



City of Naples

City Council Chambers
735 Eighth Street South
Naples, Florida 33940

-SUBJECT-	Ord. No.	Res. No.	Page
<u>ANNOUNCEMENTS</u>			
-MAYOR BILLICK - Naples Garden Club voted to donate \$10,000 to landscape Carver Complex			1
- Lyle S. Richardson elected to chairmanship - MPO			1
-CITY MANAGER JONES - Executive session following this meeting to discuss labor negotiations			1
<u>APPROVAL OF MINUTES</u> - 02/14/84 - Workshop Meeting			
02/15/84 - Regular Meeting			1
<u>RESOLUTIONS</u>			
-Accept easement, bill of sale and quit claim deed for <u>water facilities at Windstar</u>		84-4432	1
-Approve Spec. Ex. 84-S2 to use <u>First United Methodist Church facilities for a school until 06/30/84</u>		84-4434	2
-Appoint William E. Barnett to <u>Firemens and Police Pension Boards</u>		84-4437	5
-Authorize Amendment #2 to <u>Camp Dresser McKee contract for the W.W.T.P. expansion/effluent disposal</u>		84-4439	6
<u>ORDINANCES - Second Reading</u>			
-Adopt Rezone Pet. 84-R1 - rezone <u>First United Methodist Church to "PS"</u>	84-4433		2
-Adopt Rezone Pet. 83-R12 - rezone portion of Gulfshore Blvd. north of Doctor's Pass to City limits & west of Moorings Bay to "R3-18"	84-4435		2
-Adopt prohibition of the "possession" of <u>glass on the beach</u>	84-4436		3
<u>-First Reading</u>			
-Approve repeal of mandatory retirement age of 70 from <u>General Pension Plan</u>	84-		3
-Approve repeal of mandatory retirement age of 70 from <u>Firemens' Pension Plan</u>	84-		3
-Approve repeal of mandatory retirement age of 70 from <u>Police Pension Plan</u>	84-		4
-Approve authorization to sell bonds for refunding existing <u>water & sewer bonds</u> and to raise capital cost for W.W.T.P. expansion/effluent disposal projects	84-		4 & 5
<u>PURCHASING</u>			
-Approve purchase of pontoon for sewer plant & waive bids		84-4438	6
<u>DISCUSSION</u>			
-Accept 1982-83 audit			5
-Discussion of proposed referendum to add .33 mills to ad valorem tax to subsidize the Emergency Medical Services fund			6 & 7

COUNCIL MEMBERS	MOTION	SECTION	VOTE		ABSENT
			YES	NO	
	<u>FIRST READINGS (Cont)</u>				
	<u>ITEM 8. (Cont)</u>				
	<u>---ORDINANCE 84---</u>				
	<u>ITEM 8-c</u>				
	AN ORDINANCE RELATING TO THE POLICE OFFICERS' PENSION AND RETIREMENT SYSTEM; AMENDING SECTION 18-101(c) AND SECTION 18-106(f)(1) OF THE CODE OF ORDINANCES OF THE CITY OF NAPLES; AND PROVIDING AN EFFECTIVE DATE. PURPOSE: TO DELETE THE REFERENCES TO AGE SEVENTY (70) CONTAINED IN SAID SECTIONS IN CONFORMANCE WITH STATE STATUTES.				
	Title read by City Attorney Rynders.				
	City Attorney Rynders noted the information in his memoranda dated February 24, 1984 (Attachment #2).				
	<u>MOTION:</u> To <u>APPROVE</u> the ordinance as presented on First Reading.				

	<u>---ORDINANCE 84---</u>				
	<u>ITEM 8-d</u>				
	AN ORDINANCE OF THE CITY OF NAPLES, FLORIDA, AUTHORIZING THE REFUNDING OF THE PRESENTLY OUTSTANDING WATER AND SEWER REVENUE BONDS, SERIES 1977, OF THE CITY; AUTHORIZING THE CONSTRUCTION AND ACQUISITION OF ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE WATER AND SEWER SYSTEM OF THE CITY; PROVIDING FOR THE ISSUANCE OF NOT EXCEEDING \$20,000,000 WATER AND SEWER REVENUE REFUNDING BONDS, SERIES 1984-A, TO BE APPLIED FOR THE REFUNDING AND OF NOT EXCEEDING \$15,000,000 WATER AND SEWER REVENUE BONDS, SERIES 1984-B, TO BE APPLIED TO FINANCE THE COST OF THE PROJECT; PROVIDING FOR THE PAYMENT OF SAID BONDS; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH, AND PROVIDING AN EFFECTIVE DATE.				
	Title read by City Attorney Rynders.				
	City Manager Jones explained that the staff and consultants had studied any limitation within the old bond ordinances regarding outstanding bonds which might prevent the City from doing the best job in structuring the financing for the wastewater treatment plant expansion. He noted that all prior bond issues had restricted the use of impact fees (system development charges) from being considered as part of the revenue of the system when supporting the debt service for bonds. He noted that changing the covenants would permit refunding the existing issues and raising the money for the capital cost of the expansion. He outlined an estimated timetable for having the second reading of this ordinance in two weeks and filing immediately for a validation hearing; the usual waiting period is 60 days. He said he expected the City could sell the refunding issue in June and wait approximately 60 days to sell the new issue in August or September when the "market window" would be optimum. In response to a question from Mr. Anderson, the City Manager noted that the existing bonds would not be recalled, but the City would have enough money to reinvest so that those bonds would be automatically paid off. Mr. Anderson inquired about any problems with the Internal Revenue Service (IRS) concerning arbitrage funds; City Attorney Rynders responded that the investment of those funds would be regulated via computer and that the City could comfortably certify to the IRS that these				

