

City Council Chambers, 3:30 P.M.
Tuesday, January 12, 1960

The City Council reconvened at 3:30 P.M. to consider Resolution No. 16004.
Present on roll call 6: Anderson, Humiston, Perdue, Porter, Price and Mayor Hanson.
Absent 3: Bratrud, Easterday and Goering.

Resolution No. 16004:

BY EASTERDAY:

Awarding the bid to Blyth and Company, Inc. and Associates for the \$32,000,000 issue of Light & Power Bonds of 1960, with a net interest rate of 4.50963. 458

It was moved by Mr. Anderson that the Resolution be adopted. Seconded by Dr. Humiston.

Mr. Johnson, Vice Chairman of the Utility Board, explained that the effective interest rate that was bid on the Cowlitz Project is about what was expected, but not as good as was hoped. He added that this 4.509% interest rate is just a little bit higher than the 4.50% which was contemplated.

Mr. Barline, Utility Director, said the Department computed the coverages and some of the other figures after the results of the bid opening were known and it was found that changes are up in the thousands, so that where we have figured 1.43 times coverage for debt service it is still 1.43 times coverage. All of the computations were based on 4.50 and this was 4.509, so that the difference is very minor.

In the estimated computations of the proposed official statement prepared by the department which was mailed to the Council members, the figures used were on the basis of the estimate which had been made up before the bids were received on the general contract, generators and transformers. Those bids came in \$3,842,000 less than the estimate and they further have the effect of reducing the total cost of the project by \$400,000 additional by reason of reduction of interest during construction, so the total savings will be \$4,242,294 in placing these bids. This has a very good effect on all the figures throughout. It increases the coverage in the poorest year that we show from 1.39 coverage to 1.43 coverage and also substantially reduces the cost of power from Mayfield.

Dr. Humiston asked what the limitations were on reinvesting this money.

Mr. Barline answered that it would have to be in U. S. Government Securities.

Mayor Hanson said he assumes this is consistent with the findings and recommendations of the financial consultants.

Mr. A. V. Fawcett, Representative from McLean & Company, Financial Consultants of the City, said that the bids were better than had been anticipated a few weeks ago.

Mayor Hanson said before adjourning there is the matter of appointing three proxies for signing the bonds. His choice was Mr. Gaisford, Mr. Henriot and Mr. Barline. He said proxies are needed in the event that the Mayor is unable to go to New York to sign the Bonds.

Mr. Anderson moved that Mr. Gaisford, Mr. Henriot and Mr. Barline be chosen as proxies. Seconded by Mr. Perdue. Voice vote on the motion resulted as follows: Ayes 6; Nays 0; Absent 3, Bratrud, Easterday and Goering.

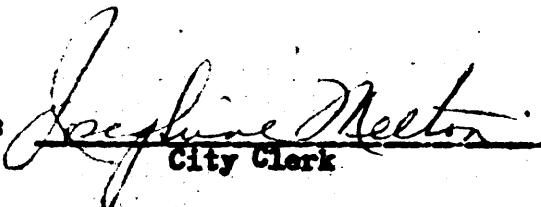
Voice vote was then called on the Resolution, resulting as follows:

Ayes 6; Nays 0; Absent 3, Bratrud, Easterday and Goering.
The Resolution was then declared adopted by the Chairman.

There being no further business to come before the meeting, upon motion duly seconded and passed, the meeting was adjourned at 3:50 P.M.



Mayor of the City Council

Attest: 

City Clerk