



COPPELL INDEPENDENT SCHOOL DISTRICT

200 S. DENTON TAP ROAD • COPPELL, TEXAS 75019 • 214-496-6000



DR. JEFF TURNER
SUPERINTENDENT OF SCHOOLS

To: Dr. Jeff Turner
From: Ralph Seeley
Date: October 10, 2006
Subject: Renewal of Arbitrage Rebate Compliance Services Contract
Cc: Sid Grant, Barbara Sabedra

Our five-year *Arbitrage Rebate Compliance Services Agreement* with First Southwest Asset Management, Inc. has expired. The contract terms and fee structure for the renewal agreement are basically the same as in the past. First Southwest has provided this service since February 1987, a year after the arbitrage regulations became effective. Arbitrage rebate compliance is required by the federal government for all bonds issued by tax-exempt organizations. Basically, an issuing entity is prohibited from earning more interest income in the investment of unspent bond dollars than they pay in interest on that bond issue. Currently, the District has no arbitrage liability on any of the bonds issued. For the year ending August 2005, First Southwest prepared arbitrage reports on eight outstanding CISD bond issues from 1992 forward. The fee for this service was \$10,310.

First Southwest has always performed well in the provision of these services. They know our system and what information to request. For these reasons, I request that the Board of Trustees renew the agreement for an additional five year period with authorization for the CFO to sign the agreement on behalf of CISD. A copy of the agreement is attached.

Agenda wording for the October 23rd meeting: "Consideration of an Agreement for Arbitrage Rebate Compliance Services between Coppell ISD and First Southwest Asset management, Inc with authorization for the CFO to sign on behalf of CISD."