Anderson		X
Barnett	X	X
Bledsoe		X
Richardson		X
Schroeder		X
Wood	X	X
Billick		X
(7-0)		

COUNCIL MEMBERS

M O T I O N	S E C O N D	VOTE		A B S E N T
		Y E S	N O	

FIRST READINGS (Cont)

ITEM 8 (Cont)

---ORDINANCE 84---

ITEM 8-d (Cont)

were not arbitrage funds. Mr. Schroeder concurred with the City Attorney's explanation and referred to mention of this in a portion of the Legal Considerations paragraph in the Refunding Analysis by Dean Witter Reynolds. He further asked that the entire Refunding Analysis be made a part of the record (Attachment #3).

MOTION: To APPROVE the ordinance as presented on First Reading.

-----END FIRST READINGS-----

PRESENTATION OF AUDIT AND FINANCIAL REPORTS

ITEM 9

FOR FISCAL YEAR 1982-83 by Rogers, Wood, Hill, Starman & Gustason

Ron Wood, representing Rogers, Wood, Hill, Starman & Gustason, reviewed the overall audit and noted that the City Dock and the sanitation funds had been placed in the enterprise section. He added that the City had created a new interanal service fund to account for costs of the central data processing. There followed a discussion of overdue water and sewer bills and the procedures used in billing these customers, notifying delinquent accounts, and collecting these accounts as reflected in the management letter (Attachment #4) and as noted in Finance Director Hanley's response (Attachment #5). Finance Director Hanley noted that the procedures were in the present ordinance and Mr. Anderson suggested making certain changes. City Manager Jones further explained that some proposed changes had already been drafted and Mr. Schroeder suggested a workshop meeting to discuss the proposed ordinances. Discussion then centered on lot mowing and the methods used for collection of those costs. City Manager Jones noted the time-consuming process in using liens as a method of collection. Mr. Schroeder asked that the City Manager and the Finance Director develop an accounting procedure by which proper costs would be allocated to every lot mowed so the fund will break even. Mr. Anderson suggested using small claims court for collection of low mowing charges and City Attorney Rynders confirmed that this could be done. City Manager Jones noted the compliment included in the management letter on page 2, Item 5 which commended the City Clerk, Janet Cason, for the new format for reporting Council minutes that the Clerk's office helped implement. The auditors had stated that the format made the minutes concise and easy to read.

MOTION: To APPROVE and ACCEPT the audit as presented.

---RESOLUTION 84-4437

ITEM 10

A RESOLUTION APPOINTING A MEMBER OF THE CITY COUNCIL TO SERVE ON THE BOARD OF TRUSTEES OF THE FIREMEN'S RETIREMENT TRUST FUND AND THE POLICE OFFICERS' RETIREMENT TRUST FUND; AND PROVIDING AN EFFECTIVE DATE.

Title read by City Attorney Rynders.

Mr. Wood nominated Mr. Barnett to sit on both Boards.

MOTION: To ADOPT the resolution appointing Mr. Barnett to both boards.

Anderson			X	
Barnett			X	
Bledsoe		X	X	
Richardson			X	
Schroeder	X		X	
Wood			X	
Billick			X	
(7-0)				

Anderson			X	
Barnett			X	
Bledsoe			X	
Richardson			X	
Schroeder	X		X	
Wood		X	X	
Billick			X	
(7-0)				

Anderson		X	X	
Barnett			X	
Bledsoe			X	
Richardson			X	
Schroeder	X		X	
Wood			X	
Billick			X	
(7-0)				

