

**MINUTES  
SPECIAL COUNCIL MEETING  
CITY OF NICEVILLE, FLORIDA  
SEPTEMBER 11, 2008**

The Niceville City Council met in special session at 6:00 PM, September 11, 2008 in the Council Chambers, 208 N Partin Drive. All council members, except for Councilman Thomas were present, and the Mayor was out of town on business. Also present were City Manager Lannie Corbin; City Clerk, Dan Doucet; Director of Public Works, Bruce Price, a member of the press and visitors in the audience. Mayor-Pro Smith called the meeting to order at 6:00PM.

**Public Hearings:**

Consulting Engineer Briefing - Mr Glenn Stephens, polyengineering

Mr Glenn Stephens, Ployengineering, 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. He explained that bond covenants require that our net revenues be 1.15% of the debt service amount. Mr Stephens explained that our coverage is adequate for FY-2009, however, he recommended a 5 percent rate increase in FY 2009 to prevent a 8 or 9 percent increase in FY 2010 since his statistics project a shortfall beginning in FY 2010 thru 2013. Discussion followed. Mr Stephens advised that Niceville=s proposed rates are 8.1% lower than the average water and sewer monthly bill charged by surrounding utilities. Discussion followed.

Financial Advisor - 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 Investment Program. He advised the purpose of his report was to review policies 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) polled investments.

Ordinance 08-09-02 - An ordinance amending Section 1, Table 1 of the City of Niceville Florida, municipal waterworks system rate Ordinance No. 07-09-01 dated September 20, 2007, to provide for a rate adjustment and providing for an effective date. (First Reading)

Mr Doucet read Ordinance 08-09-02 by title. Councilman Swihart moved approval on first reading. Councilman Henkel seconded. No one spoke for or against. Mr Doucet explained that water bills for a 7,000 gallon customer (average user) will increase \$ 1.20 a month over last year=s rate. **Council Vote: Smith-yes; Swihart-yes; Boudreaux-yes; Henkel-yes.**

Ordinance 08-09-03 - An ordinance amending Section 1, of the City of Niceville Florida, Municipal Sewer System Rate Ordinance No. 07-09-02 dated September 20, 2007, to provide for a rate adjustment and providing for an effective date. (First Reading)

Mr Doucet read Ordinance 08-09-03 by title. Councilman Henkel moved approval on first reading. Councilman Swihart seconded. No one spoke for or against. Mr Doucet explained that sewer bills for a 7,000 gallon customer (average user) will increase \$1.45 a month over last year=s rate. **Council Vote: Smith-yes; Swihart-yes; Boudreaux-yes; Henkel-yes.**

Ordinance 08-09-04 - An ordinance amending Ordinance No. 07-09-05, September 20, 2007 of the City of Niceville, Florida, increasing the Stormwater Utility Rates and providing for an effective date. (First Reading)

Mr Doucet read Ordinance 08-09-04 by title. Councilman Swihart moved approval on first reading. Councilwoman Boudreaux seconded. No one spoke for or against. **Mr Doucet explained that the rate increase is a 5% increase. Discussion followed. Council Vote: Smith-yes; Swihart-yes; Boudreaux-yes; Henkel-yes.**

Ordinance 08-09-05 - 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, 2008 and ending September 30, 2009 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 08-09-05 in its entirety and stated the proposed millage rate of 3.5000 was subsequently reduced to 3.2000 which is the recommended rate for FY 09. He stated the percentage by which this millage rate to be levied exceeds the rolled-back rate of 3.5815 (computed pursuant to Florida law) is (99.1065)%. Mr Doucet advised that the revenues received will be used to defray budgeted General Fund Expense. Councilman Henkel moved approval on first reading. Councilman Swihart seconded. No one spoke for or against. Mayor Pro-tem Smith asked for a roll call vote. **Council Vote: Smith-yes; Swihart-yes; Boudreaux-yes; Henkel-yes.**

Ordinance 08-09-06 - An ordinance adopting the final budget for the City of Niceville for the fiscal year commencing October 1, 2008; an ordinance adopting and approving the appropriations set forth in said budget for the fiscal year commencing October 1, 2008; and providing for an effective date. (First Reading)

Mr Doucet read ordinance 08-09-06 by title and provided an overview of estimated revenues and expenditures as follows:

General Fund

Total estimated revenues and expenditures: \$9,216,730

Special Revenue (Franchise and Utility Tax)

Total estimates revenues and expenditures: \$2,555,000

Sanitation:

Total estimated revenues and expenditures: \$2,658,200

Water and Sewer

Total estimated revenues and expenditures \$10,287,000

Storm Water Management

Total estimated revenues and expenditures \$1,790,000

Total Budget is **\$26,506,930**

Mr Doucet advised that this year=s budget is 8.2% less than last fiscal year. 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.**

**SENIOR CITIZEN ADDITIONAL EXEMPTION:**

Mr Doucet advised he received information from the Property Appraiser=s Office advising that **101** Niceville residents applied for the additional \$25,000 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 2008 tax year. The total property value (amount exempted) for people in this category is **\$3,436,528**. Based on a proposed millage rate of 3.2000 our revenues will be **approximately \$ 10,997 less**. The additional exemption saves

them \$ **80.00** 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 16, 2008 at 6:00 PM.

The meeting adjourned at 6:25 PM.

MAYOR PRO-TEM

ATTEST:

CITY CLERK