

AUGUST 14, 1957

Pursuant to a call by the Mayor, the City Council of the City of Idaho Falls, Idaho, met in a Special Session on Wednesday, August 14, 1957, at the hour of 8:00 P.M. in the Council Chambers at Idaho Falls, Idaho for the purpose of meeting with representatives from various bond houses with regard to the contemplated bond issues of L.I.D. #25 and the sewer project and disposal plant and the considering of the appointment of a fiscal agent for the sewer project and disposal plant bond issue. Present: John B. Rogers, Mayor; Councilmen Foote, Freeman, Johnson, Petersen. Also present: Roy C. Barnes, City Clerk, Claud Black, City Attorney.

The Mayor announced that invitations had been extended to various bond houses with regard to the bond issues mentioned above and that this was the time and the place to meet with the representatives from these companies in this regard. It was agreed that it would be preferable to confer with each representative individually, rather than in a body. It was also decided that both bond issues could well be discussed at the same time.

Mr. Lincoln Ure, representing Lincoln Ure & Company and the Continental Bank & Trust Company, Salt Lake City, Utah, appeared before the Council. Following are the more salient points discussed with this gentleman.

Mr. Ure asked if the City now had bids for all the bonds of L.I.D. #25 and the answer was in the affirmative, or virtually so, from local investors. He advised that in the event some of the bonds were unsold from that buying source, his Company would pledge itself to pick up the unsold portion. With regard to the fiscal agency for the sewer project bond issue, he said his Company was prepared to prepare and present a written proposal outlining the services that would be rendered. He explained that, regardless as to who was selected as the fiscal agent, the same bond attorney would be employed and any or all the representatives present this night would be resorting to virtually the same dealer contacts. He did not feel that it was too important that the issue be made a sewer and water bond, inasmuch as, in his estimation, there would be sufficient revenue from the sewer along to properly service the issue.

Mr. Thornton B. Morris, representing Thornton B. Morris Company, Salt Lake City, Utah, then appeared before the Council. After inquiring about the status of the L.I.D. issue, he also pledged his company would perform if selected as the fiscal agent, for the sewer project bond issue, such as setting the issue up, bringing in outside bond attorneys to examine Mr. Albaugh's transcript and other wise assist him, pay all incidental expenses such as attorneys fees, printing of the bonds, delivering of the bonds, printing of the prospectus, etc. Mr. Morris said he was prepared to present a sealed bid and suggested that if this course be followed, all bids be opened at once.

Mr. Frank Dalstrum, bond dealer from Boise, Idaho, accompanied by John Marshall of the investment firm of Foster & Marshall, Spokane, Washington then appeared before the Council, Mr. Dalstrum acting as spokesman. He explained what procedure should be used at election time to interest voters in registering and voting and that this would be part of their job if selected as fiscal agent. He felt that the bond indenture should provide for a combination water and sewer issue from the standpoint of revenue. In the event of default, sewer service cannot be shut off but water can. He wouldn't commit himself, however, that this should be done in the case of Idaho Falls. He reminded the Council that the fiscal agency doesn't necessarily terminate in the event the bond election fails. If it is desired that interest be reactivated the same fiscal agent would continue his duties. He pointed out the advantages of a general obligation bond over a revenue bond from the standpoint of

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marketability, using as one illustration the fact that banking laws prohibit banks from dealing as agent in the buying and selling of revenue bonds.

Mr. J. A. Burrows, President of Edward L. Burton & Co., accompanied by Mr. George Denton, First Security Bank, Salt Lake City, Utah, then appeared before the Council. Mr. Burrows acted as spokesman. Very little time was spent discussing the L.I.D. issue. It was Mr. Burrows strong recommendation that if the City has a 4% offer from local investors that it be accepted. When asked his opinion of a combination water and sewer issue, he said that a hasty decision should not be reached, and that the entire local picture should first be studied which would be part of their job as fiscal agent, if selected. He said it is possible that the water revenue should not be tied up or pledged and it is possible to draw up a bond indenture which would not be expected that it would be used. He pointed out that a split issue, that is, part general obligation and airport revenue, is not beyond the realm of practical application. Under these conditions it would be feasible that the entire servicing of the issue would come from revenue and still the general obligation factor would provide and allow for a more attractive interest rate. On an issue of this size, he reminded the Council that each 1/8 of 1% would mean a difference of \$25,000.00. He said it would not be advisable to determine whether or not to go general obligation until the ultimate cost to the homeowner was computed.

As the foregoing gentlemen appeared, the Mayor instructed them to appear before the Council Thursday, at 9:00 A.M. and submit their sealed bids as fiscal agent.

In other matters, it was moved by Councilman Johnson, seconded by Foote, that the City Attorney be instructed to draw an ordinance to abandon certain portions of Anderson Avenue as per the description presented by the City Engineer. Roll call as follows: Ayes, 4; No, None; carried.

The Mayor then declared the Meeting recessed until 9:00 A. M. Thursday, August 15, 1957.

ATTEST: s/ Roy C. Barnes
CITY CLERK

s/ John B. Rogers
MAYOR
