

CITY COUNCIL MINUTES

Department of Public Utilities Administration
Building, Board Room - 11:45 A. M.
Tuesday, March 17, 1964

Pursuant to due notice of special session of the Council of the City of Tacoma, held at 11:45 A. M. in the Public Utilities Administration Building, Board Room, 3628 So. 35th St., Tacoma, Washington.

The Council met in special session. Present on roll call 7: Bott, Cvitanich, Finnigan, Johnson, Murtland, Price and Mayor Tollefson. Absent 2: Haley and Herrmann.

The Mayor stated that this special meeting was called at his request for ¹⁵ the purpose of considering and acting upon Resolution U-2117 of the Public Utility Board of the City, and upon offers by interested parties to sell \$31,235,000 par value of U. S. Treasury bonds to the City to be paid for by funds received from the sale of Revenue Bonds; also for the further purpose of considering and acting upon Resolution U-2116 of the Public Utility Board of the City and to determine which bid, if any, should be accepted for the sale of \$32,000,000 principal amount of Light and Power Refunding Bonds of 1964 and \$18,000,000 principal amount of Light and Power Revenue Bonds, Series of 1964; and considering any other business which may be properly brought before the Council at said special meeting.

The Mayor then asked for an explanation of these Utility Board Resolutions from Mr. Richard Thorgrimson, one of the bond attorneys, employed by the Utility Board in connection with said bond issuance.

Mr. Thorgrimson then gave a detailed explanation of both Resolutions, copies of which are attached to these minutes and made a part hereof by reference thereto.

Mr. Winthrop S. Curvin from Smith, Barney & Co., Inc., New York, City, New York, at the request of the Mayor gave an explanation of financial problems and the effects of said Bonds. He stated that in his opinion the effective interest rate on the bonds was good; that the offer of sale of the Government securities to the City was an exceptionally good price, and recommended that the Council approve the sale of these bonds, pursuant to the request of the Public Utility Board, and that the City Council further approve the purchase of the U. S. Government securities as requested by the Finance Committee of the City and the Utility Board.

Resolution No. 17814:

Approving and accepting the offer of the First National City Bank to sell \$31,235,000 par value U. S. Treasury Bonds to the City.

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Mr. Bott moved that the Resolution be adopted. Seconded by Mrs. Price.

The Resolution was passed unanimously by voice vote.
Ayes 7; Bott, Cvitanich, Finnigan, Johnson, Murtland, Price and Mayor Tollefson. Nays 0; Absent 2; Haley and Herrmann.

Resolution No. 17815:

Approving and accepting the bid of White, Weld and Co. and Associates for the purchase of \$50,000,000 of Light and Power Revenue Bonds of the City.

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Mrs. Price moved that the Resolution be adopted. Seconded by Mr. Cvitanich.


The Resolution was passed unanimously by voice vote.
Ayes 7; Bott, Cvitanich, Finnigan, Johnson, Murtland, Price and Mayor Tollefson. Nays 0; Absent 2; Haley and Herrmann.

Mr. Clif Erdahl, Director of Public Utilities thanked the Public Utility Board members and the City Council for their help and cooperation in these matters.

There being no further business to come before the Council, upon motion duly seconded and passed, the meeting adjourned at 12:15 P. M.



Mayor of the City Council

Attest: 

City Clerk

RESOLUTION NO. 17534

A RESOLUTION OF THE COUNCIL OF THE CITY OF TACOMA, WASHINGTON, APPROVING AND ACCEPTING THE BEST OFFER TO SELL \$31,235,000 PAR VALUE OF U. S. TREASURY BONDS TO THE CITY, AND APPOINTING A CUSTODIAN OF SUCH BONDS

WHEREAS, pursuant to Resolution No. U-2034 of the Public Utility Board of the City of Tacoma (hereinafter called the "City") and Ordinance No. 17530 of the Council of the City, the City has invited offers from various investment banking firms and corporations to sell to the City \$31,235,000 par value of 4% U. S. Treasury bonds dated October 1, 1957 and maturing October 1, 1969; and

WHEREAS, such offers were requested in connection with the issuance and sale by the City of \$32,000,000 principal amount of Light and Power Refunding Revenue Bonds of 1954 of the City; and

