

Grand Junction, Colorado

November 24, 1931

The City Council of the City of Grand Junction, Colorado, met in regular adjourned session at 2:00 o'clock P. M. Those present and answering at roll call were: Councilmen Bear, Hall, Hirons, Holcombe, Roberts, Sievert, and President Glassford. City Manager Soderstrum, City Attorney Adams, and City Clerk Tomlinson were present.

Re. City Deposits

The Following resolution was presented and read:

RESOLUTION

WHEREAS Section 72 of the Charter of the City of Grand Junction reads as follows:

"The cash balance of the city in the hands of the City Treasurer shall be deposited by the same in each of the banks of the City of Grand Junction, without discrimination, in proportion to their capital stock and surplus as far as possible. Such banks shall pay interest on the average daily balances at the rate of two per cent per annum and shall credit the same monthly to the account of such Treasurer; provided, however, that such banks shall be required to furnish a good and sufficient surety bond for the securing of such deposits. Nothing herein shall prevent said Treasurer, under the orders of the City Council, from temporarily having such funds otherwise deposited; provided that, as soon as practicable, he shall re-deposit such deposits. No demand for money shall be approved, allowed, audited or paid unless it shall be in writing, dated and sufficiently itemized to identify the demand against the City."

AND WHEREAS, On October 16th, 1931, the Grand Valley National Bank, which has heretofore acted as one of the depositories of the funds of said City, canceled its depository bond with The National Surety Company securing such deposit, and since said day the City Treasurer has the funds heretofore deposited with said bank together with other moneys, aggregating approximately \$26,666.13, in cash in a safety deposit box in said bank;

AND WHEREAS, The City Council has heretofore requested said bank and The United States Bank of Grand Junction to advise it upon what conditions said banks would continue to accept deposits of City funds, by directing letters to said banks as follows:

Grand Valley Bank Agreement

Oct. 27, 1931.

Grand Valley National Bank,

City

Gentlemen:

With reference to the matter of deposits of city funds, the undersigned has been directed by the City Council to ask your bank if it desires the account of the City conditioned upon the furnishing of a surety bond as provided in the City Charter. It is our understanding informally that the bank does not desire the account under such conditions, but the Council wishes direct confirmation on the point in order that it may make other provision for the deposit of said funds.

Yours truly,

J. P. Soderstrum
City Manager

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Oct. 27, 1931.

United States Bk. of Grand Jct.
City

Gentlemen:

I have been directed by the City Council to ascertain whether or not your bank desires to receive additional deposits of City funds, to be secured by corporate surety bond or bonds to the extent of such additional deposits. Your early reply will be appreciated.

Yours truly,

J. P. Soderstrum,
City Manager

And in answer thereto has received the following replies:

Nov. 6, 1931.

Mr. J. P. Soderstrum,
City Manager.

Dear Sir:

I am in receipt of your recent letter wherein you inquire whether this Bank desires the account of the City of Grand Junction conditioned upon the furnishing of a surety bond as security for such deposit.

Upon my recent visit to Denver I learnt that not a bonding company in that City will write any bonds of this nature without first submitting the application therefor, together with the very

fullest details, to the head office of the company and that it may take as much as three months in which to get action upon such application.

In view of this and other facts, which need not be discussed herein, I am directed to say to you and your Honorable Council, that we do not desire the account if a surety bond has to be given. If other security would be satisfactory, I would be glad to discuss the matter with the Council, if they so desired it.

Thanking you for tendering us this account, I remain

Yours sincerely,
Wm. Weiser,
President Grand Valley Nat'l. Bk.

Oct. 31, 1931.

Mr. J. P. Soderstrum,
Grand Jct. Colorado.

Dear Sir:

Replying to your inquiry of October 27, we beg to advise you that we shall make an effort at the end of this year to get renewals on such depository bonds as we are now furnishing as security for the deposit with us of city funds.

In view of what has transpired, however, in financial circles throughout the country, it is a question whether the underwriters will grant these renewals. Under the circumstances we do not care to apply for additional coverage at this time. As a matter of fact, we have slightly more coverage now than the amount of your deposit with us.

Yours very truly,
A. C. Milne,
Vice-President U. S. Bank of Grand
Junction.

From which it appears that it is impossible to deposit city funds in The Grand Valley National Bank in strict conformity with the terms of said Section 72 of the Charter, and that the deposit in the United States Bank of Grand Junction, in conformity with said Charter provision, cannot be increased in excess of \$20,000.

