

MINUTES
SPECIAL COUNCIL MEETING
CITY OF NICEVILLE, FLORIDA
SEPTEMBER 10, 2015

The Niceville City Council met in special session at 6:00 PM, September 10, 2015 in the Council Chambers, 208 N Partin Drive. All council members, except for Councilman Nodjomian were present. The Mayor was ill and could not attend. Also present were City Manager Lannie Corbin; City Clerk Dan Doucet; Director of Public Works Bruce Price; Jerry Regans, Water and Sewer Department; Chief Popwell, Police Department; Chief Mayville, Fire Department, and 9 visitors in the audience. Mayor Pro-Tem Schaetzle called the meeting to order at 6:00 PM.

PUBLIC HEARINGS

Consulting Engineer Briefing - Mr Glenn Stephens, Polyengineering

Mr Stephens stated that it's always a pleasure to work with the City of Niceville. He stated that he has worked with a number of Cities and Niceville by far is his favorite since you have such a great group of people to work with and he enjoyed being part of the team. Mr Stephens stated that the Water and Sewer fund is an enterprise fund and the system is required to have rates in place to support it. He stated that during previous bond issues the City made certain covenants, and one of those covenants require you to maintain water and sewer rates that are sufficient so that your net water and sewer revenues which is your gross revenues less your operating expenses is at least 115% of your debt service payments. This is why we come every year to set those rates that will help the City meet those covenants. 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. Mr Stephens provided statistical data via a power point presentation. He stated over the past 5 years the City's average revenue was \$3.5M in Water Revenue and approximately \$3.0M in Sewer Revenue. He stated your average rate increase for the last 2 years for water has been 1.45% and the Sewer rate increase was 3.85% . He explained other series of calculations to come up with his rate model. He recommended a 1.00 % rate increase for water and a 3.00 % rate increase for sewer in FY 2016. He 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 15-09-01 A resolution amending Section 1, Table 1 of the City of Niceville Florida, municipal waterworks system rate Resolution No. 14-09-04 dated September 11, 2014 to provide for a rate adjustment and providing for an effective date.

Mr Doucet read Resolution 15-09-01 by title. Councilman Henkel moved approval. Councilman Rominger seconded. Mr Doucet stated that as explained by Mr Stephens bond covenants require that we maintain 1.15% coverage as outlined in our bond covenants. He stated that rates must be in place to insure those covenants are met. Mr Doucet stated that rates for water are being increased 1%. He stated that a 4,000 gallon customer would pay \$0.22 cents more a month as compared to the current rates in place. He further stated that a 7,000 gallon customer would pay \$0.31 cents a month more. Discussion followed. Council Vote: Henkel-yes; Schaetzle-yes; Boudreaux-yes; Rominger-yes. Motion Passed.

Resolution 15-09-02 - A resolution amending Section 1, of the City of Niceville Florida, Municipal Sewer System Rate Resolution No. 14-09-05 dated September 11, 2014, to provide for a rate adjustment and providing for an effective date. Mr Doucet stated the base rate will be increased from \$19.86 per month to \$20.45 and the per 1,000 gallon cost be increased from \$2.78 to \$2.86 not to exceed 16,000 per unit. He stated that a 4,000 gallon customer would increase \$0.91 per month and a 7,000 gallon customer would increase \$1.15 per month.

Mr Doucet read Resolution 15-09-02 by title. Councilman Henkel moved approval. Councilman Rominger seconded. No one spoke for or against. Council Vote: Henkel-yes; Schaetzle-yes; Boudreaux-yes; Rominger-yes. Motion Passed.

Resolution 15-09-03- A resolution increasing the Commercial Sanitation Tipping Fee and providing for an effective date. Effective 1 October the County is increasing their tipping fees by 1%. The anticipated revenue for commercial accounts is estimated to be \$ 4,800.

Mr Doucet read Resolution 15-09-03 by title. Councilman Schaetzle moved approval. Councilman Rominger seconded. No one spoke for or against. Council Vote: Henkel-yes; Schaetzle-yes; Boudreaux-yes; Rominger-yes. Motion Passed.

Resolution 15-09-04 - A resolution decreasing the Residential Sanitation Tipping Fee and providing for an effective date. Mr Doucet stated the county is increasing their landfill charges by 1.00 % effective October 1, 2015. This increase represents a \$0.14 cents increase. At the same time the City is decreasing the tipping fee by \$0.41 cents based on customer participation in the “enhanced Recycling Program”. This results in a net decrease of \$0.27 cents. He stated the City is decreasing the Residential Tipping Fee from \$13.54 to \$13.27 for a reduction of \$0.27 cents based on calculations on file in his office.

Mr Doucet read Resolution 15-09-04 by title. Councilwoman Boudreaux moved approval. Councilman Henkel seconded. No one spoke for or against. Council Vote: Henkel-yes; Schaetzle-yes; Boudreaux-yes; Rominger Motion Passed.

Ordinance 15-09-01 - 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, 2015 and ending September 30, 2016 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 15-09-01 in its entirety. Councilman Henkel moved approval on first reading. Councilman Schaetzle seconded. Mr Doucet stated the percentage by which the millage rate of **3.70 mills** exceeded the rolled back rate of **3.5714 Mills** (computed pursuant to Florida law) is **3.60%**. Mr Doucet advised that the revenues received will be used to defray budgeted General Fund Expense. No one spoke for or against. Council Vote: Henkel-yes; Schaetzle-yes; Boudreaux-yes; Rominger-yes. Motion Passed.

Ordinance 15-09-02- An ordinance adopting the final budget for the City of Niceville for the fiscal year commencing October 1, 2015 an ordinance adopting and approving the appropriations set forth in said budget for the fiscal year commencing October 1, 2015 and providing for an effective date. (First Reading)

Mr Doucet read Ordinance 15-09-02 by title and provided an overview of estimated revenues and expenditures as follows:

General Fund

Total estimated revenues and expenditures: \$13,660,540

Community Redevelopment Agency (CRA)

Total estimated revenues and expenditures: \$ 13,490

Sanitation:

Total estimated revenues and expenditures: \$3,314,070

Water and Sewer

Total estimated revenues and expenditures \$8,876,090

Storm Water Management

Total estimated revenues and expenditures \$5,641,100

Total Budget is **\$31,505,290**

Councilman Schaetzle moved approval on First Reading. Councilman Rominger seconded. No one spoke for or against. Council Vote: Henkel-yes; Schaetzle-yes; Boudreaux-yes; Rominger Motion Passed.

SENIOR CITIZEN ADDITIONAL EXEMPTION:

Mr Doucet stated that the Niceville City Council adopted an ordinance to allow an additional homestead exemption of up to the \$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 **\$28,448** for 2015. He stated as of today, there are **106** Niceville residents who have applied for 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 15, 2015 at 6:00 PM.

The meeting adjourned at 6:45 PM.

MAYOR

ATTEST:

CITY CLERK