

ConversationS

Thu, Aug 24, 2000 6:41 PM

From: "Janet Gilpatrick" <jgilpatrick@rockey-spokane.com>
To: Jennifer West <jwest@Rockey-Spokane.com> , betsy cowles <betsyc@spokesman.com>
Cc: John Giese <jgiese@Rockey-Seattle.com>
Date: Tue, Aug 22, 2000, 1:06 PM
Subject: ConversationS

MEMO TO:
BETSY AND JENNIFER AND JOHN
FROM: JANET

Roy Keogen:
624-2212

In a 20 minute conversation with Roy Keogen this morning, I gleaned the following:

Wanted me to know that he had spoken with Stacey and he feels that Stacey understood his message: Use the newspaper to investigate what the realities of the falling bond rating will do to this community. Show in real terms, ie: your water rates will increase by \$2...or your streets will remain bad... more of this message. It's an obligation that the paper owes the community to go forward with the impacts of this and also to show personal leadership on the part of the publisher. Restates that Stacey must step forward on this and that he should talk to the people that Roy has suggested he call about this idea of duty.

He is very very concerned that his handprints are not on any of these ideas. And if Talbott knew he had any contact with the "family", it would be a very bad thing.

Also said that Talbott is calling Betsy today to encourage a settlement of this issue, the whole parking garage problem. Says Talbott told him he was going to do this and that it needed to happen before the election. Well, duh, we know why he needs to be a hero.....maybe he has a poll.

Roy is sure that this will happen today. (Steve Corker is on the record as saying that he does not want this to happen before the election.)

When I inquired as to whether or not he felt there was anyone with Lehman Bros. that might be used to point out the on-going concerns for the community that a PDA break up would produce, he said no he didn't think so, But that what he was going to try to encourage was a visit from someone at Standard and Poors and from Mooney's. His theory being that they would be interested in this proposed action and also the best people to talk to the city council in a private group of meetings. He wants to keep the press from hearing about this, so it would not be a

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public event, (I have little belief that this would remain out of the press) . He is at the airport and on his way to see the bond rating people, so he will bring this up today or tomorrow.

Roy returns to town on Wednesday evening and I said I would have Jennifer call him on Thursday for more information. He is very agreeable to this. Only seems to be very concerned that he is not "caught" in this camp.

Roy needs to be concerned with the falling bonds rating and what the bondholders are going to do. There is a huge reputation problem here as you well know. I feel he is really experiencing some pressure now that is reflecting in the business area of his firm. He is quite interested in facilitating some on-going actions that indicate progress in solving this "stressful situation".

He is hastening to tell me that 90% of his business is now outside of Spokane...and I'm telling him that that's a very smart thing to do. He is the consul for the entire city council, not just the mayor, he says. He somewhat in a scramble now.....feels Eugester is trying to tear the city apart.

We left the conversation on friendly terms and a promise to keep in touch.

Mike Ormsby:
624-7507

Missed his call last night, and he is headed out on a vacation with his kids for the next few days. He is very stressed by all of this also and is trying to get a bit of space and self renewal. I will talk with him next week, just to offer support and pick his brain for thoughts on where this is going.