AND WHEREAS, It is apparent to the Council that all funds of the city in excess of \$20,000 must be temporarily otherwise deposited, in order that said city may carry on its necessary business in a safe and practicable manner until such time when corporate or other sureties are able and willing to furnish good and sufficient surety bonds to secure deposits of the city's funds as required by said charter provision;

AND WHEREAS, The Grand Valley National Bank has offered to secure the deposit of city funds by pledging U. S. Government bonds and/or U. S. Government notes instead of providing a surety bond, and has tendered to the Council its plan of so securing such deposits to the extent of \$30,000, such plan consisting of the following documents:

RESOLUTION BY BOARD OF DIRECTORS

At a meeting of the Board of Directors of The Grand Valley National Bank of Grand Junction, Colorado, held on the 10th day of November, 1931, a quorum of the Directors being present, the following resolution was adopted, to-wit:

BE IT RESOLVED, That the Directors of The Grand Valley National Bank do hereby authorize and empower Wm. Weiser, president and A. E. Borschell, cashier, officers of said Bank, for and on behalf thereof, to execute a bond aggregating the sum of THIRTY THOUSAND DOLLARS, to the City of Grand Junction, Colorado, to secure certain funds described in said penal bond, which are to be deposited in said Bank, by the Treasurer of the City of Grand Junction, Colorado; and said officers are duly authorized to bind said Bank to a full and complete performance of any and all obligations contained therein; and to pledge certain United States Government Bonds/Notes as security to said penal bond; and they are further authorized to execute any and all other papers required by the said City of Grand Junction, Colorado, in connection with the execution of said bond and the deposit of the collateral security.

We, Wm. Weiser, president, and A. E. Borschell, cashier, of said The Grand Valley National Bank, do hereby certify under its corporate seal, that the foregoing is a true and correct transcript of the minutes of a meeting of the Board of Directors of said Bank, held at Grand Junction, Colorado, on the date first above named.

WM. WEISER President

Corporate Seal
of Bank

A. E. BORSCHELL Cashier

BOND

KNOW ALL MEN BY THESE PRESENTS, That The Grand Valley National Bank, a corporation duly organized and existing under and by virtue of the laws of the United States, having its office and principal place of business at Grand Junction, in the State of Colorado, as obligor, is held and firmly bound unto the City of Grand Junction, a municipal corporation, in the State of Colorado, in the penal sum of THIRTY THOUSAND DOLLARS

(\$30,000.00), lawful money of the United States, for the payment of which well and truly to be made, it binds itself, its successors and assigns, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, That whereas the said City of Grand Junction has deposited and will continue to deposit to its credit certain funds of said City, in the Grand Valley National Bank, subject to withdrawal on demand by check, conditioned that said Bank shall furnish satisfactory bonds to guarantee the safety of such deposits, and

WHEREAS, Wm. Weiser, President, and A. E. Borschell, Cashier, of said bank, were by resolution of the Board of Directors thereof, adopted on the 10th day of November, 1931, a copy of which is hereto attached and made a part hereof, duly authorized and empowered to enter into this obligation;

NOW THEREFORE, If the above bounden The Grand Valley National Bank shall well and truly account for all such deposits now in said bank and which may be hereafter made therein, and hold the City of Grand Junction, Colorado, and the officers thereof, harmless from all loss by reason of such deposit or deposits, and shall well and truly pay over the same, to the person or persons entitled thereto on demand by check of the depositor, then the foregoing obligation shall be void, and otherwise to remain in full force and effect.

The above bounden obligor, in order the more fully to secure the City of Grand Junction, Colorado, in the payment of the aforementioned sum, hereby pledges as security therefor bonds/notes of the United States in the principal sum of THIRTY THOUSAND DOLLARS (\$30,000.00) more particularly described as follows:

Treasury Bond of 1943-47, 3-3/8%, 3 Pieces at \$10,000.00 each.

Contemporaneously herewith the undersigned has also executed and delivered a power of attorney and agreement in favor of the City of Grand Junction, Colorado, authorizing and empowering the Treasurer of the City of Grand Junction, Colorado, and his successor in office, to collect or sell the above described bonds/notes so deposited, or any part thereof, in case of any default in the performance of any of the above named conditions or stipulations.

IN WITNESS WHEREOF, This bond has been signed and sealed in duplicate by the above named obligors, this 24th day of November, 1931.

