

AN ORDINANCE **8466 T**

**SELECTING THE JOINT VENTURE OF MARTINEZ, MENDOZA & COMPANY, P.C. AND KPMG PEAT MARWICK, CERTIFIED PUBLIC ACCOUNTANTS, TO PERFORM THE ANNUAL FINANCIAL AUDIT OF THE CITY OF SAN ANTONIO FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1996, AND TO PROVIDE SPECIAL AUDIT, REVIEW AND OTHER RELATED SERVICES AS MAY BE REQUIRED; AUTHORIZING THE NEGOTIATION AND EXECUTION OF A CONTRACT IN THE AMOUNT OF \$193,120.00 FOR A ONE-YEAR PERIOD; APPROPRIATING FUNDS; AND PROVIDING FOR PAYMENT.**

(AMENDS ORDINANCE NO. 77852 DATED APRIL 29, 1993)

\* \* \* \* \*

*WHEREAS*, Section 111 of the City of San Antonio City Charter requires that an independent audit be performed on all accounts of the City by a certified public accountant at the close of each fiscal year; and

*WHEREAS*, Chapter 103 of the Texas Local Government Code and the Federal Single Audit Act of 1984 and related OMB Circular A-128 also require an annual independent audit be conducted by a certified public accountant; and

*WHEREAS*, through Ordinance No. 77852, passed and approved April 29, 1993, City Council authorized the selection of the joint venture of Martinez, Mendoza & Company, P.C. and KPMG Peat Marwick, Certified Public Accountants, to perform the City's annual audits for fiscal years ending September 30, 1993 through 1995; and

*WHEREAS*, because the joint venture has demonstrated an excellent level of professional competence and ability, staff recommends the selection of the joint venture of Martinez, Mendoza & Company, P.C. and KPMG Peat Marwick, Certified Public Accountants, for an additional one-year period; **NOW THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

*SECTION 1.* The joint venture of Martinez, Mendoza & Company, P.C. and KPMG Peat Marwick, Certified Public Accountants, is hereby selected to perform the City's annual financial audit for the fiscal year ending September 30, 1996, and to provide special audit, review and other related services, as may be required.

**SECTION 2.** The City Manager, or his designee, is hereby authorized to negotiate and execute a contract for said services at a fair and reasonable price. In accordance with Section 54 of the City of San Antonio City Charter, said contract is subject to the review and approval of the City Attorney prior to its execution.

**SECTION 3.** The Contract shall commence upon the effective date of this ordinance and shall terminate September 30, 1997. The Contract shall provide for the negotiated fee in the amount of \$193,120.00 for the performance of the annual, fiscal year-end, audit. Special audit, review and other related services shall be provided at an hourly rate to be negotiated as part of the Contract.

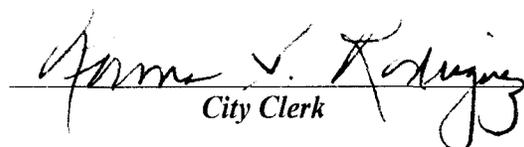
**SECTION 4.** The 1996/97 appropriation for Index Code 419226, entitled "Professional Fees - Outside Auditors" in Activity 80-02-06 (Professional Fees-Non-departmental) in the General Fund is hereby encumbered for \$193,120.00 and payment of that amount therefrom to the joint venture of Martinez, Mendoza & Company, P. C. and KPMG Peat Marwick, Certified Public Accountants, is hereby authorized, provided that such appropriation is approved for the 1996/97 budget.

**SECTION 5.** This ordinance shall be effective on the tenth day from passage hereof.

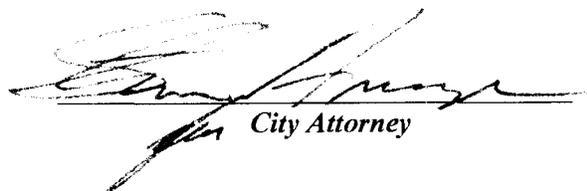
PASSED AND APPROVED this 5<sup>th</sup> day of September, 1996.

