

MINUTES OF MEETING

Board of Supervisors

Reedy Creek Improvement District

August 25, 2021

9:30 a.m.

President Hames called the regular meeting of the Reedy Creek Improvement District Board of Supervisors to order at 9:30 a.m. on Wednesday, August 25, 2021 at the Administrative Offices of the District, 1900 Hotel Plaza Boulevard, Lake Buena Vista, Florida.

Those present were President Hames, Don Greer, Max Brito and Jane Adams, constituting a quorum of the Board of Supervisors. Others in attendance included; John Classe, District Administrator; Wanda Siskron, District Clerk; and Tina Graham, Assistant District Clerk, Administration; Chris Quinn, Susan Higginbotham, Heidi Powell, Sherry Wood, Finance; Ron Zupa, Technology Services; Jerry Wooldridge, Building and Safety; Deputy Chief Eric Ferrari, RCFD; Anthony Kasper, RCES; Eddie Fernandez, Human Resources; Rebecca Clark-RCES Finance; and Ed Milgrim and Ilana Perras, Milgrim Law Group. Those participating via teleconference were: Eryka Washington and Erin O'Donnell, Communications; Kerry Satterwhite and Craig Sandt, Facilities; Jason Middleton, Human Resources; Chris Ferraro, Anthony Kasper and Mark Swanson, RCES; Yenni Hernandez, Technology Services; Mike Crikis, Wendy Duncan and Jeff Holland, Environmental Sciences; and Alexis Wollstadt, Finance.

President Hames asked the attendees to please stand for the Pledge of Allegiance.

SAFETY MINUTE

Mr. Fernandez advised that this month's safety topic is "one size does not fill all." Mr. Fernandez advised that not one size fits safety. Mr. Fernandez advised that we should educate with our choices; protect and respect employees, families and those around us. Make good choices; make best choices in your lives.

APPROVAL OF MINUTES

Minutes from the July 28, 2021 BOS Meeting were approved and accepted as presented. The District Clerk recorded proof of publication of the meeting notice. **(EXHIBIT H)**

REPORTS

A departmental report was presented by the District Administrator. Mr. Classe advised that he had no reports to present other than the fact that the District is continuing safety protocols related to COVID-19. Mr. Classe advised that a new incentive program has been put into place to encourage vaccinations over the next 60 days. Mr. Classe advised that there has been a good response to this new program. **(EXHIBIT I)**

CONSENT AGENDA

President Hames proceeded to the Consent Agenda and advised that the Consent Agenda exists of general administrative items and items under a specific cost threshold. Any item can be pulled from the Consent Agenda for further discussion, if requested. Consent Agenda items are shown below:

Item 6A – Memorandum of Understanding – No. 2021-1

CONSIDERATION of Request for Board approval granted June 23, 2021 of the Memorandum of Understanding-No. 2021-1 to the Unit A Collective Bargaining Agreement between the Reedy Creek Improvement District and the Reedy Creek Firefighters' Association, IAFF Local 2117.

Item 6B – Collective Bargaining Agreement for Unit B

CONSIDERATION of Request for Board approval to rescind Board approval granted June 23, 2021 of the Collective Bargaining Agreement between the Reedy Creek Improvement District and the Reedy Creek Firefighters' Association, IAFF Local 2117.

Item 6C – WWTP Biological Nutrient Removal (BNR) Treatment Train #4 Rehabilitation (P1122) – Revision of Initial Budget

CONSIDERATION of Request for Board approval to revise the initial budget for the WWTP Biological Nutrient Removal (BNR) Treatment Train #4 Rehabilitation project by reducing approved funding in the RCES Soft Costs line item and increasing funding in the Owner-Furnished Material (OFM) line item. The total budget amount will remain unchanged. Funding for this request will be derived from the RCID 2021-1 Utility Revenue Bonds (Non-Taxable). **(EXHIBIT A)**

Item 6D – WWTP Biological Nutrient Removal (BNR) Treatment Train #4 Rehabilitation (P1122) – Owner-Furnished Material (OFM)

CONSIDERATION of Request for Board approval of Owner-Furnished Material (OFM) in the amount of **\$20,000.00** for the WWTP Biological Nutrient Removal (BNR) Treatment Train #4 Rehabilitation project. Funding for this request will be derived from the RCID 2021-1 Utility Revenue Bonds (Non-Taxable).

Item 6E – World Drive North Phase 3 – RCES Soft Costs

CONSIDERATION of Request for Board approval of an additional amount Not-To-Exceed **\$50,000.00** for RCES engineering and construction support, including survey, submittal review and project inspection costs for the World Drive North Phase 3 project. This request includes Board authorization for RCID's and/or RCES's direct purchase of miscellaneous goods and ancillary professional services as necessary for the project. Funding for this request is included in the approved project budget and is derived from the RCID 2016-2024 Transportation Projects Ad Valorem Bonds.

President Hames asked if anyone had any reason to bring up any items on the Consent Agenda for further discussion. No items were pulled from the Consent Agenda for review. Upon motion by Ms. Adams and duly seconded, the Board unanimously approved the Consent Agenda.

