

MINUTES
SPECIAL COUNCIL MEETING
CITY OF NICEVILLE, FLORIDA
SEPTEMBER 12, 2013

The Niceville City Council met in special session at 6:00 PM, September 12, 2013 in the Council Chambers, 208 N Partin Drive. All council members, except for Councilwoman Boudreaux, and the Mayor was present. Also present were City Manager Lannie Corbin; City Clerk Dan Doucet; Director of Public Works Bruce Price; Library Director Sheila Bishop; Technology Chad Morris a member of the press and 3 visitors in the audience. Mayor Wise called the meeting to order at 6:00 PM.

PUBLIC HEARINGS

Consulting Engineer Briefing - Mr Glenn Stephens, Polyengineering

Mr Glenn Stephens, Polyengineering, Inc. 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 for FY-2014 is 1.14 % which is slightly under the 1.15% requirement. He recommended a 1.00 % rate increase for water and a 3.00 % rate increase for sewer in FY 2014 to prevent a higher increase in FY 2015 since his statistics project a higher shortfall beginning in FY 2015 thru 2018. He stressed the importance of meeting the coverage test every year to prevent the city from defaulting on current bond issues, SRF and other loans that have coverage requirements. Discussion followed. Mr Stephens answered several questions posed by the council.

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 our Investment Program. He advised that 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 the City's Debt and Investment Management covers a year of substantial disruption in the economy in general and in the credit and investment markets specifically. He advised the City has taken action to reduce debt cost and to maximize investment returns with investment security a highest priority. He stated the City historically has ratcheted down interest cost for debt when interest rate cycles allowed. Refunding City outstanding debt to lower interest rates has saved the City many hundreds of thousands of dollars in Present Value terms and even more in gross dollars. He stated the City Debt Management and investment Program is serving its intended purpose. The City policies provides a proactive approach. This includes

minimizing cost and maximizing investment return with safety the priority consideration. Whether its long term planning to maintain high bond ratings, immediately refunding debt to reduce interest cost or addressing economic disruption to protect the City from negative impact, the City teams serves the City well. Discussion followed. Mr Fray answered several questions posed by the Council.

Resolution 13-09-02- A resolution amending Section 1, Table 1 of the City of Niceville Florida, municipal waterworks system rate Resolution No. 12-09-06 dated September 13, 2012 to provide for a rate adjustment and providing for an effective date.

Mr Doucet read Resolution 13-09-02 by title. Councilman Henkel moved approval. Councilman Schaetzle seconded. Mr Wilbur Englestad, 608 Fir Ave stated his bill for all services is approximately \$45.00 a month and also stated that his consumption is only about 50 gallons a month for water. He asked if it's possible to receive a reduction to his flat fees especially water and he has very little sanitation. He stated he is a senior citizen on a limited income. Mr Doucet explained the flat rates are paid by all customers in the case of water and sewer the flat fees covers the expense for providing the service. He stated we have a franchise with Waste Management and they bill all active accounts for collection regardless if you use it or not. He also stated there is an ordinance in place that prohibits transporting garage in the City. Mr Doucet stated that it may be possible to place the account on hold if you are away for a certain period of time. We turn the water off and lock the meter. When the resident wants service to be reactivated they pay a \$35 reconnect fee. However, while the account is on hold there are no fees paid during that period. Discussion followed. Mr Doucet stated that the average water customer uses 7,000 gallons of water a month and that rate will increase \$. 26 a month over last year's rate. Discussion Followed. Council Vote: Henkel-yes; Schaetzle-yes; Nodjomian-yes; Rominger-yes; Motion Passed.

Resolution 13-09-03 - A resolution amending Section 1, of the City of Niceville Florida, Municipal Sewer System Rate Resolution No. 12-09-07 dated September 13, 2012, to provide for a rate adjustment and providing for an effective date.

Mr Doucet read Resolution 13-09-03 by title. Councilman Henkel moved approval. Councilman Rominger seconded. Mr Doucet explained the base rate for sewer will increase from \$ 18.40 per month to \$18.95 and the per 1,000 gallon cost will increase from \$ 2.58 to \$ 2.66 not to exceed 16,000 gallons per unit. Mr Doucet stated that Sewer bills for a 7,000 gallon customer (average user) will increase \$ 1.11 a month over last year's rate. No one spoke for or against. Council Vote: Henkel-yes; Schaetzle-yes; Nodjomian-yes; Rominger-yes. Motion Passed.

Resolution 13-09-04- A resolution increasing the Sanitation Tipping Fee and providing for an effective date.

Mr Doucet read Resolution 13-09-04 by title. Councilman Rominger moved approval. Councilman Nodjomian seconded. Mr Doucet stated effective October 1, 2013 the county is increasing their tipping fee for garbage by 2%. To accommodate this increase we must raise our residential tipping fees from \$13.64 to \$13.91 per month and also raise our Commercial Tipping by 2 %. The above rate changes are included in our proposed budget for FY-14. The rate increase is estimated to be \$18,300 for residential and \$ 9,400 for commercial. No one spoke for or against. Council Vote: Henkel-yes; Schaetzle-yes; Nodjomian-yes; Rominger-yes.. Motion passed.

Ordinance 13-09-05 - 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, 2013 and ending September 30, 2014 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 13-09-05 in it's entirety. Councilman Rominger moved approval on first reading. Councilman Schaetzle seconded. Mr Doucet stated the percentage by which this millage rate to be levied exceeds the rolled-back rate of 3.6345 (computed pursuant to Florida law) is 1.80 %. Mr Doucet advised that the revenues received will be used to defray budgeted General Fund Expense. No one spoke for or against. Mayor Wise asked for a roll call vote: Council Vote: Henkel-yes; Schaetzle-yes; Nodjomian-yes; Rominger-yes. Motion passed.

Ordinance 13-09-06- An ordinance adopting the final budget for the City of Niceville for the fiscal year commencing October 1, 2013 an ordinance adopting and approving the appropriations set forth in said budget for the fiscal year commencing October 1, 2013 and providing for an effective date. (First Reading)

Mr Doucet read ordinance 13-09-06 by title and provided an overview of estimated revenues and expenditures as follows:

General Fund

Total estimated revenues and expenditures: \$12,682,350

Sanitation:

Total estimated revenues and expenditures: \$ 2,898,880

Water and Sewer

Total estimated revenues and expenditures \$10,319,590

Storm Water Management

Total estimated revenues and expenditures \$1,284,400

Total Budget is \$ **27,185,220**

Councilman Rominger moved approval on first reading. Councilman Nodjomian seconded. No one spoke for or against. Council Vote: Henkel-yes; Schaetzle-yes; Nodjomian-yes; Rominger-yes. Motion passed.

SENIOR CITIZEN ADDITIONAL EXEMPTION: REQUIRES UPDATING

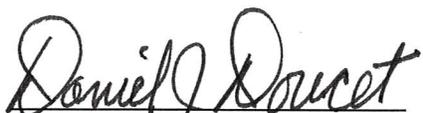
Mr Doucet stated that the Niceville City Council adopted an ordinance to allow an additional homestead exemption of up to \$50,000 for any person who has the legal or equitable title to real estate and maintains thereon the permanent residence of the owner, who has attained age **65**, and whose household income does not exceed the current adjusted income limitation of **\$27,590** for 2013. As of today, there are **102** Niceville residents who have applied for the Senior's Exemption. The additional senior exemption could potentially save a property owner up to **\$ 185.00**. 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 17, 2013 at 6:00PM.

The meeting adjourned at 6:40 PM.


MAYOR

ATTEST:


CITY CLERK