  
M A Y O R

ATTEST:

  
City Clerk

APPROVED AS TO FORM:

  
City Attorney

96-36

**MEETING OF THE CITY COUNCIL**

AGENDA ITEM NUMBER: 21  
 DATE: SEP 05 1996  
 MOTION BY: Salas  
 SECONDED BY: Lott  
 ORDINANCE NUMBER: 84661  
 RESOLUTION NUMBER: \_\_\_\_\_  
 ZONING CASE NUMBER: \_\_\_\_\_

ALAMODOME
ARTS & CULTURAL AFFAIRS
/ ASSET MANAGEMENT
AVIATION
/ BUDGET & MANAGEMENT ANALYSIS
BUILDING INSPECTIONS
HOUSE NUMBERING
/ CITY ATTORNEY
MUNICIPAL COURT
REAL ESTATE (FASSNIDGE)
REAL ESTATE (WOOD)
CITY MANAGER
SPECIAL PROJECTS - FRANCES GONZALES
CITY PUBLIC SERVICE - GENERAL MANAGER
CITY PUBLIC SERVICE - MAPS AND RECORDS
CODE COMPLIANCE
COMMERCIAL RECORDER
COMMUNITY INITIATIVES
COMMUNITY RELATIONS
PUBLIC INFORMATION
CONVENTION AND VISITORS BUREAU
CONVENTION CENTER EXPANSION OFFICE
CONVENTION FACILITIES
ECONOMIC DEVELOPMENT
FINANCE - DIRECTOR
FINANCE - ASSESSOR
/ FINANCE - CONTROLLER
FINANCE - GRANTS
FINANCE - RISK MANAGEMENT
/ FINANCE - TREASURY
FIRE DEPARTMENT
HOUSING AND COMMUNITY DEVELOPMENT
HUMAN RESOURCES (PERSONNEL)
INFORMATION SERVICES
INTERGOVERNMENTAL RELATIONS
/ INTERNAL REVIEW
INTERNATIONAL AFFAIRS
LIBRARY
METROPOLITAN HEALTH DISTRICT
MUNICIPAL CODE CORPORATION
MUNICIPAL COURT
PARKS AND RECREATION
MARKET SQUARE
PLANNING DEPARTMENT
DISABILITY ACCESS OFFICE
LAND DEVELOPMENT SERVICES
POLICE DEPARTMENT
GROUND TRANSPORTATION
PUBLIC WORKS DIRECTOR
CAPITAL PROJECTS
CENTRAL MAPPING
ENGINEERING
PARKING DIVISION
REAL ESTATE DIVISION
SOLID WASTE
TRAFFIC ENGINEERING
PURCHASING AND GENERAL SERVICES
SAN ANTONIO WATER SYSTEMS (SAWS)
VIA
YOUTH INITIATIVES

NAME	ROLL	AYE	NAY
ROGER FLORES, II District 1		✓	
DOLORES M. LOTT District 2		✓	
LYNDA BILLA BURKE District 3		absent	
HENRY AVILA District 4		✓	
JUAN F. SOLIS, III District 5		✓	
ROBERT A. HERRERA District 6		✓	
BOB ROSS District 7		absent	
ROBERT MARBUT District 8		- /	
HOWARD W. PEAK District 9		/	
JEFF S. WEBSTER District 10		/	
WILLIAM E. THORNTON Mayor		✓	

AMENDS ORD. NO. 77852 OF 4-29-93

**96-36**

FILE:

<b>Approval</b>		<b>CITY OF SAN ANTONIO</b> <b>Request For Ordinance/Resolution</b>	<small>For DMO use only</small>
Finance	Budget		Date Considered:
Legal	Coordinator		Consent <input type="checkbox"/> Individual <input type="checkbox"/>
			Item No. Ord. No.

Date: <b>23-Aug-96</b>	Department: <b>Finance Department</b>	Contact Person/Phone # <b>Nora W. Chavez/x-8620</b>
Date Council Consideration Requested: <b>05-Sep-96</b>	Deadline for Action: <b>05-Sep-96</b>	Dept. Head Signature: <i>[Signature]</i> <b>Asst. Dir.</b>

**SUMMARY OF ORDINANCE**

This ordinance will approve a one-year contract, extending the term of the joint venture of Martinez, Mendoza & Company P.C. and KPMG Peat Marwick, Certified Public Accountants, as the City's independent auditors to perform the annual financial audit of the City of San Antonio for the fiscal year ending September 30, 1996, and to provide special audit, review, and other related services as may be required.

Staff recommends approval of this ordinance.

