

Grand Junction, Colorado

March 28, 1932

The City Council of the City of Grand Junction, met in regular adjourned session at 7:30 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.

Report by Finance Committee

The finance committee made the following report in connection with the deposit of City funds in the local banks:

The finance committee reported to the council that the city treasurer has moneys of the city, to-wit: the sum of \$19,000, in currency, now in a safety deposit box, said sum being in excess of the total of \$10,000 now deposited in The United States Bank of Grand Junction and in excess of \$30,000 now deposited in The Grand Valley National Bank, the first of said deposits being secured by a surety-company depository bond, as required by Section 72 of the Charter, and the second by United States obligations in escrow in the Denver Branch of The Federal Reserve Bank of Kansas City, as provided by a resolution of the council dated December _____, 1931, reference to which is hereby made.

The committee further reported that, as soon as it was advised of the situation, it met with representatives from both of the Grand Junction banks, and the matter of depositing these excess funds was discussed at considerable length, and particularly a suggested plan of placing certain funds of the city in each of said banks as a trust fund, out of which the principal and interest of bonds of the city and its public-improvement districts might be paid by said banks; in other words, the creation of special deposits not to be commingled with the general deposits of the banks. This plan was deemed to be both feasible and legal by the city attorney as well as the attorneys representing the respective banks, but in view of the attitude toward such special deposits taken by the officials in charge of the Federal National Bank Department and the State Bank Department, it is not at this time recommended to the council by the committee.

The committee further reports that one of the depository bonds for \$10,000 furnished by The United States Bank of Grand Junction expired on January 1, 1932, and has not been renewed to this time by said bank.

The committee, therefore, recommends to the council that it be authorized to continue the discussion with the local banks until it shall be able, if possible, to submit to the council some acceptable and legal plan whereby the cash balance of the city in

excess of \$40,000 may be deposited in the Grand Junction banks as provided by Section 72 of the Charter.

/s/ J. C. Glassford
/s/ F. R. Hall
/s/ Albert Holcombe

Councilman Hall moved and Councilman Sievert seconded the motion that the City Manager be requested to ascertain from the Grand Valley National Bank whether the Comptroller of the Currency has approved the pledge agreement between the City of Grand Junction and the Grand Valley Bank, and secure a certified copy of the approval for the City files. Motion carried.

The Council discussed at length the various phases of the bank deposit situation, but no definite plan was determined upon.

Purchase of Bonds before maturity

It was moved by Councilman Hall and seconded by Councilman Hirons that the City Manager be requested to submit to the Council, as soon as possible, all data necessary to the consideration of the purchase by the City, of any bonds about to become due and for which the City has the necessary funds at this time, including intersection bonds, with the thought in mind that if the City is going to part with cash, retiring bonds before maturity, that it should be entitled to a liberal discount on same. 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.

It was moved by Councilman Bear and seconded by Councilman Sievert that the meeting adjourn. Motion carried.

/s/ Helen C. Tomlinson
City Clerk