

MINUTES  
SPECIAL COUNCIL MEETING  
CITY OF NICEVILLE, FLORIDA  
MARCH 4, 2008

The City of Niceville City Council met in special session at 6:00 PM, March 4, 2008 in the Council Chambers, 208 N Partin Drive. All council members except for Councilman Swihart were present and the Mayor was out of town on business. Also present were City Manager, Lannie Corbin; City Clerk, Dan Doucet; Assistant City Clerk George Ireland; Assistant City Attorney, Dixie Powell; Mr Bill Fray, City Financial Advisor, and visitors in the audience. Mayor Pro-tem Smith called the meeting to order at 6:00 PM.

**PUBLIC HEARING**

Ordinance 08-03-01 - An ordinance authorizing the City of Niceville, Florida to re-finance outstanding indebtedness to accomplish certain water and sewer projects in the city service area; authorizing for solicitation of sealed proposals from commercial banks for a 10-year, amortized fixed rate commercial bank loan; authorizing the City Clerk to send out requests for sealed proposals to commercial banks; authorizing for a prompt closing upon acceptance of the proposal on or before March 11, 2008; authorizing City Attorney to provide an opinion letter and to prepare any and all loan and/or closing documents necessary to accomplish said re-financing; authorizing the City to pledge water and sewer operating revenues and monies held under the city's loan ordinance and investment income therefrom as security; providing that interest from the loan will be tax exempt to the holder as a 'Qualified Tax Exempt Obligation' within the meaning of '265(b)(3) of the Internal Revenue Code of 1986; authorizing and providing for the payment and redemption of the variable rate demand water and sewer revenue bonds series 1999B; authorizing provisions for redemption of series 1999B revenue bonds and providing for notice thereof; providing for proper advertisement; and providing for an effective date. (Second Reading)

Mr Doucet read Ordinance 08-03-01 by title. Councilman Henkel moved approval on Second Reading. Councilwoman Boudreaux seconded. No one spoke for or against. Council Vote: Henkel-yes; Thomas-yes; Boudreaux-yes; Smith-yes.

**Request for Proposal (RFP)**

Mr Doucet advised that the City Council authorized the City Clerk to send out an RFP as outlined in Ordinance 08-03-01. Mr Doucet advised that RFP submissions were due not later than March 3, 2008 at 10:00 AM. He advised a total of six proposals were received prior to the deadline and the proposal from Regions Bank, Niceville, Florida was received 50 minutes late. The council directed that the proposal not be opened. Mr Doucet opened

all other proposals. Proposals were received from:

<u>NAME</u>	<u>RATE</u>	<u>CITY EXPENSE</u>	<u>PROVISIONS</u>
Hancock Bank, Tallahassee, Fl	3.73%	\$4,500	Require additional security for the loan.
Vanguard Bank, Valparaiso, Fl	4.03%	Not to exceed \$1,000	NONE
First National Bank, Crestview, Fl	4.35%	\$250	NONE
Peoples National Bank, Niceville, Fl	6.50%	\$6,275	NONE
Beach Community Bank, Destin, Fl	4.57%	\$1,560	NONE
M & F Bank, Niceville, Fl	3.80%	NONE	NONE

Mayor Pro-tem Smith recessed the meeting at 6:10 PM and instructed the Financial Advisor, City Attorney, and City Clerk to evaluate the proposals and report back to the council.

Mayor Pro-tem Smith reconvened the meeting at 7:00 PM.

Mr Fray presented the council with an analysis (spreadsheet) and the true interest cost of the life of the 10 year bank loan. He advised the proposal submitted by M & F Bank is the best proposal meeting specifications. Mr Fray also praised the efforts of everyone involved with the process since the end result is an approximate \$ 40,000 cost savings to the City by pursuing a bank loan vs a bond issue.

Resolution 08-03-01- A resolution awarding a \$1,255,000 Water and Sewer 2008 Loan, of the City of Niceville, Florida, to the successful bidder pursuant to limited competitive bids from Commercial Banks; fixing the interest rate and other terms for the loan; and providing an effective date.

Mr Doucet read Resolution 08-03-01 by title. Councilman Henkel moved approval to select M & F Bank as the best submission. Councilwoman Boudreaux seconded. No one spoke for or against. Council Vote: Henkel-yes; Thomas-yes; Boudreaux-yes; Smith-yes.

OTHER:

Mayor Pro-Tem Smith advised of the requirement for a council motion authorizing the City Clerk to provide the notice of redemption of the 1999B Bonds to the paying agent. Councilman Henkel moved approval. Councilwoman Boudreaux seconded. Council Vote: Henkel-yes; Thomas-yes; Boudreaux-yes; Smith-yes.

The meeting adjourned at 7:20 PM.

MAYOR

CITY CLERK