

COBURG CITY COUNCIL MONTHLY REPORTS



TOPIC: 1973 Water Bond #43 Request

Meeting Date: November 8, 2022
Staff Contact: Anne Heath, City Administrator
Contact: 541-682-7871, anne.heath@ci.coburg.or.us

Council Action Requested:

Approve the payment of 1973 Water Bond #43 in the amount of \$5,000.

Suggested Motion: ***I move that the City Council approve the payment of 1973 Water Bond #43 in the amount of \$5,000.***

HISTORY

In 1973, the City sold bonds for a water project. All of the bonds were sold in \$1000 - \$5000 increments, and became due no later than January 1, 1999. The City paid all interest due on the bonds. Up until around 2016, the City had a \$5000 bond due on the balance sheet. However, staff were unable to provide auditors with any information regarding the bond, and given the small amount, it was recommended that it be removed from the books. In the late spring, the City received a phone call from a man who had found a bond in his mother's estate documents. The copy of the bond he provided gave the staff vital information regarding the bond sales, and the City decisions for the sales. The bond he provided was #43, which after staff was able to determine, was the bond that was unpaid. However, the interest on the bond was paid by the City. We provided the information to the bondholder and let them know the process for asking for payment on the bond.

PROCESS

An individual, bank, estate or attorney must request payment of a bond to the City Recorder. They must present the original bond and request such payment in writing.

The City received the attached letter from the attorney representing Thomas Huffman who is the Trustee of the Shirley B. Huffman Living Trust. She has provided a request for payment as well as supporting documents as to the ownership of the bond and the beneficiary of the bond.

This letter, and all of the materials included, were forwarded to the City Attorney for review.

BUDGET

This has not been budgeted in the 2023 budget. However, it is a relatively small amount for the water department and can be absorbed in the current budget.

NEXT STEPS

If the Council approves the payment of the bond, then staff will notify the representing attorney that they must submit the original bond for payment. Upon receipt of the original bond, the City will issue payment.

This will conclude the payment of all of the 1973 bonds issued by the City.

REVIEWED THROUGH

City Attorney

City Recorder