Council Memorandum Must Be Attached to Original

Other Depts., Boards, Committees Involved (please specify): **Office of Internal Review and the City Attorney's Office.**

Contract signed by other party      Yes       No

FISCAL DATA (if Applicable)		Budgetary Implications	
Fund No. _____	Amt. Expended _____	Funds/Staffing Budgeted:	Yes <input type="checkbox"/> No <input type="checkbox"/>
Activity No. _____	SID No. _____	Positions Currently Authorized:	Yes <input type="checkbox"/> No <input type="checkbox"/>
Index Code _____	Project No. _____	Impact on future O & M	_____
Object Code _____		If positions added, specify class and no.	_____ _____ _____
Comments:			

Coordinator - White  
 Legal - Green  
 Budget - Canary  
 Finance - Pink  
 Originator - Gold

**CITY OF SAN ANTONIO  
FINANCE DEPARTMENT**

**OFFICE OF THE DIRECTOR**

**TO:** Mayor and City Council  
**FROM:** Nora W. Chávez, Director of Finance  
**COPIES TO:** J. Rolando Bono, Assistant City Manager; Octavio Peña, Director, Office of Internal  
Review; Richard Ramirez, Assistant Director of Finance; Ben Gorzell, Controller; File  
**SUBJECT:** Independent Audit of the City and Related Services for Fiscal Year 1996

**DATE:** August 23, 1996

**SUMMARY AND RECOMMENDATION**

This ordinance will approve a one-year contract, extending the term of the joint venture of Martinez, Mendoza & Company P.C. and KPMG Peat Marwick, Certified Public Accountants, as the City's independent auditors to perform the annual financial audit of the City of San Antonio for the fiscal year ending September 30, 1996, and to provide special audit, review, and other related services as may be required.

Staff recommends approval of this ordinance.

**BACKGROUND INFORMATION**

The City Charter requires an annual audit of the City's financial records by independent certified public accountants. The City's annual independent audit is also required by the Federal Single Audit Act of 1984, and related OMB Circular A-128.

On April 29, 1993, the City Council approved a joint venture contract with Martinez Mendoza & Company and KPMG Peat Marwick Certified Public Accountants, to perform the City's annual audits for fiscal years ending September 30, 1993 through 1995. During the engagement period, the City has been required to implement new or revised Governmental Accounting Standards Board (GASB) statements and/or pronouncements. The analysis and implementation of these requirements mandate a significant amount of staff time and coordination and input from the City's independent auditors. For this reason, it has been critical to the City that the independent auditors be experienced and familiar with the City's operations and financial reporting requirements. During this period, the joint venture has demonstrated an excellent level of professional competence and ability to perform the City's audit. Therefore, consistent with the original ordinance, staff recommends extending the engagement of the joint venture contract with Martinez Mendoza & Company and KPMG Peat Marwick Certified Public Accountants as the City's independent audit team for an additional one-year period.

Staff has negotiated an audit fee of \$193,120 for fiscal year 1996, for a savings of \$21,880 versus fiscal year 1995. In the process of developing the current fee quote, the contractors considered increased participation by the staff of the Office of Internal Review. Historically, the Office of Internal Review has provided assistance and hours to the independent auditors in order to enhance the efficiency of the audit process, and to minimize the associated costs.

In addition to the annual independent audit services, staff recommends approval for the contractors to provide special audit related services which may include other audits, reviews, or comparable procedures as may be necessary to comply with mandated audit requirements.

**FINANCIAL IMPACT**

The audit contract fee, not to exceed \$193,120 for fiscal year 1996 audit, is based on support from the Office of Internal Review. The audit fee amount will be paid from the Fiscal Year 1996-97 General Fund, Non-Departmental/Non-Operating Budget.

Special services as described above, will require the independent auditors to provide the City a written estimate of fees on a case by case basis, at the standard hourly rates established in an attachment to the audit contract.

**COORDINATION**

This action has been coordinated with the following departments: Finance, Office of Internal Review and City Attorney's Office.

**SUPPLEMENTAL COMMENTS**

The ethics disclosure forms required by Ordinance are attached.

  
\_\_\_\_\_  
Nora W. Chávez  
Director of Finance

**APPROVED:**

\_\_\_\_\_  
Alexander E. Briseño  
City Manager

**ETHICS ORDINANCE REQUIRED DISCLOSURES**

On October 19, 1994, the City Council of the City of San Antonio revised the Ethics Ordinance. Among other things, it requires that before certain contracts can be considered by the City Council, certain information must be obtained about the proposed contractor. This form is for the purpose of obtaining that information.

