

MINUTES
SPECIAL COUNCIL MEETING
CITY OF NICEVILLE, FLORIDA
SEPTEMBER 13, 2007

The Niceville City Council met in special session at 6:00 PM, September 13, 2007 in the Council Chambers, 208 N Partin Drive. All Council members and the Mayor were present. Also present were City Manager, Lannie Corbin; City Clerk, Dan Doucet; Public Works Director, Bruce Price a member of the press and visitors in the audience. Mayor Wise called the meeting to order at 6:00 PM.

PUBLIC HEARING

Consulting Engineer Briefing - Mr Glenn Stephens, Polyengineering

Mr Glenn Stephens, Polyengineering, briefed the council concerning his report on Debt Service Coverage Analysis and proposed water and sewer rates for the City of Niceville as required by bond covenants. The statistical data he provided in his report supported the need for a 5.3 percent annual rate increase in FY 2008 to insure adequate coverage for our debt service requirements. He explained that bond covenants require that our net revenues be 1.15% of the debt service amount. Mr Stephens advised that the sewer operating expense for the Niceville Valparaiso Okaloosa County Regional Sewer System (NVOC) has increased approximately \$200,000 over last year's amount. Discussion followed. He explained that if no rate increase is imposed for the next fiscal year we will fall short of our coverage requirements. Discussion followed. Mr Stephens advised that Niceville's proposed rates are 5.2% lower than the average water and sewer monthly bill charged by surrounding utilities. Discussion followed.

Financial Advisor Briefing - Mr Bill Fray, Fray Municipal Securities

Mr Bill Fray, our finance advisor, presented an overview of his written report to the council regarding our Annual Debt Management and Investments Program. He advised that the purpose of his report was to review polices and initiatives to help insure efficient and effective management of the City's debt and investments. He advised this includes both current and prospective programs. He advised the City has a history of conservative policies and proactive management of debt and investments that minimize debt cost and provides full investment returns. The scope of his report included (a) review of the Five-Year Capital Improvement Plan for the Water and Sewer System, (b) review of Engineers projected revenue for debt service coverage and other provisions of the bond resolution, (c) review and summary of the Storm Water Utility, Capital Improvement Plan and Capital Funding Plan, (d) potential benefits from lower interest rates on outstanding debt, and (e) the comparison of investment rates on City funds with US Treasury Securities and the State Board of Administration (SBA) pooled investments.

Ordinance 07-09-01 - An ordinance amending Section 1, Table 1 of the City of Niceville Florida, municipal waterworks system rate Ordinance No. 06-09-04 dated September 21, 2006, to provide for a rate adjustment and providing for an effective date. (First Reading)

Mr Doucet read Ordinance 07-09-01 by title. Councilman Swihart moved approval on first reading. Councilwoman Boudreaux seconded. No one spoke for or against. Mr Doucet explained that water bills for a 7,000 gallon customer (average user) will increase \$.65 a month over last year's rate. Council vote: Boudreaux-yes; Smith-yes; Swihart-yes; Tislow-yes; Thomas-yes.

Ordinance 07-09-02 - An ordinance amending Section 1, of the City of Niceville Florida, Municipal Sewer System Rate Ordinance No. 06-09-05 dated September 21, 2006, to provide for a rate adjustment and providing for an effective date. (First Reading)

Mr Doucet read Ordinance 07-09-02 by title. Councilman Tislow moved approval on first reading. Councilman Smith seconded. No one spoke for or against. Mr Doucet explained that sewer bills for a 7,000 gallon customer (average user) will increase \$.75 a month over last year's rate. Council vote: Boudreaux-yes; Smith-yes; Swihart-yes; Tislow-yes; Thomas-yes.

Ordinance 07-09-03 - An ordinance amending Ordinance No. 06-09-06, September 21, 2006 of the City of Niceville, Florida, increasing the Water Impact Fee and providing for an effective date. (First Reading)

Mr Doucet read Ordinance 07-09-03 by title. Councilwoman Boudreaux moved approval on first reading. Councilman Smith seconded. No one spoke for or against. Mr Doucet explained that the impact fee will be increased from \$1,550 to \$ 1,628 for one inch meters with corresponding increases for larger meters. He advised that the increase applies only to new construction and helps to defray the cost associated with growth. Council vote: Boudreaux-yes; Smith-yes; Swihart-yes; Tislow-yes; Thomas-yes.