COUNCIL MEMBERS	MOTION	SECTION	VOTE		ABSENT
			YES	NO	
<p>---<u>RESOLUTION 84-4438</u> <u>ITEM 11</u></p> <p>A RESOLUTION AUTHORIZING THE PURCHASE OF A NEW PONTOON FOR THE AERATION EQUIPMENT AT THE WASTEWATER TREATMENT PLANT, WAIVING THE REQUIREMENT FOR COMPETITIVE BIDDING; AND PROVIDING AN EFFECTIVE DATE.</p> <p>Title read by City Attorney Rynders.</p> <p>In response to a question from Mr. Wood, Public Works Director Savidge explained a pontoon's function.</p> <p>*** **</p> <p>Mr. Richardson left the Council table - 10:03 a.m.</p> <p>*** **</p> <p>Mr. Savidge also explained replacement was needed because of deterioration and this supplier was the sole source.</p> <p><u>MOTION:</u> To ADOPT the resolution as presented.</p> <p>*** **</p> <p>Mr. Richardson returned to the Council table - 10:05 a.m.</p> <p>*** **</p>					
Anderson		X	X		
Barnett			X		
Bledsoe			X		
Richardson				X	
Schroeder			X		
Wood	X		X		
Billick			X		
(6-0)					
<p>---<u>RESOLUTION 84-4439</u> <u>ITEM 12</u></p> <p>A RESOLUTION AUTHORIZING THE MAYOR AND CITY CLERK TO EXECUTE AMENDMENT NO. 2 TO THE ENGINEERING AGREEMENT BETWEEN THE CITY OF NAPLES AND CAMP DRESSER & MCKEE INC. RELATING TO PROFESSIONAL SERVICES FOR DESIGN, BIDDING AND CONSTRUCTION OF THE CITY OF NAPLES WASTEWATER TREATMENT PLANT EXPANSION AND EFFLUENT DISPOSAL PROJECT; AND PROVIDING AN EFFECTIVE DATE.</p> <p>Title read by City Attorney Rynders.</p> <p>Mr. Anderson stated his belief that the fee was fair, but asked about the aerial photography included in the proposed amendment. Bob Ortiz, Camp Dresser & McKee (CDM), responded that aerial photography produced the information desired at a lesser cost than a survey. In answer to Mr. Anderson's question about supervision of the construction, Mr. Ortiz explained that CDM would present a proposal on that at a later date. City Manager Jones noted that CDM's records had not been audited at this time, but would be. In response to a question from Mr. Richardson, the City Manager explained that the golf course effluent reuse contracts would be signed soon.</p> <p><u>MOTION:</u> To ADOPT the resolution as presented.</p> <p>*** **</p>					
Anderson		X	X		
Barnett			X		
Bledsoe			X		
Richardson			X		
Schroeder		X	X		
Wood			X		
Billick			X		
(7-0)					
<p><u>CORRESPONDENCE & COMMUNICATIONS</u></p> <p><u>CONSIDERATION OF THE REFERENDUM REGARDING ADDING .33 MILS TO THE AD VALOREM TAX FOR EMERGENCY MEDICAL SERVICES BY THE COUNTY</u></p> <p>City Manager Jones discussed the figures representing average charges for ambulance service and the use of the ambulance by City residents compared to the number of calls by County residents. He noted that Fire Chief Ijams, Finance Director Hanley, City Attorney Rynders and he had reviewed these figures. He further noted that Collier County has the authority to operate the Emergency Medical Services (EMS) fund in any way it chooses and can mix taxes and service revenue. He added that without more information indicating a strong expression of need, he could not recommend support for the proposal to include EMS</p>					

COUNCIL MEMBERS

MOTION

SECTION

YES

NO

ABSENT

CORRESPONDENCE & COMMUNICATIONS (Cont)

CONSIDERATION OF THE REFERENDUM REGARDING ADDING .33 MILLS TO THE AD VALOREM TAX FOR EMERGENCY MEDICAL SERVICES BY THE COUNTY (Cont)

service in ad valorem taxes. Mr. Anderson observed that insurance companies which pay benefits for service would be very happy with the subsidized fees. Mayor Billick also noted that this would in effect free up money in the County's general fund. He further stated he could not understand why the request was for .33 mills if the County was not going to levy that much at this time. Mr. Anderson stated his opinion that the \$50.00 per trip reduced cost would encourage calls for service which were not true emergencies. He said he also felt that those who would not pay \$150, would not pay \$50.00 either. Mr. Schroeder pointed out that this was a way for the County to avoid the penalties of Proposition #1. Citizen Gilbert Weil noted that the privately operated ambulance service previously used by the County had been doing an adequate job for much less money than the present service was costing. After discussion, Mr. Anderson moved that Mayor Billick be directed to write a detailed letter to the County Commission noting the Council's objections to the passage of the referendum, seconded by Mr. Barnett and carried by consensus.

ADJOURN: 10:40 a.m.

Janet Cason
Janet Cason, CMC
City Clerk

Stanley R. Billick
Stanley R. Billick, Mayor

Ellen Marshall Weigand
Ellen Marshall Weigand
Deputy Clerk

These minutes of the Naples City Council approved 03/21/84

Supplemental Attendance list - Regular Meeting, March 7, 1984

Pastor Howard S. Hugus
Charles Andrews
Joseph Cox
Tish Gray
Bill Hill

Herb Anderson
Randolph Thornton
Robert Galloway
Richard Crockett
Bob Russell

Gilbert Weil
Edward Hannam
Bob Tiffany
Ron Wood
Bob Ortiz

NEWS MEDIA

Jim Forner, TV-9
Matt Spina, Naples Daily News
Todd Holzman, Naples Daily News

Other interested citizens and visitors



City of Naples

MEMO

February 24, 1984

TO:	Board of Trustees City Retirement System	<u>AGENDA ITEM #8-a</u> 3/7/84
TO:	Board of Trustees Firemen's Retirement Trust Fund	<u>AGENDA ITEM #8-b</u> 3/7/84
TO:	Board of Trustees Police Officers' Retirement Trust Fund	<u>AGENDA ITEM #8-c</u> 3/7/84
FROM:	David W. Rynders, City Attorney	
RE:	Proposed Amendment to Retirement Plan Ordinance	

Under state law our retirement plans cannot require retirement due to age alone or for any factor not related to the ability of an individual to perform the particular employment in which such individual is engaged.

Consequently, the language of our retirement plans must be modified to delete our present mandatory retirement requirements. The attached proposed ordinance will effect the necessary amendments.

David W. Rynders

David W. Rynders
City Attorney

DWR:bh

Enc.