1. **Name of Proposed Contractor and Address:** Martinez, Mendoza & Company, P.C.  
1100 NW Loop 410, Suite 300, San Antonio, Texas 78213

2. **If a for-profit entity, list all individuals who own at least a 10% interest in the proposed contractor.**  
Ismael N. Martinez, CPA  
Richard Mendoza, CPA  
Rudy R. Colmenero, JD, CPA

3. **List all political contributions of more than \$100.00 made, during the previous 24 months, to any City Council member or members, or to any political action committee by the entity or any of the individuals listed above.**  
Juan Solis - \$2,000.00                      Robert Marbut - \$250.00  
Henry Avila - \$1,250.00  
Thornton Campaign - \$1,500.00

4. **Lobbying Statement:** To lobby is to represent third parties for pay in attempting to influence members of the City Council with regard to policy decisions or proposals awaiting decision, by verbal, written, or other arguments or means of persuasion.

Does entity engage in lobbying or plan to engage in lobbying during the term of this Agreement?

Yes       No

If the entity should be awarded the Contract, and the answer to the above should change during the term of the Contract, a revised Lobbying Statement must be filed with the City Clerk.

*Ismael N. Martinez, CPA - President*  
Signature Title of Authorized Representative

July 30, 1996  
Date

CITY OF SAN ANTONIO  
ETHICS ORDINANCE  
REQUIRED DISCLOSURES

On October 19, 1994, the City Council of the City of San Antonio revised the Ethics Ordinance. Among other things, it requires that before certain contracts can be considered by the City Council, certain information must be obtained about the proposed contractor. This form is for the purpose of obtaining that information.

1. Name of Proposed Contractor & Address: KPMG Peat Marwick LLP; 112. E. Pecan, Suite 2400; San Antonio, Texas 78205
2. If a for-profit entity, list all individuals who own at least a 10% interest in the proposed contractor. The following represents the partners in the San Antonio office:

Park E. Pearson  
Walter E. Belt, III  
S. Fred Bartz  
Dan M. Slattery  
Santos Fraga

Paul J. Zucconi  
Mark M. Bielstein  
Jorge A. Del Alamo, Jr.  
Elizabeth A. Turner

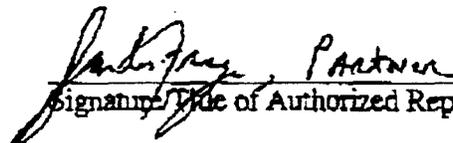
3. List all political contributions of more than \$100 made during the previous twenty-four months to any City Council member or members or to any political action committee by the entity or any of the individual listed above.

Park E. Pearson	\$575	Paul J. Zucconi	\$150
Walter E. Belt, III	150	Mark M. Bielstein	950
S. Fred Bartz	150	Jorge A. Del Alamo, Jr.	150
Dan M. Slattery	150	Elizabeth A. Turner	150
Santos Fraga	150		

4. Lobbying Statement: To lobby is to represent third parties for pay in attempting to influence members of the City Council with regard to policy decisions or proposals awaiting decision, by verbal, written, or other arguments or means of persuasion.

Does entity engage in lobbying or plan to engage in lobbying during the term of this agreement? No

If the entity should be awarded the contract, and the answer to the above should change during the term of the contract, a revised Lobbying Statement must be filed with the City Clerk.

  
\_\_\_\_\_  
Signature Title of Authorized Representative

4-04-96  
\_\_\_\_\_  
Date

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**Does entity engage in lobbying or plan to engage in lobbying during the term of this Agreement?**

Yes       No

If the entity should be awarded the Contract, and the answer to the above should change during the term of the Contract, a revised Lobbying Statement must be filed with the City Clerk.

*Ismael N. Martinez, CPA - President*  
Signature/Title of Authorized Representative

July 30, 1996  
Date

CITY OF SAN ANTONIO  
ETHICS ORDINANCE  
REQUIRED DISCLOSURES

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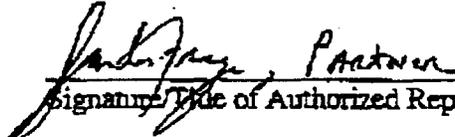
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Dan M. Slattery	150	Elizabeth A. Turner	150
Santos Fraga	150		

4. Lobbying Statement: To lobby is to represent third parties for pay in attempting to influence members of the City Council with regard to policy decisions or proposals awaiting decision, by verbal, written, or other arguments or means of persuasion.