THE GRAND VALLEY NATIONAL BANK (SEAL)

Signed and Sealed in the
Presence of:

By WM. WEISER
President

H.V. ZIMMERMAN
JAS. D. BRADLEY

Attest:
A. E. BORSHELL
Cashier

POWER OF ATTORNEY

Know all Men By These Presents, That The Grand Valley National Bank, a corporation duly organized under the laws of the United States, and having its principal office in the City of Grand Junction, State of Colorado, in pursuance of a resolution of the Board of Directors of said corporation, passed on the 10th day of November, 1931, a duly certified copy of which resolution is hereto attached, does hereby constitute and appoint the City Treasurer of Grand Junction, Colorado, and his successors in office, as attorney for said corporation, for and in the name of said corporation to collect or to sell, assign and transfer, certain United States Bonds, Treasury Notes, or other United States bonds or notes, described as follows:

3 Treasury Bonds of 1943-47, 3-3/8%, each for \$10,000.00

such bonds or notes having been deposited by it as security for the faithful performance by it of any and all of the conditions and stipulations of a certain obligation entered into by it with the City of Grand Junction, in the State of Colorado, under date of November 24, 1931, which is hereby made a part hereof, and the undersigned agrees that, in case of any default in the performance of any of the conditions and stipulations of such undertaking, its said attorney shall have full power to collect said bonds, notes, or any part thereof, or to sell, assign and transfer said bonds, notes, or any part thereof, without notice, at public or private sale, free from any equity of redemption and without appraisalment or valuation, notice and right to redeem being waived, and to apply the proceeds of such sale or collection, in whole or in part, to the satisfaction of any damages, demands, or deficiency arising by reason of such default as its said attorney may deem best.

And said corporation hereby for itself, its successors and assigns ratifies and confirms whatever its said attorney shall do by virtues of these presents.

In Witness Whereof, The Grand Valley National Bank, the corporation hereinabove named, by Wm. Weiser, president, and A. E. Borschell, cashier, duly authorized to act in the premises, have executed this instrument and caused the seal of the corporation to be hereto affixed, this 24th day of November, 1931.

THE GRAND VALLEY NATIONAL BANK

CORPORATE SEAL
President

By WM. WEISER

OF BANK

A. E. BORSCHELL
Cashier

Before me, the undersigned, within and for the County of Mesa, in the State of Colorado, personally appeared Wm. Weiser, president, and A. E. Borschell, cashier, and for, and in behalf of said The Grand Valley National Bank, corporation, acknowledged the execution of the foregoing power of attorney.

Witness my hand and notarial seal, this 24th day of November, 1931.

DOROTHY M. OTTMAN
Notary Public

NOTARIAL SEAL

My Commission expires Sept. 11, 1935.

AND WHEREAS, It is designed, as a part of such plan or agreement, that such pledged securities of said bank be deposited with the Denver Branch of the Federal Reserve Bank of Kansas City, which said bank has issued its non-negotiable and non-assignable custody receipt as follows, to-wit:

Denver Branch
Federal Reserve Bank of Kansas City Joint Custody Receipt
Denver, Colorado. Number -- J 321

To Grand Valley National Bank, Grand Junction, Colo.
For account of Treasurer
City of Grand Junction, Colorado. Denver, Colorado
Nov. 19, 1931.

The Denver Branch of the Federal Reserve Bank of Kansas City, Denver, Colorado, has received and is holding for your account and risk, subject to your order and our terms and conditions as stated in our General Letters governing such deposits, the following described securities:

Description	No. of Pieces	Denomination	Following & Subsequent Coupon attached	Par. Val.
			<u>Mo. Day Yr.</u>	
Treasury Bond of 1943-47 3 3/8%	3	\$10,000.00	12 15 31	\$30,000
Par Value Thirty Thousand Dollars				
Total par value \$30,000.00				

The Denver Branch of the Federal Reserve Bank of Kansas City, Denver, Colorado, will give to property left in its custody the

same care it gives its own property, but beyond that will not assume responsibility.

The above mentioned securities will be surrendered only upon return of this receipt officially signed by two authorized officers of the member bank, and the public officer concerned, accompanied by appropriate instructions.

This receipt is not negotiable and no assignment thereof will be recognized.