Refunding Analysis

\$23,560,000

CITY OF NAPLES, FLORIDA
WATER AND SEWER REFUNDING REVENUE BONDS, SERIES 1977

November 7, 1983

Introduction:

Advance refunding of the Water and Sewer Refunding Bonds, Series 1977 (the "1977 Bonds"), under current market conditions, would replace the existing debt service requirements with that of a higher coupon refunding issue. Such "Low to High" refundings are a desirable financing strategy for either the creation of a new financial structure or for legal considerations. As the 1977 Bonds contain an invested sinking fund obligated to purchase government securities at a rate below current market rates, it is also possible to realize a net debt service savings through an advance refunding. These savings are made possible by recapturing a portion of the yield differential between the sinking fund investment rate of 7.625% and current market yields. Following is an analysis of the economic and legal considerations for a refunding of the 1977 Series Bonds.

Economic Considerations:

The attached exhibits summarize the results of our preliminary analysis for the advance refunding of the 1977 Bonds. The cumulative annual cash flow savings resulting from a level debt refunding of this issue is \$949,591.00. Exhibit 1 illustrates the semiannual cash flow savings and their present values.

The remaining exhibits provide, in more detail, the analysis leading to the debt service comparison in Exhibit 1:

Exhibit 2 illustrates the Net Revenue Requirements (column VIII) that must be provided by the escrow account funded from the proceeds of the refunding issue. These Net Revenue Requirements are determined as the sum of the 1977 Series Debt Service (column I) less the available cash flow from securities already purchased for the Invested Sinking Fund (column II) plus the cash flow resulting from the Net Future Obligations to the Invested Sinking Fund (column VII).

Exhibit 3 illustrates the Sources and Uses Schedule for the refunding issue.

Exhibit 4 illustrates the structure of the new escrow account, funded by the refunding issue, required to pay the Net Revenue Requirements listed in the last column of Exhibit 2.

Legal Considerations:

Although debt service savings may, in fact, result from the advance refunding of low coupon bonds through the issuance of higher coupon refunding bonds, the regulations under Section 103(c) of the Internal Revenue Code require that, in the context of such a refunding, the refunding be undertaken for reasons other than simply realization of such debt service savings.

In very general terms, there are at least two reasons for undertaking a refunding from a low-to-high interest rate: (1) relief from onerous and burdensome covenants contained in the documents securing the outstanding low interest rate bonds; and (2) debt restructuring.

In most instances, obtaining relief from burdensome covenants would require that the outstanding bonds be defeased, i.e., deemed paid in accordance with the terms of the documents securing the outstanding bonds. In almost all instances, defeasance would require that a portfolio of U.S. Treasury obligations be deposited into a refunding escrow held by an escrow agent, the principal and interest on which would be sufficient to pay, when due, the principal of, premium, if any, and interest on the outstanding bonds to maturity or earlier date or redemption. If, in the particular context, a defeasance can not be accomplished on the date of issuance of the refunding bonds, i.e., the refunding plan contemplates only a partial refunding, the issuance of the refunding bonds may nonetheless still be justified. Such partial refunding may obtain relief from covenants in the existing documents if the issuance of the refunding bonds would permit or materially enhance the ability of the issuer to deposit, over time, additional moneys or U.S. Treasury obligations to the refunding escrow to accomplish a defeasance of the low interest rate bonds in a timely fashion.

For example, an issuer contemplating major capital improvements four years in the future may anticipate that covenants restricting the issuance of additional debt in the documentation securing the outstanding low interest rate bonds could present serious problems with respect to the financing of the needed capital improvements. Under such circumstances, a partial refunding of the outstanding bonds, coupled with establishment of a program to complete defeasance of the outstanding low interest rate bonds within the next four years through the deposit of additional moneys or U.S. Treasury obligations to the refunding escrow, would represent a prudent business decision justifiable for reasons other than achievement of debt service savings that might incidentally result from the partial refunding. Depending upon the facts and circumstances, release from covenants other than restrictions upon issuance of additional debt may also be material. For example, a water and sewer authority may have reason to anticipate that a major industrial rate payer will reduce or eliminate its utilization of services in the future or perceptible population trends may indicate a projected decline in utilization anticipated to cause difficulties in meeting an existing rate covenant in the future. Alternatively, a hospital may be undertaking a plan of reorganization and/or diversification which would be facilitated by the transfer of assets of the hospital to separate entities in the future. Again, a partial refunding coupled with establishment of a program to complete defeasance of the outstanding bonds prior to the point in time at which the covenant is expected to create difficulties would be a prudent business response to an anticipated problem that would justify the partial refunding of the outstanding bonds.

A partial refunding, coupled with a program to complete defeasance of the outstanding bonds, may be justified in order to achieve a restructuring of the issuer's aggregate outstanding debt if such restructuring serves a valid purpose. For example, an issuer such as a hospital, municipal utility or even a school district may have outstanding debt which, taking into account all net cash requirements with respect to such debt (e.g. sinking fund payments), results in other than level payments by the issuer. Under such circumstances, a partial refunding which results in a leveling of the net cash requirements to the issuer would be justifiable. Similarly, a partial refunding which extends or shortens the maturity of outstanding debt may also be appropriate.

It should be noted that the desirability of relief from covenants and debt restructuring are not necessarily mutually exclusive and that, at least under some circumstances, relief from covenants (or the avoidance of the adverse impact of covenants) might be achieved in the absence of a defeasance of the outstanding bonds secured by such covenants. Consider, for example, an issuer which has covenanted not to incur additional debt unless certain ratios of earnings to maximum annual debt service are satisfied. A partial refunding which reduces maximum annual debt service could eliminate the adverse effect of such a covenant even if defeasance will never occur and the covenant will remain in effect.

