

AGENDA ITEM # 28June 22, 1999Consider declaring an emergency and acknowledging additional revenue for Law Library Fund:

0350-0000-341401	Library Fees, Co. Clerk	\$5,000.00
0350-0000-341701	Library Fees, Dist. Clerk	5,000.00

Moved: Commissioner Hays

Seconded: Judge Doerfler

Motion: To declare an emergency and acknowledge additional revenue for Law Library Fund:

0350-0000-341401	Library Fees, Co. Clerk	\$5,000.00
0350-0000-341701	Library Fees, Dist. Clerk	5,000.00

Vote: Motion carried 3 - 0 with Commissioner Heiligenstein absent from the dais.

AGENDA ITEM # 29June 22, 1999Consider declaring an emergency and acknowledging additional expenditures for Law Library fund:

0350-0680-005758	Law Books	\$10,000.00
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Moved: Commissioner Hays

Seconded: Judge Doerfler

Motion: To declare an emergency and acknowledge additional expenditures for Law Library fund:

0350-0680-005758	Law Books	\$10,000.00
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Vote: Motion carried 3 - 0 with Commissioner Heiligenstein absent from the dais.

AGENDA ITEM # 30June 22, 1999

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Consider approving renewal of contract with First Southwest Company for financial advisory services.

Moved: Commissioner Hays

Seconded: Judge Doerfler

Motion: To approve renewal of contract with First Southwest Company for financial advisory services.

Vote: Motion carried 4 - 0

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Daniel E. Wegmiller  
Senior Vice President

June 17, 1999

Ms. Jane Tableriou  
Administrative Assistant  
Williamson County, Texas  
Williamson County Courthouse  
Georgetown, Texas 78626

Dear Ms. Tableriou:

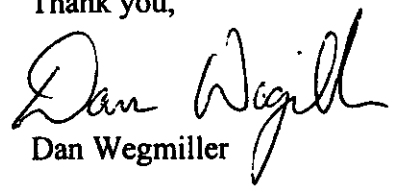
Please place on the Commissioners' Court agenda for Tuesday, June 22, 1999 the following item:

Renewal of contract with First Southwest Company for financial advisory services.

I will be driving in from San Marcos so please put this item toward the end of the agenda.

Give me a call if you have any questions.

Thank you,

  
Dan Wegmiller

Attachments

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**PROPOSAL AND AGREEMENT****For****FINANCIAL ADVISORY SERVICES****By and Between****WILLIAMSON COUNTY, TEXAS****And****FIRST SOUTHWEST COMPANY**

It is understood that Williamson County, Texas (the "Issuer"), will have under consideration from time to time the authorization and issuance of indebtedness in amounts and forms which cannot presently be determined. In connection with the authorization, sale, issuance and delivery of such indebtedness of the Issuer, First Southwest Company ("FSWC") has been requested to submit a proposal to provide professional services to the Issuer in the capacity of Financial Advisor. FSWC is pleased to comply with this request and submit the following proposal for consideration. This proposal, if accepted by the Issuer, shall become the agreement (the "Agreement") between the Issuer and FSWC effective at the date of its acceptance as provided for herein below.

1. This Agreement shall apply to any and all evidences of indebtedness or debt obligations that may be authorized and issued or otherwise created or assumed by the Issuer (hereinafter referred to collectively as the "Debt Instruments") from time to time during the period in which this Agreement shall be effective.

2. FSWC agrees to provide its professional services and its facilities as Financial Advisor, to direct and coordinate all programs of financing as may be considered and authorized during the period in which this Agreement shall be effective and to assume and pay those expenses set out in Appendix A; provided, however, that FSWC's obligations to pay expenses shall not include any costs incident to litigation, mandamus action, test case or other similar legal actions.

3. FSWC agrees to perform the following duties normally performed by such financial advisors and all other duties as, in its judgment, may be necessary or advisable:

a. FSWC will conduct a survey of the financial resources of the Issuer to determine the extent of its capacity to authorize, issue and service debt. This survey will include an analysis of the existing debt structure as compared with the existing and projected sources of revenues which may be pledged to secure payment of debt service and, where appropriate, will include a study of the trend of the assessed valuation, taxing power and present and future taxing requirements of the Issuer. In the event revenues of existing or projected facilities operated by the Issuer are to be pledged to repayment of the Debt Instruments then under consideration, the survey will take into account any outstanding indebtedness payable from the revenues thereof, additional revenues to be available from any proposed rate increases and additional revenues, as projected by consulting engineers employed by the Issuer,

resulting from improvements to be financed by the Debt Instruments under consideration. FSWC will also take into account future financing needs and operations as projected by the Issuer's staff and consulting engineers or other experts, if any, employed by the Issuer.