Does entity engage in lobbying or plan to engage in lobbying during the term of this agreement? No

If the entity should be awarded the contract, and the answer to the above should change during the term of the contract, a revised Lobbying Statement must be filed with the City Clerk.

  
\_\_\_\_\_  
Signature Title of Authorized Representative

404-96  
\_\_\_\_\_  
Date

CITY OF SAN ANTONIO  
ETHICS ORDINANCE  
REQUIRED DISCLOSURES

# 21

On October 19, 1994, the City Council of the City of San Antonio revised the Ethics Ordinance. Among other things, it requires that before certain contracts can be considered by the City Council, certain information must be obtained about the proposed contractor. This form is for the purpose of obtaining that information.

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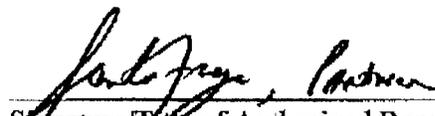
3. List all political contributions of more than \$100 made during the previous twenty-four months to any City Council member or members or to any political action committee by the entity or any of the individuals listed above.

Mayor William Thornton	\$1,625
Robert Marbut	950

4. Lobbying Statement: To lobby is to represent third parties for pay in attempting to influence members of the City Council with regard to policy decisions or proposals awaiting decision, by verbal, written, or other arguments or means of persuasion.

Does entity engage in lobbying or plan to engage in lobbying during the term of this agreement? No

If the entity should be awarded the contract, and the answer to the above should change during the term of the contract, a revised Lobbying Statement must be filed with the City Clerk.

  
\_\_\_\_\_  
Signature/Title of Authorized Representative

9-5-96  
\_\_\_\_\_  
Date

#21



## Peat Marwick LLP

112 E. Pecan, Suite 2400  
San Antonio, Texas 78205-1585

Telephone 210-227-9272  
Fax 210-224-0126

Date September 5, 1996

Page 1 of 1 page

To Nora Chavez  
Organization City of San Antonio  
Tel  
Fax 207-4496

Copy To

From Santos Fraga  
Department KPMG - San Antonio  
Tel 210-270-1605  
Fax 210-224-0126

Subject Contributions

The following are the City Council members which our partners made contributions to:

Mayor William Thornton \$ 1,625

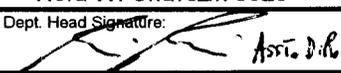
Robert Marbut \$950

If you need additional information, please contact me.

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delivering this message to the intended recipient, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of the telefaxed information is strictly prohibited. If you have

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<b>Approval</b>		<b>CITY OF SAN ANTONIO</b> <b>Request For Ordinance/Resolution</b>	<small>For CMO use only</small>	
Finance	Budget		Date Considered:	
Legal	Coordinator		Consent <input type="checkbox"/>	Individual <input type="checkbox"/>
			Item No. <u>27</u>	Ord. No.
Date: 23-Aug-96		Department: Finance Department	Contact Person/Phone # Nora W. Chavez/x-8620	
Date Council Consideration Requested: 05-Sep-96		Deadline for Action: 05-Sep-96	Dept. Head Signature: 	

**SUMMARY OF ORDINANCE**

This ordinance will approve a one-year contract, extending the term of the joint venture of Martinez, Mendoza & Company P.C. and KPMG Peat Marwick, Certified Public Accountants, as the City's independent auditors to perform the annual financial audit of the City of San Antonio for the fiscal year ending September 30, 1996, and to provide special audit, review, and other related services as may be required.

Staff recommends approval of this ordinance.

Council Memorandum Must Be Attached to Original

Other Depts., Boards, Committees Involved (please specify): Office of Internal Review and the City Attorney's Office.

Contract signed by other party  
Yes  No

FISCAL DATA (If Applicable)				Budgetary Implications	
Fund No. _____	Amt. Expended _____	Funds/Staffing Budgeted:	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Activity No. _____	SID No. _____	Positions Currently Authorized:	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
Index Code _____	Project No. _____	Impact on future O & M	_____		
Object Code _____		If positions added, specify class and no.	_____ _____ _____		
Comments:				Coordinator - White Legal - Green Budget - Canary Finance - Pink Originator - Gold	