Debt Service Cash Flow Summary

The City of Naples, Florida: Water and Sewer Refunding Revenue Bonds, Series 1977

Date	Existing Net Revenue Requirement	Refunding Debt Service	Semi-Annual Cash Flow Savings	Present Value of Savings
01-Jan-84	-	-	-	-
01-Mar-84	\$772,824	\$755,000	\$17,824	\$17,536
01-Sep-84	767,486	755,000	12,486	11,700
01-Mar-85	767,149	755,000	12,149	10,841
01-Sep-85	766,621	755,000	11,621	9,876
01-Mar-86	765,902	755,000	10,902	8,824
01-Sep-86	764,993	755,000	9,993	7,703
01-Mar-87	768,893	755,000	13,892	10,200
01-Sep-87	767,411	755,000	12,411	8,678
01-Mar-88	770,739	755,000	15,739	10,481
01-Sep-88	763,686	755,000	8,686	5,509
01-Mar-89	571,633	755,000	(183,367)	(110,755)
01-Sep-89	981,633	755,000	226,633	130,370
01-Mar-90	560,973	755,000	(194,027)	(106,299)
01-Sep-90	990,973	755,000	235,973	123,123
01-Mar-91	549,578	755,000	(205,422)	(102,078)
01-Sep-91	999,578	755,000	244,578	115,748
01-Mar-92	537,428	755,000	(217,572)	(98,064)
01-Sep-92	1,017,428	755,000	262,428	112,649
01-Mar-93	524,228	755,000	(230,772)	(94,344)
01-Sep-93	1,029,228	755,000	274,228	106,771
01-Mar-94	510,341	755,000	(244,659)	(90,722)
01-Sep-94	1,045,341	755,000	290,341	102,534
01-Mar-95	495,361	755,000	(259,639)	(87,326)
01-Sep-95	1,055,361	755,000	300,361	96,211
01-Mar-96	479,541	755,000	(275,459)	(84,033)
01-Sep-96	1,069,541	755,000	314,541	91,386
01-Mar-97	462,726	755,000	(292,274)	(80,873)
01-Sep-97	1,087,726	755,000	332,726	87,682
01-Mar-98	444,757	755,000	(310,243)	(77,864)
01-Sep-98	1,104,757	755,000	349,757	63,601
01-Mar-99	425,782	755,000	(329,218)	(74,945)
01-Sep-99	1,125,782	755,000	370,782	80,387
01-Mar-2000	405,482	755,000	(349,518)	(72,169)
01-Sep-2000	1,145,482	755,000	390,482	76,788
01-Mar-2001	384,022	755,000	(370,978)	(63,478)
01-Sep-2001	1,169,022	755,000	414,022	73,847
01-Mar-2002	361,257	755,000	(393,743)	(66,886)
01-Sep-2002	1,166,257	755,000	411,257	66,534
01-Mar-2003	337,509	755,000	(417,491)	(64,327)
01-Sep-2003	1,167,509	755,000	412,509	60,532
01-Mar-2004	313,024	755,000	(441,976)	(61,768)
01-Sep-2004	1,188,024	755,000	433,024	57,635
01-Mar-2005	287,212	755,000	(467,788)	(53,297)
01-Sep-2005	1,212,212	755,000	457,212	55,197
01-Mar-2006	259,924	755,000	(495,076)	(56,922)
01-Sep-2006	1,244,924	755,000	489,924	53,647
01-Mar-2007	230,867	755,000	(524,133)	(54,660)
01-Sep-2007	1,302,093	755,000	547,092	54,338
01-Mar-2008	226,265	755,000	(528,735)	(50,014)
01-Sep-2008	1,331,265	755,000	576,265	51,914
01-Mar-2009	193,668	755,000	(561,333)	(48,161)
01-Sep-2009	1,358,668	755,000	603,667	49,327
01-Mar-2010	159,300	755,000	(595,700)	(46,328)
01-Sep-2010	1,394,300	755,000	639,300	47,381
01-Mar-2011	122,860	755,000	(632,133)	(44,619)
01-Sep-2011	1,432,860	755,000	677,867	45,569
01-Mar-2012	84,223	755,000	(670,778)	(42,945)
01-Sep-2012	1,469,223	755,000	714,222	43,549
01-Mar-2013	43,365	755,000	(711,635)	(41,325)
01-Sep-2013	1,513,365	755,000	758,365	41,942
TOTALS:	\$46,249,593	\$45,300,001	\$949,591	\$223,761