b. On the basis of the information developed by the survey described above, and other information and experience available to FSWC, FSWC will submit to the Issuer its recommendations on the Debt Instruments under consideration, including such elements as the date of issue, interest payment dates, schedule of principal maturities, options of prior payment, security provisions, and any other additional provisions designed to make the issue attractive to investors. All recommendations will be based upon the professional judgment of FSWC with the goal of designing Debt Instruments which can be sold under terms most advantageous to the Issuer and at the lowest interest cost consistent with all other considerations.

c. FSWC will advise the Issuer of current bond market conditions, forthcoming bond issues and other general information and economic data which might normally be expected to influence interest rates or bidding conditions so that the date of sale of the Debt Instruments may be set at a time which, in our opinion, will be favorable.

d. FSWC understands the Issuer has retained, or will retain, firms of municipal bond attorneys (the "Bond Counsel") whose fees will be paid by the Issuer. In the event it is necessary to hold an election to authorize the Debt Instruments then under consideration, FSWC will assist in coordinating the assembly and transmittal to Bond Counsel of such data as may be required for the preparation of necessary petitions, orders, resolutions, ordinances, notices and certificates in connection with the election.

e. FSWC will recommend the method of sale of the Debt Instruments that, in its opinion, is in the best interest of the Issuer and will proceed, as directed by the Issuer, with one of the following methods:

1. Advertised Sale: FSWC will supervise the sale of the Debt Instruments at a public sale in accordance with procedures set out herein. FSWC reserves the right, alone or in conjunction with others, to submit a bid for any Debt Instruments issued under this Agreement which the Issuer advertises for competitive bids. In compliance with Rule G-23 of the Municipal Securities Rulemaking Board, FSWC will request consent to bid in writing, in any instance wherein FSWC elects to bid, prior to submitting a bid for each installment of Debt Instruments.

2. Negotiated Sale: FSWC will recommend one or more investment banking firms as managers of an underwriting syndicate for the purpose of negotiating the purchase of the Debt Instruments and in no event will FSWC participate either directly or indirectly in the underwriting of the Debt Instruments. FSWC will collaborate with any managing underwriter selected and counsel to the underwriters in the preparation of the Official Statement or Offering Memorandum. FSWC will cooperate with the underwriters in obtaining any Blue Sky Memorandum and Legal Investment Survey, preparing Bond Purchase Contract, Underwriters Agreement and any other related documents. The costs thereof, including the printing of the documents, will be paid by the underwriters.

f. When appropriate, FSWC will advise financial publications of the forthcoming sale of the Debt Instruments and provide them with all pertinent information.

g. FSWC will coordinate the preparation of the Notice of Sale and Bidding Instructions, Official Statement, Official Bid Form and such other documents as may be required. FSWC will submit to the Issuer all such documents for examination, approval and certification. After such examination, approval and certification, FSWC will provide the Issuer with a supply of all such documents sufficient to its needs and will distribute by mail sets of the same to prospective purchasers of the Debt Instruments. FSWC will also provide sufficient copies of the Official Statement to the purchaser of the Debt Instruments in accordance with the Notice of Sale and Bidding Instructions.

h. FSWC will, after consulting with the Issuer, arrange for such reports and opinions of recognized independent consultants as FSWC deems necessary and required in the successful marketing of the Debt Instruments.

i. Subject to the approval of the Issuer, FSWC will organize and make arrangements for such information meetings as, in its judgment, may be necessary.

j. FSWC will make recommendations to the Issuer as to the advisability of obtaining a credit rating, or ratings, for the Debt Instruments and, when directed by the Issuer, FSWC will coordinate the preparation of such information as, in its opinion, is required for submission to the rating agency, or agencies. In those cases where the advisability of personal presentation of information to the rating agency, or agencies, may be indicated, FSWC will arrange for such personal presentations.

k. FSWC will assist the staff of the Issuer at any advertised sale of Debt Instruments in coordinating the receipt and tabulation and comparison of bids and FSWC will advise the Issuer as to the best bid. FSWC will provide the Issuer with its recommendation as to acceptance or rejection of such bid.

l. As soon as a bid for the Debt Instruments is accepted by the Issuer, FSWC will proceed to coordinate the efforts of all concerned to the end that the Debt Instruments may be delivered and paid for as expeditiously as possible. FSWC will assist the Issuer in the preparation or verification of final closing figures incident to the delivery of the Debt Instruments.

m. FSWC will maintain contact with Bond Counsel in the preparation of all legal documents pertaining to the authorization, sale and issuance of the Debt Instruments. It is presumed that Bond Counsel will provide an unqualified legal opinion as to the legality of the issuance of the Debt Instruments at the time of delivery.

