

## SPECIAL MEETING

Grand Junction, Colorado

October 25, 1969

## ROLL CALL

In accordance with the ordinances of the City of Grand Junction, Colorado, and special notice having been served on each member of the Council a Special Meeting was held in the Civic Auditorium at City Hall at 10:00 A.M. On October 25, 1969. Council members present and answering roll were: Raymond Paruch, R. B. Evans, Stanley Anderson, Ray A. Meacham, Harry O. Colescott and President of the Council, R. G. Youngerman. Councilman Theodore N. Naff was absent. Also present were City Manager R. N. Gray, City Attorney Gerald J. Ashby and City Clerk Helen C. Tomlinson.

## WATER/SEWER REVENUE BONDS

Approve contracts with Boettcher & Co. for fees

The meeting was called for the purpose of giving consideration to contracts with Boettcher & Company setting the fee for its services in the preparation of materials for water and sewer revenue bond issue and setting a fee for providing fiscal services for the City, and further considering the form of "Notice to Bidders" on water and sewer revenue bonds. The following Resolution was presented and read:

## RESOLUTION

**AUTHORIZING THE NOTICE OF SALE OF SERIES B, JOINT WATER AND SEWER IMPROVEMENT REVENUE BONDS OF THE CITY OF GRAND JUNCTION, COLORADO**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION, COLORADO:**

1. That a Notice of Sale of \$1,000,000 of Series B., Joint Water and Sewer Improvement Revenue Bonds of the City of Grand Junction, Colorado, be prepared and published according to law, said Notice to contain the following:
  - a. The time and place of said sale shall be 2:00 P.M., Mountain Standard Time, on November 5, 1969, in the office of the Director of Finance, City Hall, Grand Junction, Colorado.
  - b. The bonds shall be offered to the total of \$1,000,000 as 200 bonds in the denomination of \$5,000.00 each.

c. The bonds shall mature on the 1st day of November in the years as follows:

Year Amount	Year	Amount
1971 \$ 5,000	1981	\$60,000
1972 10,000	1982	65,000
1973 15,000	1983	70,000
1974 20,000	1984	75,000
1975 30,000	1985	85,000
1976 35,000	1986	85,000
1977 40,000	1987	85,000
1978 45,000	1988	85,000
1979 50,000	1989	85,000
1980 55,000		

d. The bonds maturing in 1975 and thereafter shall be redeemable on November 1, 1974, at par, accrued interest and a premium of Three per cent (3%) of the principal.

e. The paying agent for said bonds shall be the United States Bank of Grand Junction, Grand Junction, Colorado.

f. All bids shall be accompanied by a bid check in the amount of \$30,000.00, the same to be treated in accordance with usual practice.

2. That the Bond Attorneys, employed for the issue, may include such other material in said Notice as may, in their opinion, be necessary for clarification or form.

PASSED AND ADOPTED this 25th day of October, 1969.

\_\_\_\_\_  
President of the Council

ATTEST:

\_\_\_\_\_  
City Clerk

It was moved by Councilman Meacham and seconded by Councilman Anderson that the Resolution be passed and adopted as read. Roll was called on the motion with the following result:

Councilmen voting AYE:

Raymond R. Paruch

Harry O. Colescott

R. A. Meacham

Stanley R. Anderson

President of the Council:

R. B. Evans

Councilmen voting NAY:

None

Councilman absent and not voting:

Theodore N. Naff

All of the Councilmen present having voted AYE, the President declared the motion carried.

CONTRACT

The following contract with Boettcher & Company was read:

BOETTCHER AND COMPANY

828 Seventeenth Street

Denver, Colorado

HONORABLE MAYOR AND CITY COUNCIL

City Hall

Grand Junction, Colorado

Gentlemen:

In connection with your municipal financing program for the period from November 1, 1969 to November 1, 1973, and including general obligation bond issues, revenue bond issues and refunding issues during this time, we submit the following proposal for your consideration and acceptance.

1. We will provide you with annual analyses of your debt service requirements, legal debt capacities and municipal bond market commentary;
2. We will provide you with timely information regarding bond market conditions as it affects your ability to refund or refinance any or all of your outstanding bonded indebtedness;
3. We agree to assist in the preparation through competent nationally recognized municipal bond attorneys, whose fee will be paid by you, all legal proceedings required by law pertaining to the authorization and issuance of any such bonds; including minutes of meetings, resolutions, election notices, ballots, affidavits, closing and final delivery certificates and the approving legal opinion certifying as to the validity of the bond issue in accordance with the laws of the State of Colorado;
4. We will prepare material concerning any bond issues in cooperation with administration officials and assist with the presentation of this information to the voters prior to any bond elections. We will also attend all public meetings whenever necessary. We will attend to the preparation of all necessary election materials;
5. We will attend council and administrative meetings on a reasonable basis and consult with administrative officials and council members so that they may all be continually apprised of the status of the City's funding program.

