Trust Company's letter of representations; and providing for an immediate effective date upon passage by eight affirmative votes.

Staff recommends approval of these Ordinances.

**BACKGROUND INFORMATION**

On March 10, 2005, City Council approved the form, content and distribution of a Preliminary Official Statement pertaining to the issuance, sale and delivery of approximately \$122,485,000

City of San Antonio, Texas General Improvement and Refunding Bonds, Series 2005 (the "2005 Bonds") and approximately \$10,740,000 City of San Antonio, Texas Combination Tax and Revenue Certificates of Obligation, Series 2005 (the "2005 Certificates").

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 Refunding Bonds are being issued to refund approximately \$92,930,000 in previously issued tax-exempt general obligation bonds and certificates of obligation. The refunding analysis shows that refinancing approximately \$92,930,000 results in an estimated \$1,544,067 savings in fiscal years 2010 and \$2,441,052 in 2011, results in an estimated gross savings of \$4,245,136.15 and a net present value savings of \$3,440,548.28.

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>248,000</u>
Total 2005 Certificates	<u>\$ 10,740,000</u>

In connection with the issuance and sale of the bonds and certificates, documents have been mailed to Rating Agencies and Insurance Companies.

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.

The final results of the pricing and sale will be detailed in an updated memorandum which will be provided on Thursday, March 31, 2005.

### **POLICY ANALYSIS**

The aforementioned transaction is consistent with the Debt Management Plan.

### **FISCAL IMPACT**

Any costs pertaining to the proposed bond transaction 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**

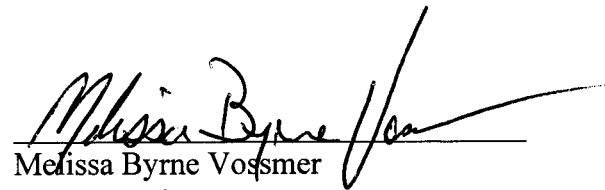
This action was coordinated with the City Manager's Office, City Attorney's Office, the Departments of Finance, the Office of Management and Budget, the City's Underwriting Syndicate, Co-Financial Advisors and Co-Bond Counsel.

**SUPPLEMENTAL COMMENTS**

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

A handwritten signature in black ink, appearing to read "Milo D. Nitschke", written over a horizontal line.

Milo D. Nitschke  
Director, Finance Department

A handwritten signature in black ink, appearing to read "Melissa Byrne Vossmer", written over a horizontal line.

Melissa Byrne Vossmer  
Assistant City Manager

A handwritten signature in black ink, appearing to read "J. Rolando Bono", written over a horizontal line.

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

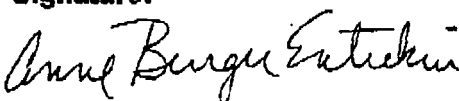
**Political Contributions**

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:	Amount:	Date of Contribution:
Not Applicable		

**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		
<b>Signature:</b> 	<b>Title:</b> Senior Vice President <b>Company:</b> First Southwest Company	<b>Date:</b> 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.

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### 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

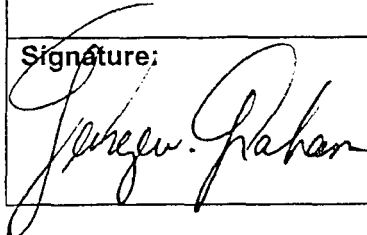
#### Political Contributions

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: MANAGING DIRECTOR Company: SAMUEL A. RAMIREZ & CO.	Date: MARCH 1, 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: 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\*

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Attach additional sheets if space provided is not sufficient.  
State "Not Applicable" for questions that do not apply.

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### 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.

<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:
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 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: <i>M. E. Allison</i>	
Title: President	Company: M. E. Allison & Co., Inc.
Date: March 3, 2005	

\* 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 refusal or require careful consideration of whether or not refusal is required.

## LITIGATION DISCLOSURE

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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.*

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

MARK MCCLINEY

(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 MCLINEY

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

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**LITIGATION DISCLOSURE**

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Circle One

YES

NO

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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 McLney  
Signature of Principal:

MARK MCLNEY  
Printed Name of Principal:

SR. 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:

Robert G. Rodriguez, President & CEO

(2) the identity of any **business entity**<sup>1</sup> 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.

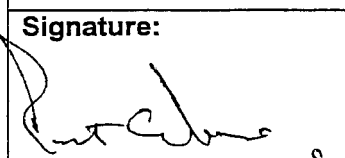
#### Political Contributions

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

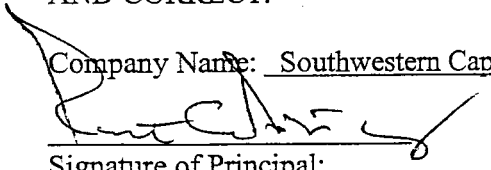
YES

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