n. If requested, FSWC will counsel the Issuer with respect to the selection of a Paying Agent/Registrar for the Debt Instruments, and FSWC will assist in the preparation of agreements pertinent to these services and the fees incident thereto.

o. In the event formal verification by an independent auditor of any calculations incident to the Debt Instruments is required, FSWC will make arrangements for such services.

p. FSWC agrees to do, or cause to be done, all work incident to printing of the Debt Instruments, obtaining approval, as may be required, by the Attorney General, registration by the Comptroller of Public Accounts and delivery to the purchaser.

q. After the closing of the sale and delivery of the Debt Instruments, FSWC will deliver to the Issuer a schedule of annual debt service requirements on the Debt Instruments. In coordination with Bond Counsel, FSWC will assure that the Paying Agent/Registrar has been provided with a copy of the authorizing ordinance, order or resolution.

r. FSWC will be represented at meetings of the governing body of the Issuer, its staff, representatives or committees as requested at all times when FSWC may be of assistance or service and the subject of financing is to be discussed.

s. FSWC will advise the Issuer and its staff of changes, proposed or enacted, in Federal and State laws and regulations which would have a material effect upon the municipal bond market.

t. FSWC will work with the Issuer, its staff and any consultants employed by the Issuer in developing financial feasibility studies and analyzing alternative financing plans.

4. In addition to the services set forth and described above, FSWC agrees to make available to Issuer the following services, when so requested by the Issuer and subject to the agreement by Issuer and FSWC regarding the compensation, if any, to be paid for such services, it being understood and agreed that the services set forth in this paragraph 4 shall require further agreement as to the compensation to be received by FSWC for such services:

a. From time to time, as an incident to the other services provided hereunder as financial advisor, FSWC may purchase such investments as may be directed and authorized by Issuer to be purchased, it being understood that FSWC will be compensated in the normal and customary manner for each such transaction. In an instance wherein FSWC may become entitled to receive fees or other compensation in any form from a third party with respect to these investment activities on behalf of Issuer, FSWC will disclose to Issuer the nature and, to the extent such is known, the amount of any such compensation so that Issuer may consider the information in making its investment decision. It is understood and agreed that FSWC is a duly licensed broker/dealer and is affiliated with First Southwest Asset Management, Inc. ("FSAMI"), a duly registered investment advisor. Issuer may, from time to time, utilize the broker/dealer and/or investment advisory services of FSWC and/or FSAMI with respect to matters which do not involve or affect the investment of bond proceeds or the financial advisory services referenced in this Agreement. The terms and conditions of the engagement of FSWC and/or FSAMI to provide such services, if any, shall not be affected by the terms of this Agreement.

b. FSWC will provide its advice and assistance with regard to exercising any call and/or refunding of any outstanding Debt Instruments.

c. FSWC will provide its advice and assistance in the development of, and financing for, any capital improvements programs of the Issuer.

d. FSWC will provide its advice and assistance in the development of the long-range financing plan of the Issuer.

e. FSWC will provide any other financing planning services as may be requested by the Issuer.

5. The fee due to FSWC in accordance with Appendix A attached hereto, any other fees as may be mutually agreed upon and all expenses for which FSWC is entitled to reimbursement, shall become due and payable concurrently with the delivery of the Debt Instruments to the purchaser.

6. This Agreement shall become effective at the date of acceptance by the Issuer set out herein below and remain in effect thereafter for a period of five years from the date of acceptance; provided, however, this Agreement may be terminated with or without cause by the Issuer or by FSWC upon forty five (45) days written notice to the other party. In the event of such termination, it is understood and agreed that only the amount due to FSWC for services provided and expenses incurred to date of termination will be due and payable. No penalty will be assessed for termination of this Agreement.

This Agreement is submitted in duplicate originals. When accepted by the Issuer, it, together with Appendix A attached hereto, will constitute the entire Agreement between the Issuer and FSWC for the purposes and the considerations herein specified. Acceptance will be indicated by the signature of authorized officials of the Issuer together with the date of acceptance on both copies and the return of one executed copy to FSWC.

Respectfully submitted,

FIRST SOUTHWEST COMPANY

By: \_\_\_\_\_

*D. E. Wegmiller*  
Daniel E. Wegmiller  
Senior Vice President

By: \_\_\_\_\_

*Garry R. Kimball*  
Garry R. Kimball  
Senior Vice President

#### ACCEPTANCE

ACCEPTED pursuant to Order adopted by the Commissioners Court of Williamson County, Texas on this 22nd, day of June, 1999.