Ordinance 07-09-04 - An ordinance amending Ordinance No. 06-09-07, September 21, 2006 of the City of Niceville, Florida increasing the Sewer Impact Fee and providing for an effective date. (First Reading)

Mr Doucet read Ordinance 07-09-04 by title. Councilman Swihart moved approval on first reading. Councilman Thomas seconded. No one spoke for or against. Mr Doucet explained that the impact fee will be increased from \$ 5,830 to \$6,130. He advised that the increase applies only to new construction and helps to defray the cost associated with growth. Council vote: Boudreaux-yes; Smith-yes; Swihart-yes; Tislow-yes; Thomas-yes.

Ordinance 07-09-05 - An ordinance amending Ordinance No. 04-09-06, September 23, 2004 of the City of Niceville, Florida, increasing the Stormwater Utility Rates and providing for an effective date. (First Reading)

Mr Doucet read Ordinance 07-09-05 by title. Councilman Swihart moved approval on first reading. Councilman Thomas seconded. No one spoke for or against. Mr Doucet explained that the rate increase is a 38% increase. Discussion followed. Council vote: Boudreaux-yes; Smith-yes; Swihart-yes; Tislow-yes; Thomas.

Ordinance 07-09-06 - An ordinance of the City of Niceville, Florida levying the AD Valorem Property Tax millage rate for municipal purposes on all taxable property within the City for the fiscal year beginning October 1, 2007 and ending September 30, 2008 stating the percentage by which the millage to be levied exceeds the rolled-back rate; and providing for an effective date. (First Reading)

Mr Doucet read Ordinance 07-09-06 in its entirety and stated the proposed millage rate of 3.2669 is the recommended rate for FY 08. He stated the percentage by which this millage rate to be levied exceeds the rolled-back rate of 3.2669 (computed pursuant to Florida law) is 00.00%. Mr Doucet advised that the revenues received will be used to defray budgeted General Fund Expense. Councilman Smith moved approval on first reading. Councilman Swihart seconded. No one spoke for or against. Mayor Wise asked for a roll call vote. Council vote: Boudreaux-yes; Smith-yes; Swihart-yes; Tislow-yes; Thomas.

Ordinance 07-09-07 - An ordinance adopting the final budget for the City of Niceville for the fiscal year commencing October 1, 2007; an ordinance adopting and approving the appropriations set forth in said budget for the fiscal year commencing October 1, 2007; and providing for an effective date. (First Reading)

Mr Doucet read ordinance 07-09-07 by title and provided an overview of estimated revenues and expenditures as follows:

General Fund

Total estimated revenues and expenditures: \$10,645,660

Special Revenue (Franchise and Utility Tax)

Total estimates revenues and expenditures: \$2,577,180

Sanitation:

Total estimated revenues and expenditures: \$2,354,900

Water and Sewer

Total estimated revenues and expenditures	\$11,205,000
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Storm Water Management

Total estimated revenues and expenditures	\$2,117,190
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Total Budget is **\$28,899,930**

Councilman Smith moved approval on first reading. Councilman Thomas seconded. No one spoke for or against. Council vote: Boudreaux-yes; Smith-yes; Swihart-yes; Tislow-yes; Thomas-yes.

SENIOR CITIZEN ADDITIONAL EXEMPTION:

Mr Doucet advised that he received information from the Property Appraiser=s Office advising that **87** Niceville residents applied for the additional \$50,000 exemption this year. To qualify for the exemption the property owner must be 65 years old and have an annual household income of **\$24,214** for the 2007 tax year. The total property value (amount exempted) for people in this category is **\$3,696,454**. Based on a proposed millage rate of 3.2669 our revenues will be **approximately \$ 12,076 less**. The additional exemption saves them **\$163.35** in property tax. Thus, it was a good decision by the council to approve this provision for our lower income seniors.

Mr Doucet advised that the next budget hearing is scheduled for September 18, 2007 at 6:00 PM.

The meeting adjourned at 6:30 PM

MAYOR

ATTEST:

CITY CLERK