

MINUTES
SPECIAL COUNCIL MEETING
CITY OF NICEVILLE, FLORIDA
AUGUST 30, 2012

The Niceville City Council met in special session at 6:00 PM, August 30, 2012 in the Council Chambers, 208 N Partin Drive. All Council members and the Mayor was present. Also present were City Manager, Lannie Corbin; City Clerk, Dan Doucet; Public Works Director, Bruce Price; and a member of the press and 5 visitors in the audience. Mayor Wise called the meeting to order at 6:00 PM.

PUBLIC HEARINGS

Aid to Organizations - Contd

Economic Development Council:

Ms Kay Rasmussen, Director of Defense & Economic Initiatives for the Economic Development Council briefed the council on a new company in Niceville who want to expand their business and plan to hire 25 more employees to support a new project called "Project Bayou". Discussion followed. She advised that Mr Larry Sassano the EDC President submitted a letter to the City requesting funding in the amount of \$3,000.

Okaloosa - Walton Child Care Svcs:

Ms Lynn Stephens explained the scope and services provided by the Child Care Services and requested funding to support the services they provide in the amount of \$ 1,000.

Shelter House:

Ms Michelle Sperzel, the Executive Director of the Shelter House explained the services they provide and requested funding in the amount of \$ 1,000.

Children's Advocacy Center, Inc.

Ms Julie Hurst, CEO of the Children's Advocacy Center explained the various organizational elements that make up the Advocacy Center. She stated when the center opened 12 years ago they serviced 350 children and last year the count was 700. Ms Hurst advised they now provide Mental Health Services at the Advocacy Center. They are requesting funding in the amount of \$3,000.

Okaloosa County Comprehensive Head Start - Child Development, Inc.

Mr Frank Godbout, Fiscal Manager for the Head Start Program advised they have provided comprehensive, quality services to low income families in Niceville since 1991. Mr Godbout explained they receive 80% of their funding from the Federal Government and 20 % (Non-Federal

Match) from the local community. Mr Godbout stated their funded enrollment at the Niceville Head Start Child Development Center is 40 children in two classrooms. He stated they have six full time staff on site to provide quality service to children and their families. He stated they have a full day curriculum tailored for each child's specific needs. Two USDA meals and snack is provided to each child each day. He advised they also provide dental, medical, and disability screening for each child. He stated if a child requires dental or other treatment that the family does not have the means to pay, they will. Mr Godbout requested funding in the amount of \$3,000.

Sharing and Caring:

The City received a letter from Sharing and Caring explained the scope and services provided by their group of more 50 volunteers. Donations received are used to assist families in need with food and/or to help pay clients' rent, utility bills, medicine prescriptions, car repairs, etc. Sharing and Caring is requesting funding in the amount of \$4,000.

Mayor Wise advised that a decision regarding funding individual requests will be made by the council at a later date. He thanked everyone for their presentations and advised the council will take a short recess and reconvene to discuss other budget matters.

Budget Workshop – Water & Sewer Fund

Mr Doucet discussed the following budgetary revenue and expense items.

WATER AND SEWER DEPARTMENT

REVENUES

Charges for Services	\$ 6,292,290
Miscellaneous	\$ 366,800
Non-Revenue & Other Sources	\$ <u>6,840,000</u>
TOTAL	\$13,499,090

EXPENSE

This year - \$13,499,090

Repair Maintenance Other:

Fire Hydrant Replacement (10 hydrants) Estimated Cost:	\$ 25,000
Fire Hydrant Replacement/Repairs(10 hyds @ \$400 ea)	\$ 4,000
Water Valve Location - New Boxes	\$ 5,000
Reline 8" SS Coral Dr., to Everglade - 1,500'	\$ 52,500
Pump and Motor Repair	\$ 15,000
Manhole Repair/Reline - 5 manholes @ 3,000 ea	\$ 15,000
Manhole Elevation correction after road paving \$300ea X 10MH	\$ 3,000
Rehab Lift Station # 56 (Pumps & discharge piping) (Ruckel Dr)	\$ 35,000
Rehab Lift Station # 43 valves, control panel & discharge piping	\$ 10,500
Rehab Lift Station # 31 pumps, hatches & discharge piping	\$ 20,000
Rehab Lift Station # 27 Valves & Discharge Piping	\$ <u>10,000</u>
	Total: \$ 195,000

Repair Maintenance - Generators

Generator Repair	Estimated Cost:	\$ <u>15,000</u>
	Total:	\$ 15,000

Repair Maintenance Contractual

Water Tank Maintenance contract	Estimated Cost:	\$ 52,000
Generator Service Contract		\$ 22,000
80 Hours SCADA Maintenance		\$ 8,000
SCADA Repair		\$ 15,000
Odor and Grease Control Service		\$ 20,000
CCR Report (Print and Mail)		\$ 5,000
Bioxide Treatment (\$ 14,610 gal @ 24.40 a gallon)		\$ <u>35,650</u>
	Total:	\$ 157,650

Buildings:

Well # 2 new Fluoride Room & vinyl whole bldg. Estimated Cost:	\$ 24,000
Well # 4 Install new door	\$ 2,000
Well # 5 Roof & roof over control panels w/ 2 doors	\$ <u>40,000</u>
	Total: \$ 66,000

IMPROVEMENTS OTHER THAN BLDGS

Relocate Pipe Storage Yard	Estimated Cost:	\$ 20,000
Well # 5 - Fence		\$ <u>2,000</u>
	Total:	\$ 22,000

