

MINUTES
SPECIAL COUNCIL MEETING
CITY OF NICEVILLE, FLORIDA
FEBRUARY 5, 2008

The City of Niceville City Council met in special session at 6:00 PM, February 5, 2008 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; Asst City Attorney Dixie Powell; a member of the press and visitors in the audience. Mayor Wise called the meeting to order at 6:00 PM.

PUBLIC HEARINGS

Ordinance 08-02-04 An ordinance renewing and extending an exclusive franchise to Waste Management, Inc. of Florida for the purpose of Residential Garbage Collection; and providing an effective date (First Reading)

Mr Doucet read Ordinance 08-02-04 by title. Councilman Swihart moved approval on first reading. Councilwoman Boudreaux seconded. No one spoke for or against. Council Vote: Smith-yes; Swihart-yes; Boudreaux-yes; Henkel-yes; Thomas-yes.

Ordinance 08-02-05 - An ordinance renewing and extending an exclusive franchise to Waste Management, Inc. of Florida for the purpose of Commercial Garbage Collection; and providing an effective date. (First Reading)

Mr Doucet read Ordinance 08-02-05 by title. Councilman Smith moved approval on first reading. Councilwoman Boudreaux seconded. No one spoke for or against. Council Vote: Smith-yes; Swihart-yes; Boudreaux-yes; Henkel-yes; Thomas-yes.

Ordinance 08-02-06 - An ordinance of the City of Niceville, Florida establishing rates for the collection of Residential and Commercial Garbage; providing for a rate increase and providing for an effective date. (First Reading)

Mr Doucet read Ordinance 08-02-06 by title. Councilman Smith moved approval on first reading. Councilman Swihart seconded. No one spoke for or against. Council Vote: Smith-yes; Swihart-yes; Boudreaux-yes; Henkel-yes; Thomas-yes.

OTHER BUSINESS:

99B BOND ISSUE:

Mr Ireland the Asst City Clerk advised that the bonds are a variable rate bond. They were insured by AMBAC who carried a AAA rating. He advised the bond ordinance provides the bonds will be sold by Stern-Agee on a weekly basis to other investors at a competitive interest rate. The ordinance also provides that the Columbus Bank & Trust will purchase the bonds if they cannot be sold on a weekly basis. Also, if the AMBAC rating is reduced to A then the Columbus Bank is not required to purchase the bonds.

He further explained that during the month of January, the AMBAC rating was reduced to AA. This has caused a concern with the Columbus Bank and also Stern-Agee. They were able to sell the bonds at a 5.28 interest rate and feel they will be able to remarket the bonds in the 5% interest range. Stern-Agee has no idea how long the AMBAC problem will exist. They say that the new 5% rate will cost us approximately \$2,000 per month in increased interest.

He advised if we convert the bonds to a fixed rate it will probably cost us 4.25% interest. We would need to update the official statement and obtain a new bond opinion letter. The underwriting and associated fees will be approximately \$45,000.

He stated on Feb 5, 2008 we had another conference call with Stern-Agee and Bill Fray. Stern says that we can anticipate the remarketing interest rate will continue in the 5+% range until AMBAC regains their AAA bond rating. FIGIC was also downgraded to AA this past week.

Mr Ireland stated that he coordinated with Bill Fray, our fiscal agent about the possibility of converting the \$1,255,000 to an unsecured bank loan in an effort to reduce our expense. He stated in order to formulate a proper course of action we are requesting council approval to go out with a Request for Proposal (RFP) to our local banks. The results should place us in a position to determine the path we need to take. Councilman Smith moved to advertise the RFP. Councilman Swihart seconded. Council Vote: Smith-yes; Swihart-yes; Boudreaux-yes; Henkel-yes; Thomas-yes.

The meeting adjourned at 6:20 PM.

MAYOR

CITY CLERK