WHEREAS, said invitation provided that such offers be submitted to the City not later than 9:30 A.M. Pacific Standard Time on March 17, 1954 in the Board Room in the Utilities Building of the City, 3628 S. 35th Street, Tacoma, Washington; and

WHEREAS, the following offers to sell such bonds were submitted pursuant to such invitation at or prior to the time required therein:

<u>Seller</u>	<u>Price (% of Par Value)</u>
First National City Bank	99.459
Aubrey G. Langston & Co., Inc.	99.483
Blyth & Co., Inc.	99.531
C. J. Devine & Co.	99.546875
Morgan Guaranty Trust Co. of N.Y. and Salomon Bros. and Hutzler Discount Corp. of New York	99.56
The First Boston Corporation	99.60926
C. F. Childs & Co., Inc.	99.949
	99.9989

and

WHEREAS, after due consideration of said offers it has been determined that the offer of First National City Bank was the best offer submitted; and

WHEREAS, Smith, Barney & Co., Incorporated and McLean & Company, Inc., financial consultants and advisers to the City in the matter of the issuance and sale of the above-mentioned Refunding Revenue Bonds, have recommended that such offer of First National City Bank be accepted; and

WHEREAS, by resolution duly and regularly adopted this 17th day of March, 1964, the Finance Committee of the City has approved the offer of First National City Bank to sell such U. S. Treasury bonds to the City at the price of 99.459% of par value, and has recommended that this Council also approve said offer, and accept the same on behalf of the City; and

WHEREAS, the Public Utility Board of the City, by Resolution No. U-2117 duly and regularly adopted this 17th day of March, 1964, has approved said offer and accepted the same on behalf of the City, and has recommended that this Council concur in said resolution, approve said offer, and accept the same on behalf of the City;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Tacoma, Washington, as follows:

Section 1. That the written offer of First National City Bank dated March 17, 1964, agreeing to sell to the City \$31,235,000 par value 4% U. S. Treasury bonds dated October 1, 1957 and maturing October 1, 1969, at the price of 99.459% of par value, and subject to the terms and conditions contained therein, is hereby approved, and accepted on behalf of the City.

The Mayor and City Clerk are hereby authorized and directed to execute the acceptance clause appearing at the end of said offer, on behalf of the City.

Section 2. The Chase Manhattan Bank is hereby appointed as a Custodian for the City with respect to the purchase by the City of U. S. Treasury bonds pursuant to the letter agreement dated March 17, 1964, between the City and First National City Bank and the holding of such bonds and other U. S. Treasury obligations pursuant to Article V of Ordinance No. 17538 of the City adopted February 13, 1964, and the Director of Finance is hereby authorized and directed to cause instructions to be given to said bank as to the services it shall perform as such Custodian.

ADOPTED at a meeting of the City Council of the City of Tacoma, Washington, held this 17th day of March, 1964, after notice duly and regularly given as provided by law.

CITY OF TACOMA, WASHINGTON

Sam Johnson
BY: /S/ S. M. JOHNSON
Mayor

ATTEST:

Josephine Melton
/S/ JOSEPHINE MELTON
Clerk

APPROVED AS TO FORM AND LEGALITY:

Marshall McCornick
/S/ MARSHALL MCCORNICK
City Attorney

RESOLUTION NO. 17815

A RESOLUTION OF THE COUNCIL OF THE CITY OF TACOMA, WASHINGTON, APPROVING AND ACCEPTING THE BEST BID FOR THE PURCHASE OF \$50,000,000 OF LIGHT AND POWER REVENUE BONDS OF THE CITY AND FIXING THE INTEREST RATES FOR THE SAME

WHEREAS, pursuant to Resolution No. U-2034 of the Public Utility Board of the City of Tacoma (hereinafter called the "City") and Ordinance No. 17535 of this Council, a notice of sale of \$32,000,000 principal amount of Light and Power Refunding Revenue Bonds of 1964 and \$18,000,000 principal amount of Light and Power Revenue Bonds, Series of 1964 of the City (hereinafter called the "Bonds") was duly published in the manner required by law; and