For and in consideration of our furnishing the above-mentioned services, you agree to pay us a fee of \$28,000.00, said fee payable as follows:

Cash on December 15, 1969

This amount of money will permit us sufficient compensation to attend all required meetings and devote the time and effort to your program necessary to perform the best possible service to the City during this period of time.

During this period of four years, should the City bring to public sale and issue any municipal bonds, then Boettcher and Company agrees to assist in such public sales in the preparation of an Official Statement, or Prospectus and to mail to prospective bidders, and in addition to submit all pertinent data to rating agencies for rating purposes. The City agrees to pay Boettcher and Company an additional amount for this service as stated in the Colorado Municipal Bond Dealers Association's minimum fee schedule. This schedule is attached to this agreement.

It is understood that the provisions of this proposal do not establish any agency or fiduciary relationship between the City of Grand Junction and Boettcher and Company.

If this proposal meets with your approval, please so indicate by signing below.

Respectfully submitted,

BOETTCHER AND COMPANY

\_\_\_\_\_  
By (Signed) Dan W. Herrington

ACCEPTED for and on behalf of the City of Grand Junction, Colorado, on this 25th day of October, 1969.

\_\_\_\_\_  
(Signed) R. G. Youngerman \Mayor

ATTEST:

\_\_\_\_\_  
(Signed) Helen C. Tomlinson \City Clerk

(ATTACHMENT)

#### COLORADO MUNICIPAL BOND DEALERS ASSOCIATION

#### Recommended Minimum Fees For Financial Advisory or Fiscal Agency Services

In order to strengthen the caliber of professional services rendered to municipalities and achieve higher standards of conduct within the local municipal bond industry, it is recommended that Financial Advisory or Fiscal Agency contract proposals presented to Colorado municipalities (defined to include all political sub divisions) by members of the Colorado Municipal Bond Dealers Association provide: (It should be noted that the fees suggested hereunder are "minimum fees" and apply only to the "average" bond issue. Depending on the complexity of the bond issue involved, the fee schedule hereunder may necessarily be higher.)

(a) That all expenses of the financing program of every kind and character shall be paid by the Municipality except that travel and communication expenses of all employees of the Financial Advisor shall be paid by him.

(b) That as reimbursement for travel and communication expenses and as reasonable compensation for the professional services rendered basic fees shall be charged in accordance with the following schedule recommended by the Investment Bankers Association of America:

A. Basic Schedule

If the Amount of Bonds Delivered to the Purchaser is:

More Than

And Not More Than Recommended Minimum Fee Schedule

\$ -0-	\$ 150,000	\$ 800 or 1% of Par Value, whichever is greater
150,000	250,000	1,500 plus \$7.50 per \$1,000 for all over \$150,000
250,000	350,000	2,250 plus \$4.00 per \$1,000 for all over \$250,000
350,000	500,000	2,650 plus \$2.00 per \$1,000 for all over \$350,000
500,000	700,000	2,950 plus \$1.80 per \$1,000 for all over \$500,000
700,000	1,000,000	3,310 plus \$1.50 per \$1,000 for all over \$700,000
1,000,000	1,500,000	3,760 plus \$1.00 per \$1,000 for all over \$1,000,000
1,500,000	5,000,000	4,260 plus \$0.70 per \$1,000 for all over \$1,500,000
5,000,000	10,000,000	6,710 plus \$0.50 per \$1,000 for all over \$5,000,000
10,000,000	20,000,000	9,210 plus \$0.375 per \$1,000 for all over \$10,000,000
20,000,000	No Limit	12,960 plus \$0.25 per \$1,000 for all over \$20,000,000

B. Revenue Bonds and Special Assessments

The recommended minimum fee for Revenue Bonds and Special Assessment Bonds issued in a single installment shall be the amount as computed from the Basic Schedule plus 25%.

### C. Multiple Installments

When bonds (General Obligation or Revenue) are issued in multiple installments the recommended fee shall be the base fee for the total authorization plus 25% payable on a pro rata basis as bonds are issued.

It was moved by Councilman Anderson and seconded by Councilman Meacham that the agreement be approved and the President of the Council authorized to sign same. Motion carried.

