

COLLEGE OF SOUTHERN IDAHO JUNIOR COLLEGE DISTRICT

MEETING OF THE BOARD OF TRUSTEES

MAY 20, 1968

CALL TO ORDER - The Board of Trustees of the College of Southern Idaho Junior College District met in regular session in the Executive Office of the College on Monday, May 20, 1968.

Chairman Evans called the meeting to order at 7:59 pm with all members of the Board of Trustees present; also Dr. James L. Taylor, Attorney Robert Alexander, and secretary Herb Van Slyke.

VISITORS - Ken Newman of Burrows, Smith Company of Idaho was the only visitor. Mr. Newman's company has been acting as Fiscal Agent for the CSI Dormitory Housing Commission with regard to a proposed revenue bond issue. His report was unfavorable as to the sale of any bonds for under 6% earnings. A copy of his letter, and one from the First Security Bank of Utah is attached to and made a part of these minutes.

THE APRIL REPORT OF THE TREASURER was presented for review and,

The Board suggested that a full review of the Construction Account would be appreciated.

BILLS, AND PAYROLL approved for payment. Bills for the month of April in the aggregate amount of \$52,796.37, and the June payroll in the gross amount of \$46,247.21 were submitted for payment.

Upon MOTION by Mr. Coleman, seconded by Mr. Garrabrant, the Board of Trustees approved for payment the bills and payroll hereinbefore submitted.

1969 FISCAL YEAR BUDGET - Having had under consideration since the previous regular meeting of the Board, a proposed budget for the 1969 Fiscal Year to

Being put to a vote, the MOTION was declared carried. Copy of this Budget is attached and made a part of these minutes.

PERSONNEL - Dr. Taylor recommended that Dr. Jack Sowards be employed in Chemistry, Physics, and Math at a salary of \$9,200.00 for the Academic Year.

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Lake City, Utah 84101
Phone 328-1511

Burrows, Smith Company

May 20, 1968

of Idaho



Honorable Housing Commission
College of Southern Idaho
Junior College District
Twin Falls, Idaho

Re: Proposed Dormitory and Student Union Revenue Bonds

Gentlemen:

Since my meeting with your Commission and the Board of

issue of your Commission in an approximate amount of \$1,162,400. Preliminary to conferences with the nation's major underwriters of college revenue bonds, I reviewed carefully the feasibility schedules setting forth bond issue payable from the operations of a new 150

etc., etc.

Based on a 6 per cent maximum interest rate, it was determined that the average (principal and interest only) was \$116,240, and that with the necessary 1.40 coverage for revenue bonds, the

student fee of approximately \$1.40

Once some of these conditions issue was described to representatives of two nationally recognized firms of municipal bond underwriters. They were unequivocal in their pronouncements that a revenue bond issue of this amount for a new junior college of this size in a municipal bond market such as we are now experiencing could not be marketed.

The major buyers of college revenue bond issues during the past 18 years have ceased buying. Many new issues of well known and even major municipalities have been unsuccessful from the viewpoint of buyers

Burrows, Smith and Company

Honorable Housing Commission

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nearly 6 per cent for their bonds; and many of those major financial institutions who have recently been heavy buyers of this type of paper have closed the door to future purchases.

1. The generally weak status of the bond markets. The Bond
Dartmouth's Index shows at its 35-year high and each slight improvement has

2. The shattering riots on our nation's campuses--many of them

4. The continuously heavy calendar of all types of bond issues.

The major buyers of college revenue bond issues have advised
us that they are not interested at this time in the prospective issue, nor

A major area of discussion centered around the fact that the bonds
proposed were cited of a proposed issue of a well-known university in Ohio

was caused by the fact that the issue was not a direct

that this was a well-established four-year institution and we felt that
underwriters to consider that issue further.

Regional interest in the proposed issue is nil at this time and
HUD grant approval. We shall be very pleased to obtain letters from some of
the financial institutions to show indicating their indifference to submitting a bid

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on the proposed bonds. This could have a disadvantageous effect though, and the Board and the Housing Commission would want to weight such a move very carefully.

An alternative of which you are aware, of course, is to determine the amount of general obligation bonds which could be issued and call a

year for the tax levy sufficient to pay principal and interest on the general obligation bonds. This means that, even with sufficient operating revenues and revenues from student fees, it would not be possible to promise the voters a "no tax increase" bond issue.

The time will again come when an issue of this type will gain

to bond market conditions or with a bond election if the 1960 assessed valuation would permit sufficient leeway.

We are most anxious to be of service. We want to perform for the District and will continue to make contact with those underwriters who would be even remotely interested in your program.