The City of Naples, Florida Water and Sewer Refunding Revenue Bonds, Series 1977

Exhibit 2

Date	1977 Debt Service	I Existing Income From Investment Securities	III Net Debt Service Obligation (I-II)	IV Contracted Investment Security Purchases	V Purchase Price of Investment Securities	VI Future Income on Investment Securities	VII Future Obligations (IV-VI)	VIII Net Revenue Requirement (II+VII)
01-Jan-84								
01-Mar-84	684,293	51,469	632,824	\$140,000	\$145,355	40	\$146,000	677E,024
01-Sep-84	684,293	51,469	632,824	140,000	145,355	5,330	134,663	767,486
01-Mar-85	684,293	51,469	632,824	145,000	150,546	10,675	134,325	767,149
01-Sep-85	684,293	51,469	632,824	150,000	155,738	16,285	133,797	766,621
01-Mar-86	684,293	51,469	632,824	155,000	160,929	21,922	133,078	765,982
01-Sep-86	684,293	51,469	632,824	160,000	166,120	27,831	132,169	764,993
01-Mar-87	684,293	51,469	632,824	170,000	176,503	33,669	136,069	765,893
01-Sep-87	684,293	51,469	632,824	175,000	181,694	40,413	134,588	767,411
01-Mar-88	684,293	51,469	632,824	185,000	192,076	47,034	137,916	770,739
01-Sep-88	684,293	51,469	632,824	185,000	192,076	54,138	130,863	763,656
01-Mar-89	684,293	51,469	632,824	-	-	61,191	(61,191)	571,633
01-Sep-89	1,094,293	51,469	1,042,824	-	-	61,191	(61,191)	901,633
01-Mar-90	673,633	51,469	622,164	-	-	61,191	(61,191)	569,973
01-Sep-90	1,103,633	51,469	1,052,164	-	-	61,191	(61,191)	900,973
01-Mar-91	682,238	51,469	630,769	-	-	61,191	(61,191)	549,578
01-Sep-91	1,112,238	51,469	1,060,769	-	-	61,191	(61,191)	939,578
01-Mar-92	670,088	51,469	590,619	-	-	61,191	(61,191)	537,428
01-Sep-92	1,130,088	51,469	1,078,619	-	-	61,191	(61,191)	1,017,428
01-Mar-93	636,888	51,469	585,419	-	-	61,191	(61,191)	524,228
01-Sep-93	1,141,888	51,469	1,090,419	-	-	61,191	(61,191)	1,029,228
01-Mar-94	623,020	51,469	571,551	-	-	61,191	(61,191)	510,341
01-Sep-94	1,158,020	51,469	1,106,551	-	-	61,191	(61,191)	1,045,341
01-Mar-95	608,020	51,469	556,551	-	-	61,191	(61,191)	495,361
01-Sep-95	1,168,020	51,469	1,116,551	-	-	61,191	(61,191)	1,035,361
01-Mar-96	592,200	51,469	540,731	-	-	61,191	(61,191)	479,541
01-Sep-96	1,182,200	51,469	1,130,731	-	-	61,191	(61,191)	1,069,541
01-Mar-97	575,305	51,469	523,836	-	-	61,191	(61,191)	462,726
01-Sep-97	1,200,305	51,469	1,148,836	-	-	61,191	(61,191)	1,097,726
01-Mar-98	557,416	51,469	505,948	-	-	61,191	(61,191)	444,757
01-Sep-98	1,217,416	51,469	1,165,948	-	-	61,191	(61,191)	1,104,757
01-Mar-99	538,441	51,469	486,973	-	-	61,191	(61,191)	425,782
01-Sep-99	1,238,441	51,469	1,186,973	-	-	61,191	(61,191)	1,125,782
01-Mar-2000	518,141	51,469	466,673	-	-	61,191	(61,191)	405,482
01-Sep-2000	1,258,141	51,469	1,206,673	-	-	61,191	(61,191)	1,145,482
01-Mar-2001	496,601	51,469	445,213	-	-	61,191	(61,191)	394,622
01-Sep-2001	1,281,591	51,469	1,230,213	-	-	61,191	(61,191)	1,169,622
01-Mar-2002	473,916	51,469	422,448	-	-	61,191	(61,191)	361,257
01-Sep-2002	1,278,916	51,469	1,227,449	-	-	61,191	(61,191)	1,156,257
01-Mar-2003	450,159	51,469	398,700	-	-	61,191	(61,191)	337,509
01-Sep-2003	1,280,159	51,469	1,228,700	-	-	61,191	(61,191)	1,157,509
01-Mar-2004	425,684	51,469	374,215	-	-	61,191	(61,191)	313,024
01-Sep-2004	1,300,684	51,469	1,249,215	-	-	61,191	(61,191)	1,188,024
01-Mar-2005	399,671	51,469	348,403	-	-	61,191	(61,191)	287,212
01-Sep-2005	1,324,671	51,469	1,273,403	-	-	61,191	(61,191)	1,212,212
01-Mar-2006	372,584	51,469	321,115	-	-	61,191	(61,191)	259,924
01-Sep-2006	1,357,584	51,469	1,306,115	-	-	61,191	(61,191)	1,244,924
01-Mar-2007	3,298,526	1,401,469	1,897,058	-	-	1,666,191	(61,191)	1,230,867
01-Sep-2007	1,302,093	-	1,302,093	-	-	-	-	1,362,093
01-Mar-2008	226,265	-	226,265	-	-	-	-	226,265
01-Sep-2008	1,331,265	-	1,331,265	-	-	-	-	1,331,265
01-Mar-2009	193,668	-	193,668	-	-	-	-	193,668
01-Sep-2009	1,358,668	-	1,358,668	-	-	-	-	1,358,668
01-Mar-2010	159,300	-	159,300	-	-	-	-	159,300
01-Sep-2010	1,394,300	-	1,394,300	-	-	-	-	1,394,300
01-Mar-2011	122,868	-	122,868	-	-	-	-	122,868
01-Sep-2011	1,432,868	-	1,432,868	-	-	-	-	1,432,868
01-Mar-2012	84,223	-	84,223	-	-	-	-	84,223
01-Sep-2012	1,469,223	-	1,469,223	-	-	-	-	1,469,223
01-Mar-2013	43,365	-	43,365	-	-	-	-	43,365
01-Sep-2013	1,432,365	-	1,432,365	-	-	-	-	1,432,365