WHEREAS, said notice of sale provided that sealed proposals for the purchase of the Bonds would be received at the Board Room in the Utilities Building of the City, 3628 S. 35th Street, Tacoma, Washington, until 9:30 o'clock A.M. Pacific Standard Time on March 17, 1964; and

WHEREAS, said notice of sale provided that the Bonds would be awarded to the bidder offering to purchase all of the same at the lowest net interest cost to the City, with such cost to be computed by determining the total interest payable on all of said Bonds from their date to their stated maturities and subtracting therefrom the amount of any premium bid and adding thereto the amount of any discount bid; and

WHEREAS, the following bids were submitted at or prior to the time required in said notice:

<u>Bidder</u>	<u>Total Interest</u> + or - Difference Between Discount and Premium	<u>Effective Rate</u>
	<u>Net Interest Cost</u>	
(1)		
White, Weld & Co.	\$61,903,911.25	3.0534
Merrill Lynch, Pierce, Fenner & Smith, Inc.	+ <u>360,000.00</u>	
Kuhn, Iceb & Co.	\$62,263,911.25	
Salomon Brothers & Hutzler & Associates		

<u>Bidder</u>	<u>Total Interest</u> or - Difference Between <u>Discount and Premium</u> <u>Net Interest Cost</u>	<u>Effective Rate</u>
(2) Halley, Stuart & Co., Inc. & Associates	\$62,195,070.25 - 15,000.00 \$62,170,656.25	3.85505
(3) Blyth & Co., Inc. The First Boston Corporation Eastman Dillon, Union Securities & Co. & Associates	\$62,355,000.00 - 34,105.00 \$62,655,105.00	3.88522

and

WHEREAS, after due consideration of said bids it has been determined that the bid of White, Weld & Co. & Associates was the best bid submitted; and

WHEREAS, Smith, Barney & Co. Incorporated and McLean & Company, Inc., financial consultants and advisers to the City in the matter of the issuance and sale of the Bonds, have recommended that such offer of White, Weld & Co. & Associates be accepted;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Tacoma, Washington, as follows:

Section 1. That the bid submitted by White, Weld & Co. & Associates for the purchase of the Bonds, having been found to be the bid offering to purchase the Bonds at the lowest net interest cost to the City, is hereby approved and accepted, and the Bonds are awarded to said White, Weld & Co. & Associates upon payment of the price of \$49,640,000.00 plus accrued interest to date of delivery in conformity with such notice of sale and bid.

Section 2. The Bonds shall bear interest at the following rates:

Light & Power Refunding Revenue Bonds of 1964

<u>Bond Nos.</u>	<u>Maturity Dates</u>	<u>Interest Rate</u>
1-764	7-1-70 through 7-1-79	4.50
765-1299	1-1-80 " 7-1-84	3.50
1300-2244	1-1-85 " 7-1-91	3.75
2245-2910	1-1-92 " 7-1-95	3.875
2911-6400	1-1-96 " 1-1-2010	3.90

Light and Power Revenue Bonds, Series of 1964

<u>Bond Nos.</u>	<u>Maturity Dates</u>	<u>Interest Rate</u>
1-300	7-1-70 through 7-1-79	4.50
351-1043	1-1-80 " 7-1-91	3.75
1049-1356	1-1-92 " 7-1-95	3.875
1357-3195	1-1-96 " 7-1-2011	3.90
3197-3600	1-1-2012 " 1-1-2014	3.00

Section 3. The good faith checks of the unsuccessful bidders shall be returned forthwith.

Section 4. The proper City officials are hereby authorized and directed to do all things necessary for the prompt execution, issuance and delivery of the Bonds to the purchasers thereof in accordance with the terms of their sale, and for the proper application and use of the proceeds of such sale.

ADOPTED at a meeting of the City Council of the City of Tacoma, Washington, held this 17th day of March, 1964, after notice duly and regularly given as provided by law.

CITY OF TACOMA, WASHINGTON

By *A. M. Tolleson*
A. M. TOLLESON
Mayor

ATTEST:

Josephine Melton
JOSEPHINE MELTON
Clerk

APPROVED AS TO FORM
AND LEGALITY:

Marshall M. McCormick
MARSHALL McCORMICK
City Attorney