Sincerely yours,

BURROWS, SMITH COMPANY OF IDAHO

Kenneth D. Newman
Kenneth D. Newman
Vice President

KDN:ds

cc: Michael Gray
Dr. James Taylor



Trust Committee Bank Method



79 SOUTH MAIN STREET

SALT LAKE CITY, UTAH

Chairman and Board of Trustees
College of Southern Idaho Junior
College District
Pocatello, Idaho

We have studied your proposed revenue financing very thoroughly with Burrows

market.

2. The fact that the bonds are not issued directly by the college, but through a building commission, creates a dual system which makes possible bidders and institutional buyers somewhat disinterested. It is somewhat cumbersome and involves an indirect pledge.
3. The bond market is quite soft, with interest rates at a very high level. There have been many university revenue bonds offered in recent months and competition from industrial revenue bonds and other securities has created a reduction in interest in these types of securities by institutional buyers.

and reasonable security. We would suggest that the College make every effort to obtain a loan from H.U.D., in order to finance the project. We would cooperate in substantiating the difficulty of financing the project in the general market.

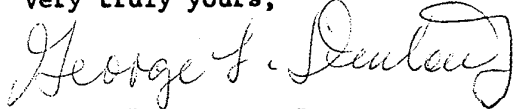
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We would also suggest that every effort be made to have legislation adopted at the next session of the Idaho Legislature, in which the statutes authorizing these bonds be amended so that the bonds might be issued directly by the

College itself.

which would improve the climate for the flotation of securities generally and thereby possibly enhance the possibility of your bonds being saleable.

Very truly yours,



George L. Denton, Jr.
Vice President

GLD:ab

BOARD OF TRUSTEES
COLLEGE OF SOUTHERN IDAHO
JUNIOR COLLEGE DISTRICT
TWIN FALLS, IDAHO

FISCAL YEAR ENDING MAY 31, 1969

ADOPTED: MAY 20, 1968

PRESIDENT

Meeting of the Board of Trustees
May 20, 1968

Dr. Taylor's recommendation and approved the employment of
Dr. Jack Sowards as stated above.

BID FOR NEW AUTOMOBILE - Bids having been invited, pursuant to statute,
for furnishing the College District with a new automobile for administration

1968 Pontiac Executive Model 4-door sedan.

Upon MOTION by Mr. Coleman, seconded by Mr. Blastock, the Board of
Trustees accepted the bid from John Chris Motors for a new 1968 Pontiac

The 1965 Plymouth 4-door sedan belonging to the College District had been
advertised for sale simultaneously with the invitations to bid on the new
automobile. However, no bids were received; the Board therefore decided
to keep the Plymouth for a while

STUDENT UNION FEES - Dr. Taylor having discussed on a number of

union fee. recommended to the Board that a fee of \$25.00 per semester

than 10 hours.

A MOTION was made by Mr. Coleman, seconded by Mr. Shields, that the
College of Southern Idaho charge the student union fee recommended by
Dr. Taylor.

Being put to a vote, the Motion carried.

which will cost about \$1,000,000.00 under present price indexes were

Seating in this facility would be 4000 to 4200.

LYONS PROPERTY - Dr. Taylor reported that he has now spent 22 hours
trying to deal for this property but without visible success. The "boy"
has said for \$30,000.00 they would move. Condemnation seems now to
be the only route left.

A MOTION was made by Mr. Garrabrandt, seconded by Mr. Shields, that
after a final consultation with the Lyon's family and if no purchase is con-
sumated, that Attorney Alexander be instructed to institute condemnation
proceedings.

Meeting of the Board of Trustees
May 20, 1968

Upon being put to a vote, four trustees voted "Aye", with Mr. Blastock abstaining.

ATTORNEY ALEXANDER presented a new rental agreement with Dr. McAtee
for the space occupied by the Administration Office, 641 G. B. B. B. B.

justified by the improvements the Doctor has made and intends to make to the building; the new lease was to start April 1, 1968.

A Motion was made to enter into this new lease agreement, but died from want of a second.

~~INDIAN POWER COMPANY POWER LINE EASEMENT~~

times R. O. W. on campus, and recommended that the Board grant it.

Upon MOTION by Mr. Garrabrandt, seconded by Mr. Coleman, the amended easement was granted.

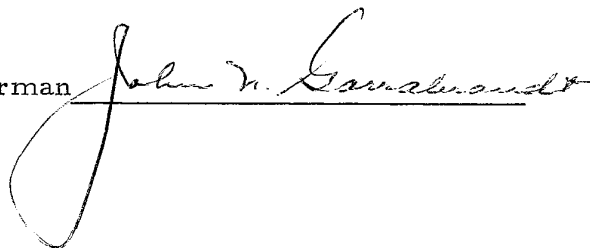
ADJOURNMENT - No further business appearing, Chairman Evans declared the meeting adjourned at 10:19 p. m.



H. W. Van Slyke, Secretary

APPROVAL: June 17, 1968

Chairman



John R. Garrabrandt