By: \_\_\_\_\_

Title: \_\_\_\_\_

*John C. Daerfler 6-22-99*  
*County Judge*

ATTEST:

By: \_\_\_\_\_

Title: County Clerk

(SEAL)

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## APPENDIX A

## FINANCIAL ADVISORY FEE SCHEDULE AND EXPENSE ITEMS

Base Fee - Any Issue		\$ 3,000	
Plus \$10.00 per \$1,000 up to	\$ 250,000	or a total of \$ 5,500	for \$ 250,000 Bonds
Plus \$ 7.00 per \$1,000 next	\$ 250,000	or a total of \$ 7,250	for \$ 500,000 Bonds
Plus \$ 5.00 per \$1,000 next	\$ 500,000	or a total of \$ 9,750	for \$ 1,000,000 Bonds
Plus \$ 2.50 per \$1,000 next	\$ 1,500,000	or a total of \$ 13,500	for \$ 2,500,000 Bonds
Plus \$ 2.25 per \$1,000 next	\$ 2,500,000	or a total of \$ 19,125	for \$ 5,000,000 Bonds
Plus \$ 1.60 per \$1,000 next	\$ 5,000,000	or a total of \$ 27,125	for \$ 10,000,000 Bonds
Plus \$ 1.15 per \$1,000 next	\$ 5,000,000	or a total of \$ 32,875	for \$ 15,000,000 Bonds
Plus \$ 1.00 per \$1,000 next	\$ 5,000,000	or a total of \$ 37,875	for \$ 20,000,000 Bonds
Plus \$ 0.50 per \$1,000 over	\$ 20,000,000		

Fees for Advance Refunding Issues shall be the amount shown plus 25% additional charge. Fees for bonds issued by any of the Issuers existing Road Districts shall be \$7.50 per \$1,000, flat.

## EXPENSES

The following expenses pertaining to any debt issue will be paid by the Issuer. First Southwest Company will initially pay all related expenses except bond counsel and election costs. The reimbursable expenses along with the Financial Advisory Fee will be deducted from the proceeds at the time of delivery.

## Expenses shall include:

- Bond counsel fees and charges
- Election expenses
- Computer structuring fees
- Bond rating fees and any related travel to rating meetings
- Any out of state travel in connection with a debt issue
- Printing, preparation and distribution costs of offering documents and securities
- Publishing cost of any legally required notices
- Escrow and paying agent fees, along with other costs necessary to close a negotiated issue



COMMISSIONERS COURT ADJOURNED TO EXECUTIVE SESSION AT 11:17 A.M. ON TUESDAY, JUNE 22, 1999.

AGENDA ITEM # 31

June 22, 1999

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Discuss acquisition of real estate: (EXECUTIVE SESSION REQUESTED as per VTCA Govt. Code sec 551.072 relating to real property)

No action was taken in executive session.

AGENDA ITEM # 32

June 22, 1999

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Discuss parkland acquisition: EXECUTIVE SESSION REQUESTED as per VTCA Govt. Code sec 551.072 relating to real property)

No action was taken in executive session.

AGENDA ITEM # 33

June 22, 1999

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Discuss potential litigation: EXECUTIVE SESSION REQUESTED as per VTCA Govt. Code sec 551.072 relating to consultation with attorney.)

No action was taken in executive session.

COMMISSIONERS COURT RECONVENED FROM EXECUTIVE SESSION AT 11:45 A.M. ON TUESDAY, JUNE 22, 1999

AGENDA ITEM # 34

June 22, 1999

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Discuss and take any appropriate action on acquisition of real estate.

Moved: Judge Doerfler

Seconded: Commissioner Hays

Motion: To authorize Commissioner Hays to enter into negotiations and drawing up a contract to be presented to Commissioners Court at a later date.

Vote: Motion carried 4 - 0

AGENDA ITEM # 35

June 22, 1999

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Discuss and take any appropriate action on acquisition of parkland.

Moved: Commissioner Heiligenstein

Seconded: Judge Doerfler

Motion: To authorize extension to July 30, 1999, of existing contract for acquisition of parkland.

Vote: Motion carried 4 - 0

AGENDA ITEM # 36

June 22, 1999

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Discuss and take any appropriate action on potential litigation.

Moved: Judge Doerfler

Seconded: Commissioner Limmer

Motion: To retain Walsh, Akins and Davis to represent Williamson County on potential litigation.

Vote: Motion carried 4 - 0

AGENDA ITEM # 37

June 22, 1999

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Hear comments from commissioners.

Commissioner Heiligenstein invited all to attend storm water segment at 1:30 p.m. on Tuesday, June 29, 1999, during the South Texas Judges and Commissioners Conference in Galveston.

COMMISSIONERS COURT ADJOURNED AT 11:52 A.M. ON TUESDAY, JUNE 22, 1999.