

MINUTES
SPECIAL COUNCIL MEETING
CITY OF NICEVILLE, FLORIDA
JULY 28, 2011

The Niceville City Council met in special session at 6:00 PM, July 28, 2011 in the Council Chambers, 208 N Partin Drive. All council members, except for Councilman Henkel, and Rominger, and the Mayor were present. Also present were City Manager Lannie Corbin; City Clerk Dan Doucet; and a member of the press. Mayor Wise called the meeting to order at 6:00 PM

PUBLIC HEARING

PRESENTATION - Mr Bill Fray, Fray Municipal Securities

Mr Fray provided an overview of the results of Request for Proposals (RFPs) from commercial lenders for refunding the City's outstanding Sales Tax Revenue Bonds, Series 2003, and for refunding the City's outstanding Gas Tax Revenue Bonds, Series 2003. Mr Fray stated that a total of 18 bid packages were e-mailed to interested parties and advised the bids were very competitive and expressed his satisfaction with the results. He explained the City will realize a \$44,319 benefit for refunding the Sales Tax bonds, and a \$74,947 benefit for refunding the Gas Tax bonds. He explained the results of each proposal that covers the expenses to be paid by the City; the fixed interest rate, and the resulting True Interest Cost (TIC) as follows:

City of Niceville, Florida - Series 2011 Sales Tax - Bid Summary

Lowest TIC Ranking	Bidder	Expenses to be Paid by City	Fixed Interest Rate	True Interest Cost (TIC)
1	Branch Banking and Trust Co.	\$2,500	2.0300%	2.090130%
2	Hancock Bank	\$3,500	2.0700%	2.154375%
3	Suntrust Bank	\$5,000	2.3400%	2.461566%
4	Compass Bank	\$5,500	2.8500%	2.985563%
5	Regions Bank	\$0.00	3.1100%	3.109702%
6	Coastal Bank	\$0.00	3.2500%	3.249674%

7	CCB Community Bank	\$350	3.2700%	3.278380%
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City of Niceville, Florida - Series 2011 Gas Tax - Bid Summary

Lowest TIC Ranking	Bidder	Expenses to be Paid by City	Fixed Interest Rate	True Interest Cost (TIC)
1	Branch Banking and Trust Co.	\$2,500	2.030%	2.072718%
2	Hancock Bank	\$3,500	2.070%	2.129943%
3	Suntrust Bank	\$5,000	2.340%	2.426345%
4	Compass Bank	\$5,500	2.850%	2.849751%
5	Regions Bank	\$0.00	3.110%	3.109702%
6	Coastal Bank	\$0.00	3.250%	3.249674%
7	CCB Community Bank	\$350	3.270%	3.275866%
8	FNBT.COM	\$0.00	3.490%	3.489622%

Mr Fray advised that Branch Banking and Trust Co., Government Financial, 200 W. Forsyth Street, Jacksonville, FL 32202 submitted the best bid for the Sales Tax loan and also submitted the best bid for the Gas Tax loan. Mr Fray advised the City Attorney will draw up the closing documents and close the loans no later than September 15, 2011.

Ordinance 11-08-01 - An ordinance authorizing the City of Niceville, Florida to obtain a commercial bank loan in the amount of not to exceed \$1,100,000 to accomplish refunding of the City's outstanding Sales Tax Revenue Bonds, Series 2003, to finance the cost of general capital expenditures; providing for terms and conditions of said loan; authorizing the City to pledge Sales Tax Revenues of the City of Niceville as security for the Commercial Bank Loan; 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; providing that the holder shall have “Bank Qualified Tax Exempt Status” providing for proper advertisement; and providing for an effective date. (Second Reading)

Mr Doucet read ordinance 11-08-01 by title. Councilman Thomas moved approval on second reading. Councilman Smith seconded. No one spoke for or against. Council Vote: Swihart-yes; Thomas-yes; Smith-yes.

Ordinance 11-08-02 - An ordinance authorizing the City of Niceville, Florida to obtain a commercial bank loan in the amount of not to exceed \$1,550,000 to accomplish refunding of the City’s outstanding Gas Tax Revenue Bonds, Series 2003, providing for terms and conditions of said loan; to pledge Gas Tax Revenues of the City of Niceville as security for the Commercial Bank Loan; 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; providing that the holder shall have “Bank Qualified Tax Exempt Status” providing for proper advertisement; and providing for an effective date. (Second Reading)

Mr Doucet read ordinance 11-08-02 by title. Councilman Thomas moved approval on second reading. Councilman Smith seconded. No one spoke for or against. Council Vote: Swihart-yes; Thomas-yes; Smith-yes.

Resolution 11-07-03 - A resolution awarding a \$ 1,100,000 HALF-CENT Sales Tax Revenue Commercial Bank Loan, of the City of Niceville, Florida, to the successful proposer 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 11-07-03 by title. Councilman Smith moved approval. Councilman Thomas seconded. No one spoke for or against. Council Vote: Swihart-yes; Thomas-yes; Smith-yes.

Resolution 11-07-04 - A resolution awarding a \$ 1,550,000 Gas Tax Revenue Commercial Bank Loan, of the City of Niceville, Florida, to the successful proposer pursuant to limited competitive bids from Commercial Banks; fixing the interest rate and other terms of the loan; and providing an effective date.

Mr Doucet read resolution 11-07-04 by title. Councilman Thomas moved approval. Councilman Smith seconded. No one spoke for or against. Council Vote: Swihart-yes; Thomas-yes; Smith-yes.

The City Council and the City Manager provided direction to Mr Fray to explore other refunding possibilities in the short term while interest rates are historically low such as the Water and Sewer fund and/or the General Fund and to report back to the council. Discussion followed.

The meeting adjourned at 6:25 PM.

MAYOR

ATTEST:

CITY CLERK