Equipment

WELLS

C12 Scales X 2 (\$1,700ea)	Estimated Cost:	\$ 3,400
Fluoride pumps X 2 (\$1,000 ea)		\$ 2,000
Water Test Equipment		\$ 2,000
Chlorinators # 2 (\$1,500 ea)		\$ 3,000
Well # 3 200KW Generator		\$ 64,000
Air Packs X 2 (6,000ea)		<u>\$ 12,000</u>
	Total:	\$ 86,400

LIFT STATIONS:

Sewer Camera (System)	Estimated Cost:	\$ 90,000
Confined Space Eqpt (Wet well frame, boom & Winches		\$ 12,000
2 – 35KW Generator lift stations 6 & 48 (\$20,000 each)		<u>\$ 40,000</u>
	Total:	\$142,000

LINE CREW

Barricades, Cone and signs	Estimated Cost:	\$ 2,500
8" & 10" hot tap cutting heads		\$ 10,000
Hand tools, saws & pump replacements		\$ 15,000
Truck 250 3/4 Ton with Service Body		\$ 40,000
Truck 450 1 Ton with Service Body		<u>\$ 50,000</u>
	Total:	\$117,500

LOCATES & MAPPING

GPS	Estimated Cost:	\$ 5,000
Line locator with sonde		<u>\$ 4,000</u>
	Total:	\$ 9,000

Grand Total: \$ 354,900

Water System and Projects
Water system upgrades & extensions
Distribution System:

WATER PROJECTS

Bayou Plaza Water Improvements Project (#594.04)	\$ 100,000 *05 Bonds
Install new Fire Hydrants (5) @ 2,500 ea.	\$ 12,500 (O/M)
Water Main Valp Blvd to 18 th Street (594.15)	\$ 40,000 *05 Bonds
750,000 - Gal Elevated Tank - 594.14	\$1, 900,000****(\$800,000 WE * \$1,100,000 2012 Bonds)
	Total : \$ 2,052,500

SEWER PROJECTS

Collection System:

New LS Valp. & Bayshore Dr (replacement for LS #6)	\$ 400,000 ***200,000 SE 200,000 O&M
LS # 33 Relocation (599.29)	\$ 75,000 O&M NVOC Process Upgrade <u>\$1,637,000 ***SE (599.54)</u>
	Total: \$ 4,975,000

GRAND TOTAL: \$ 7 027,500

- * **Bond Issue Funds**
- ** **SRF Funds**
- *** **Sewer.Ext Funds - associated with growth.**
- **** **Water.Ext Funds - associated with growth.**
- ***** **Pending Bank Loan/Bond Issue**

Mr Price, Mr Regans and Mr Corbin provided answers to several questions asked by the City Council during the budget workshop.

Water and Sewer Rate Proposal:

Doucet explained that our engineer advises that we must have water and sewer rates in place that are sufficient to support our Capital Improvements, operating expense, bond payments, and provide coverages which have been promised in previous bond issues. He stated that bond covenants require we meet our debt service requirements. Mr Doucet advised that the City

projects receiving the required revenues to meet our coverage requirements in FY-13, however, the consulting engineer recommends we raise water and sewer rates 3.70% this year to prevent doubling up in FY14 if we choose against an increase in FY-13. Mr Doucet advised that Mr Glenn Stephens, Polyengineering will provide the council with a coverage analysis briefing during our special meeting on September 13, 2012. In addition, Mr Bill Fray, Fray Municipal Securities, Inc. (our finance advisor) will be here on the same night to brief the council on our investments and Stormwater Management.

PROPOSED INCREASES:

Mr Doucet advised that currently the average residential customers uses 7,000 gallons of water per month with a billing of \$ 27.75. He proposed to increase the average monthly billing \$.68 to \$28.43. The base rate is changed from \$11.35 to \$11.55. The first 2,000 gallons from \$3.90 to \$3.98. The balance of the 5,000 gallons would increase from \$2.50 to \$2.58 per thousand gallons.

NOTE: THE RATE FOR A 7,000 GALLON CUSTOMER WOULD INCREASE \$.68 PER MONTH.

lawn Meters:

All water consumed: from \$4.68 to \$5.00 per 1,000 gallons

Each residential living unit from \$260.00 to \$270.00.

Each commercial unit from \$260.00 to \$270.00 per 1,000 square foot floor space or fraction thereof.

SEWER RATE INCREASE:

Mr Doucet advised the base rate will increase from \$17.60 per month to \$18.40 and the per 1,000 cost will be increased from \$2.46 to \$2.58 not to exceed 16,000 gallons per unit. This rate increase is required to offset the cost of doing business.

NOTE: THE RATE FOR A 7,000 GALLON CUSTOMER WOULD INCREASE \$ 1.64 PER MONTH.

.80
.84
1.64

This change would also apply to:

Multiple Family, Apartments, Motels, and Trailer Parks

and all Non-Residential customers

Customers on Water Well connected to Sewer.

From \$ 54.96 a month to \$59.53 a month.

Customers not connected - Sewer Available:

From \$17.60 a month to \$18.39 a month.

Outside City Limits:

A surcharge of ten (10) percent shall be added.

Mr Doucet provided a Water and Sewer Rate Comparison Chart for surrounding Utilities. The chart provides the results of a telephone survey made to utilities August 20, 2012. Niceville ranks approximately **4.4%** lower than the average rate for all utilities listed. He explained that our tiered rates in effect actually discourages high volume use. This rate structure helps us to meet the permitting limitations placed on us by the Water Management District.

Mr Doucet advised that our first public hearing is scheduled for September 13, 2012 at 6:00 PM. Discussion followed.

The meeting adjourned at 7:00 PM.

MAYOR

CITY CLERK