The following contract with Boettcher & Company was read:

BOETTCHER AND COMPANY

HONORABLE MAYOR AND CITY COUNCIL

City Hall

Grand Junction, Colorado

Gentlemen:

1. We understand that you contemplate the issuance of bonds in the amount of \$1,000,000 (more or less) for the purpose of making improvements to the City's sewer system, and that in connection with the authorization, issuance, sale and delivery of such bonds you desire this proposal from us to perform professional services in the capacity of Financial Consultant for your City.
2. By this proposal we offer our professional services and our facilities as Financial Consultant and we agree to perform the following duties normally performed by such consultant, and to perform such other duties as, in our judgment, may be necessary or advisable:
  - a. To make a study of the debt structure of your City, the trend of its assessed valuation, its taxing power and the present and estimated future taxing requirements, and on the basis of such study to devise and recommend for your approval a plan of financing to cover the proposed bonds. Such plan shall include a maturity schedule and other terms and conditions, such as options of prior payment and the like, as will, in our opinion, result in the issuance of the bonds under terms and conditions most advantageous to your City consistent with a minimum effective interest rate.
  - b. Under the direction and legal advice of a firm of recognized municipal bond attorneys, whose fees will be paid by us, we will assist you in and supervise the steps necessary to be taken in the legal issuance of the bonds and the final delivery of the bonds to the purchaser.
  - c. At such time as it shall be decided to issue the bonds, we will assemble and transmit to the bond attorneys such data as may be required in the preparation of the necessary

petitions, orders, resolutions, notices and certificates; and upon preparation thereof, will submit such documents to your governing body for appropriate action.

d. To advise you 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 for the sale of the bonds can be set at a time which, in our opinion, will be favorable.

e. To prepare an Official Notice of Sale, an Official Statement, or Prospectus, containing financial data and other information of the nature and to the extent ordinarily required by municipal securities dealers in bidding on bonds of this type, and a uniform Bidding Form, all of which we are to furnish in a sufficient number of copies to permit mailing to a list of prospective bidders which we also agree to provide.

f. Prior to the sale of the bonds, we will submit all pertinent financial and economic data to Standard & Poor's Corporation and Moody's Investors Service in order to maintain the current rating.

g. To attend to and pay for the printing of the bonds.

3. We agree to direct and coordinate the entire program of financing herein contemplated and to assume and pay the expenses above enumerated. It is specifically understood and agreed, however, that this obligation on our part shall not cover the cost of publication of notices in newspapers, or other publication costs, or the expenses of any litigation.

4. As consideration for the services rendered by us and as reimbursement for the expenses which we are to incur, it is understood and agreed that your City is to pay and we are to accept a cash fee of \$20,000, payable Dec. 15, 1969. Such fee shall become due and payable simultaneously with delivery of the bonds to the purchaser.

5. In the event the bonds contemplated by this proposal should not be issued, the City agrees to reimburse us for out-of-pocket expenses in no event to exceed \$500.00; however, should the same or similar proposition again be considered by the City within twenty-four months from date hereof, then at our option the agreement covered by this proposal shall apply to any bonds authorized.

6. It is understood and agreed that you and the officials of your City will cooperate with us and the heretofore mentioned bond attorneys in the passage of all necessary orders or resolutions and in the completion of all certificates required in the issuance of the bonds.

7. Boettcher and Company hereby agrees to submit a bid for these bonds at the time of the public sale to be held on November 5, 1969. The bid shall be at a net effective rate of interest of 6% or better and shall be in accordance with the terms of the Notice of Sale to be published prior to the sale. Our agreement to bid is subject to the conditions that trading in securities generally on the New York Stock Exchange shall not have been suspended, or a general banking moratorium shall not have been established.



8. This proposal is submitted in duplicate originals. When accepted by you, it will constitute the entire agreement between your City and the undersigned for the purpose and considerations herein specified. Your acceptance will be indicated by the signature of your Mayor, attested by your City Clerk, on both copies and returning one executed copy to use.

Respectfully submitted,

BOETTCHER AND COMPANY

\_\_\_\_\_  
By \ (Signed) Dan W. Herrington

ACCEPTED pursuant to resolution adopted by the City of Grand Junction, Colorado, on this the 25th day of October, 1969.

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(Signed) R. G. Youngerman \ Mayor

ATTEST:

\_\_\_\_\_  
(Signed) Helen C. Tomlinson \ City Clerk

(This contract provides for the issuance of Series "B" Water-Sewer revenue bonds. A fee of \$20,000 would be paid to Boettcher & Company on Dec. 15, 1969, one provision is for Boettcher & Co. to guarantee a bid of 6% or less on the bonds. The bonds would be double tax-exempted. Boettcher & Co. would pay all the costs of issuing the bonds including the attorney's fees.) It was moved by Councilman Colescott and seconded by Councilman Evans that the agreement be approved and the President of the Council be authorized to sign same. Motion carried.

ADJOURNMENT

It was moved by Councilman Colescott and seconded by Councilman Paruch that the meeting adjourn. Motion carried.

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Helen C. Tomlinson \ City Clerk