Exhibit 3

ADVANCE REFUNDING ANALYSIS
 THE CITY OF NAPLES, FLORIDA
 WATER AND SEWER REFUNDING BONDS, SERIES 1977

Sources of Funds:

Principal Amount of Bonds	\$14,785,000
Funded Accrued Interest	<u>421,883</u>
Total Available Funds	<u>\$15,206,883</u>

Uses of Funds:

Deposit to Escrow Account	\$14,763,333
Issuance Costs and Discounts	<u>443,550</u>
	<u>\$15,206,883</u>

CITY OF NAPLES
FLORIDA
ESCROW ACCOUNT ACTIVITY

DATE	SLUG RATE	NET PRINCIPAL	ACCUMULATED INTEREST	PRIOR ISSUE DEBT SERVICE	CASH
1/ 1/84		-0-	-0-	-0-	16.79
3/ 1/84	8.708	523,200.00	249,628.52	772,824.00	21.31
9/ 1/84	9.400	31,100.00	736,369.15	767,486.00	4.46
3/ 1/85	9.790	32,800.00	734,425.57	767,149.00	81.03
9/ 1/85	10.210	33,800.00	732,820.00	766,621.00	80.03
3/ 1/86	10.540	34,800.00	731,094.56	765,902.00	72.59
9/ 1/86	10.710	35,700.00	729,260.60	764,993.00	40.19
3/ 1/87	10.814	41,600.00	727,348.86	768,893.00	96.05
9/ 1/87	10.940	42,300.00	725,099.56	767,411.00	84.61
3/ 1/88	11.040	47,900.00	722,785.75	770,739.00	31.36
9/ 1/88	11.114	43,600.00	720,141.67	763,686.00	87.03
3/ 1/89		-0-	717,718.72	571,633.00	146,172.75
9/ 1/89	11.290	117,800.00	717,718.72	981,633.00	58.47
3/ 1/90		-0-	711,068.91	560,973.00	150,154.38
9/ 1/90	11.380	129,800.00	711,068.91	990,973.00	50.29
3/ 1/91		-0-	703,683.29	549,578.00	154,155.58
9/ 1/91	11.402	141,800.00	703,683.29	999,578.00	60.87
3/ 1/92		-0-	695,599.30	537,428.00	158,232.17
9/ 1/92	11.440	163,600.00	695,599.30	1,017,428.00	3.47
3/ 1/93		-0-	686,241.38	524,228.00	162,016.85
9/ 1/93	11.454	181,000.00	686,241.38	1,029,228.00	30.23
3/ 1/94		-0-	675,875.81	510,341.00	165,565.04
9/ 1/94	11.484	204,000.00	675,875.81	1,045,341.00	99.85
3/ 1/95		-0-	664,161.75	495,361.00	168,900.60
9/ 1/95	11.510	222,300.00	664,161.75	1,055,361.00	1.35
3/ 1/96		-0-	651,368.38	479,541.00	171,828.73
9/ 1/96	11.545	246,400.00	651,368.38	1,069,541.00	56.11
3/ 1/97		-0-	637,144.55	462,726.00	174,474.66
9/ 1/97	11.566	276,200.00	637,144.55	1,087,726.00	93.21
3/ 1/98		-0-	621,172.16	444,757.00	176,508.37
9/ 1/98	11.600	307,100.00	621,172.16	1,104,757.00	23.53
3/ 1/99		-0-	603,360.36	425,782.00	177,601.89
9/ 1/99	11.617	344,900.00	603,360.36	1,125,782.00	80.25
3/ 1/00		-0-	583,327.48	405,482.00	177,925.73
9/ 1/00	11.650	384,300.00	583,327.48	1,145,482.00	71.21
3/ 1/01		-0-	560,942.00	384,022.00	176,991.21
9/ 1/01	11.660	431,100.00	560,942.00	1,169,022.00	11.21
3/ 1/02		-0-	535,808.87	361,257.00	174,563.08
9/ 1/02	11.677	455,900.00	535,808.87	1,166,257.00	14.95
3/ 1/03		-0-	509,190.15	337,509.00	171,696.10
9/ 1/03	11.688	486,700.00	509,190.15	1,167,509.00	77.25
3/ 1/04		-0-	480,748.38	313,024.00	167,801.63
9/ 1/04	11.690	539,500.00	480,748.38	1,188,024.00	26.01
3/ 1/05		-0-	449,214.60	287,212.00	162,028.61
9/ 1/05	11.678	601,000.00	449,214.60	1,212,212.00	31.21
3/ 1/06		-0-	414,122.04	259,924.00	154,229.25
9/ 1/06	11.660	676,600.00	414,122.04	1,244,924.00	27.29
3/ 1/07		-0-	374,676.26	230,867.00	143,836.55
9/ 1/07	11.639	783,600.00	374,676.26	1,302,093.00	19.81
3/ 1/08		-0-	329,074.54	224,245.00	102,831.37
9/ 1/08	11.619	899,400.00	329,074.54	1,331,265.00	42.93
3/ 1/09		-0-	276,827.23	193,668.00	83,202.16
9/ 1/09	11.589	998,700.00	276,827.23	1,358,668.00	61.39
3/ 1/10		-0-	218,958.36	159,300.00	59,719.75
9/ 1/10	11.569	1,115,700.00	218,958.36	1,394,300.00	78.11
3/ 1/11		-0-	154,420.90	122,868.00	31,631.01
9/ 1/11	11.549	1,246,900.00	154,420.90	1,432,868.00	83.91
3/ 1/12	11.540	1,400.00	82,410.20	84,223.00	79.11
9/ 1/12	11.530	1,386,900.00	82,314.34	1,469,223.00	70.45
3/ 1/13	11.510	41,000.00	2,359.55	43,365.00	65.00
9/ 1/13		1,513,300.00	-0-	1,513,365.00	-0-
TOTALS:		\$14,764,100.00	\$31,485,481.21	\$46,249,598.00	