Checked
SF

Denver Branch
Federal Reserve Bank of Kansas City
Denver, Colorado.
By S. A. Brown, Cashier/S/

The release of this receipt must be executed jointly by the member bank and the public officer herein named (under his seal of office), and the signature of such public officer shall be acknowledged on the form below, and this receipt returned, before delivery of securities may be made. Proceeds of matured coupons, when collected, will be credited to the reserve account of the above named member bank.

To the Denver Branch
Federal Reserve Bk. of Kansas City, _____, 19__
Denver, Colorado. Date

The foregoing Custody Receipt is hereby surrendered and you are requested to release the above described securities and make disposition as follows:

Seal of Public)
Officer)

(Signature & Title of Public Of.)

By _____
Bank City State
President Cashier

By _____
President Cashier

State of _____)
County of _____) SS

On this _____ day of _____, 19____ before me personally appeared _____, to me known to be the Treasurer of the City of Grand Junction, Colorado, and as the person described in and who executed the above release and request and such person duly acknowledged the execution by him of the same.

In Testimony Whereof, I hereunto set my hand and affix my seal the day and year above written.

My term expires _____

Notary Public

Which said receipt is to be delivered to the City Treasurer of the City of Grand Junction and retained solely by him:

AND WHEREAS, The Council is advised that the Comptroller of the Currency recognized and approves the legality of such method of securing deposits, and said The Grand Valley National Bank has agreed to procure his written approval of the foregoing plan of securing the deposits of said city in said bank;

NOW THEREFORE, THE CITY TREASURER IS HEREBY ORDERED AND DIRECTED, To deposit funds of the City of Grand Junction, up to the sum of \$30,000.00, in The Grand Valley National Bank, pursuant to the foregoing plan and agreement, until the further order of the Council in the premises.

IT IS FURTHER ORDERED That, in the event said treasurer has funds to be deposited in excess of \$20,000 in said The United States Bk. of Grand Junction and in excess of \$30,000 in said The Grand Valley Nat'l. Bk, he shall immediately report such condition to the Council for his further instructions with reference to such excess deposits.

It was moved by Councilman Sievert and seconded by Councilman Hirons that the resolution, as read, be passed and adopted.

Roll was called with the following result:

Councilmen voting AYE - Bear, Hall, Hirons, Holcombe, Roberts, Sievert, and Glassford.

Councilmen voting NO - None.

All of the Councilmen voting AYE, the President declared the motion carried.

The following letter was introduced and read:

SCHOOL DISTRICT NO. 1
Secretary's Office

GRAND JUNCTION, COLORADO
November, 24, 1931.

Mr. J. P. Soderstrum
City Manager
Grand Junction, Colorado.

Dear Mr. Soderstrum:

We believe we are entitled to some additional compensation for band concerts given at Lincoln Park this summer. The following statement will show what the High School Band did. Naturally some

obligations would be incurred and these are made a part of the statement.

Bills for High School Band

Number of concerts given-----	12
Average number of players-----	60
Expense for concert music-----	\$33.99
Expense for ice cream (each boy who came on time was given a five cent carton of ice cream)	\$13.75

The boys practiced twice each week during the summer. Many of them denied themselves vacations and recreation trips in order to keep up practice and take part in the regular concerts. We appreciate the amount which has already been advanced, \$649.61, all of which went into permanent equipment. We still have current bills amounting to \$47.74 and we hope you can pay them, thus closing all accounts for the summer concert season. These accounts are as follows:

Winfield's-----	\$33.99
Arctic Ice Cream Company-----	13.75

We have every reason to believe the concerts were appreciated. Each time there was a large attendance and the crowds increased as the concerts continued.

If there is any further explanation or information you need we shall be glad to supply it.

Very truly yours,

R. E. TOPE
Superintendent
COE VANDEREN
Secretary

P. S. Our band has increased now so that we are needing ten more new suits. We shall have to raise the money for this in some way so your payment of these bills will assist us greatly in getting the suits.

It was moved by Councilman Holcombe and seconded by Councilman Hiron that the bills - \$33.99 to Winfield's for music for the band, and \$13.75 to the Arctic Ice Cream Co. for ice cream be paid. Roll was called upon the motion, with the following result:

Councilmen voting AYE - Bear, Hall, Hiron, Holcombe, Roberts, Sievert, Glassford.

Councilmen voting NO - None.

All of the Councilmen voting AYE, the President declared the motion carried.

It was moved by Councilman Holcombe and seconded by Councilman Hall that the meeting adjourn. Motion carried.

/s/ Helen C. Tomlinson
City Clerk