BEGINNING CASH: 16.79
TOTAL PRINCIPAL: 14,764,100.00

3/7/84

ROGERS, WOOD, HILL, STARMAN & GUSTASON

PROFESSIONAL ASSOCIATION
CERTIFIED PUBLIC ACCOUNTANTSWALTER R. ROGERS, C.P.A.
RONALD A. WOOD, C.P.A.
JOHN R. HILL, C.P.A.
SHELDON W. STARMAN, C.P.A.
RONALD W. GUSTASON, C.P.A.OFFICES
NAPLES 262-1040
MARCO ISLAND 394-7502
FT. MYERS 482-4800

December 23, 1983

Honorable Mayor and
Members of the City Council
City of Naples
Naples, FloridaPlease bring your copy
of the audit report to
the meeting.

Thank you.

We have examined the financial statements of the City of Naples for the year ended September 30, 1983, and have issued our report thereon dated December 23, 1983. As a part of our examination, we made a study and evaluation of the City's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. Under these standards, the purpose of such evaluation is to establish a basis for reliance on the system of internal accounting control in determining the nature, timing and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements and to assist the auditor in planning and performing his examination of the financial statements.

The objective of internal accounting control is to provide reasonable but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions and that the degree of compliance with the procedures may deteriorate.

Honorable Mayor and
Members of the City Council
December 23, 1983
Page Two

Our examination of the financial statements made in accordance with generally accepted auditing standards, including the study and evaluation of the City's system of internal accounting control for the year ended September 30, 1983, that was made for the purposes set forth in the first paragraph of this report, would not necessarily disclose all weaknesses in the system because it was based on selective tests of accounting records and related data. However, such study and evaluation disclosed the following conditions that we believe to be weaknesses.

(1) The computer program applies all partial cash receipts of water, sewer, and sanitation receivables to the sanitation balance first, then sewer, etc. This causes the sanitation fund to have less receivables and more cash attributable to it. The computer program should be re-designed to allocate any partial payments to each fund based upon the relative balances of their receivables.

(2) Certain water, sewer, and sanitation users did not pay their bills for over 6 months. The City was therefore financing, free of charge, these users. City employees should review the aged trial balance of accounts receivable on a monthly basis and actively pursue those balances over 60 days old. In addition, a finance charge should be accrued to each user who does not pay within the allotted time.

(3) The computer detail of lot mowing receivables did not agree to the balance in the general ledger. The lot mowing receivable detail should be reconciled monthly to the general ledger.

(4) Various purchase orders were dated subsequent to the invoice date, thereby defeating the purpose of approved purchase orders. It should be stressed to all department heads that all purchase orders should be approved by the department head, or his designee, prior to the purchase of the items.

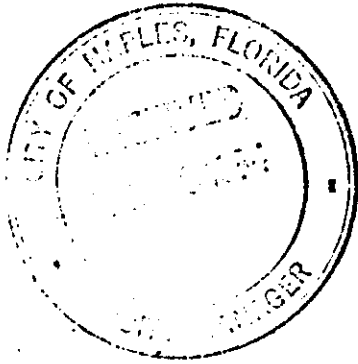
(5) It was noted that the new format of the Council minutes made them concise and easier to read. The City Clerk's department should be commended for this change.

The foregoing conditions were considered in determining the nature, timing and extent of audit tests to be applied in our examination of the financial statements and this report of such conditions does not modify our report dated December 23, 1983, on such financial statements.

The suggestions and recommendations in this report represent further refinements in the accounting system and will enhance the control of the City's resources. We would like to express our thanks to all City employees for their cooperation and assistance during our examination.

Respectfully submitted,

Rogers, Wood, Hill, Starman & Gustason
Rogers, Wood, Hill, Starman & Gustason, P.A.



City of Naples

--- MEMO ---

TO: Frank Jones, City Manager
FROM: Bill Hanley, Director of Finance *BJH*
SUBJECT: AUDITORS MANAGEMENT LETTER
DATE: February 7, 1984

Following is a list of my responses and corrective action to the auditors management letter:

- 1) The auditors recommendation is ideal and this is what we had hoped to do, however, our particular software applies partial payments on a priority basis rather than a percentage of receivables basis. Priorities have been intentionally set with the General Fund, at that time, being first priority. The enterprise funds of water and sewer were given second priority due to the nature of their operations. We could have the Council establish priorities through an ordinance. I would also like to state that partial payments are the exception rather than the rule since a bill must be paid in full in order to retain service.
- 2) An important feature of our new utility billing software is the implementation of the automatic termination notice. We have just recently incorporated this feature and we have generated termination notices to all those accounts 15 days old and older. This will be an ongoing procedure.
- 3) The lot mowing receivables have been reconciled and will be maintained on a current basis.
- 4) The purchase orders in question are all departmental P.O.'s and not handled by our central purchasing division since they are under \$250. All departments have been reminded via a memo of the proper procedures and accounting has also been alerted to look for this.