REGULAR AGENDA

Item 7A – Revised Collective Bargaining Agreement for Unit B

Mr. Classe requested Board approval to authorize the District Administrator to execute the revised Proposed/Union Ratified Collective Bargaining Agreement for Unit B (Supervisory) between the Reedy Creek Improvement District and the Reedy Creek Firefighters' Association, IAFF Local 2117. Mr. Classe advised that since the MOU for Unit A was not approved by the Union membership, the CBA for Unit B was revised so the Union Leave provisions are the same as the CBA for Unit A. Mr. Classe advised that Unit B's contract has been approved by membership and signed by the Union. President Hames asked if there were any public comments on this request and there were none. Upon motion by Mr. Greer and duly seconded, the Board unanimously approved the request.

Item 7B – World Drive North Phase 3 – Revised Project Budget

Mr. Classe requested Board approval to increase the initial budget of the World Drive North Phase 3 project from **\$97,000,000.00** to **\$101,500,000.00**, an increase of **\$4,500,000.00** (see Exhibit B). There is a deficit of **\$14,500,000.00** in the overall bond fund portfolio. Staff also requests Board authorization to proceed with identifying financing alternatives for the budget shortfall and propose a financing plan for future Board approval. Mr. Classe advised that last year, the Board approved **\$97,000,000.00** for this project. Using 90% construction plans, an updated construction cost estimate was completed to consider refinements in the scope of work and changes in the current market conditions. This updated estimate necessitated an increase of **\$4,500,000.00** to the project budget. President Hames asked if there were any public comments on this request and there were none. Upon motion by Ms. Adams and duly seconded, the Board unanimously approved the request. **(EXHIBIT B)**

Item 7C – Resolution No. 629 – RCID 457(b) and 401(a) Deferred Compensation Plans

Mr. Quinn requested Board approval of an amendment to Resolution No 608 which established a Plan Committee to monitor the operations of the Reedy Creek Improvement District (RCID) 457(b) and 401(a) Deferred Compensation Plans and to coordinate and/or supervise various service providers of the Plans. Mr. Quinn advised that this request is to delete the Deputy District Administrator's title from the original Resolution No. 608 and to add the District Administrator's or Designee's title for the future. Mr. Quinn advised that this will eliminate having to keep coming back to the Board for approval. President Hames asked if there were any public comments on this request and there were none. Upon motion by Mr. Brito and duly seconded, the Board unanimously approved the request. **(EXHIBIT C)**

RESOLUTION NO. 629

Amending Resolution 608, August 28, 2019

WHEREAS, the Reedy Creek Improvement District (the "**District**"), an adopting employer to The Reedy Creek Improvement District 457(b) and 401(a) Deferred Compensation Plans (hereinafter referred to collectively, as the "**Plans**"), hereby resolves in this "**Plan Resolution**" the following; and

WHEREAS, a plan committee (the "**Plan Committee**") was hereby established to monitor the operation of the Plans and to coordinate and/or supervise various service providers of the Plans through Resolution 608, dated August 28, 2019; and

WHEREAS, the Plan Committee will include the individuals from time-to-time holding the following positions (as the names of those positions may be changed from time-to-time by the District Administrator and/or the Board of Supervisors of the District (the "**Board**")) in the District;

District Administrator, or Designee

Director - Finance

Director - Human Resources

WHEREAS, the Plan Committee is empowered to make decisions regarding the general operation of the Plans, engage vendors to provide service to the Plans, and to make decisions in order to comply with applicable rules and regulations of the Plans; and

WHEREAS, the District shall indemnify, defend and hold harmless the Plan Committee and its members, to the fullest extent allowed by applicable law, against any and all claims, actions, losses, damages, expenses and/or liabilities the Plan Committee and/or its members may incur in the exercise and/or performance of their duties and/or powers hereunder, unless the same are determined to be due to gross negligence or willful misconduct; and

WHEREAS, the revised By-laws of the Plan Committee are attached hereto and made a part hereof as Exhibit "A"; and

WHEREAS, this Plan Resolution No. 629 is hereby incorporated into the minutes of the Plans.

NOW, THEREFORE BE IT RESOLVED by the Board of Supervisors of the Reedy Creek Improvement District assembled in regular session this 25th day of August 2021, and duly resolved the items above, the Board hereby authorizes and certifies the above matters.

ADOPTED this 25th day of August 2021.



Laurence C. Hames, President, Board
of Supervisors

John H. Classe, Jr., Secretary Board of
Supervisors

Exhibit A
Revised By-laws

[SEE ATTACHED]

The Reedy Creek Improvement District 457(b) and 401(a) Deferred Compensation Plans Committee
By-laws

Revised, Effective as of August 25, 2021

Article I - Name

The name of this committee shall henceforth be The Reedy Creek Improvement District 457(b) and 401(a) Deferred Compensation Plans Committee (the "**Deferred Compensation Plan Committee**").

Article II - Affiliation

The Deferred Compensation Plan Committee shall serve under the authority of the Board of Supervisors (the "**Board**") of The Reedy Creek Improvement District (the "**District**"), as approved on August 28, 2019 with respect to The Reedy Creek Improvement District 457(b) and 401(a) Deferred Compensation Plans (hereinafter referred to collectively, as the "**Plans**") in accordance with the document creating and evidencing the Plans (as hereinafter amended, the "**Plan Document**").

Article III - Purpose and Powers

The purpose of the Deferred Compensation Plan Committee is to: (i) make interpretations of the Plan Document and any agreement(s) evidencing benefits granted under the Plans; and (2) make determinations in connection with the administration of the Plans. The powers of the Deferred Compensation Plan Committee shall be exercised by its Members (defined below) in accordance with the Plan Document, but the Deferred Compensation Plan Committee may delegate the performance of any duties and/or the exercise of any powers to such officers, representatives and/or agents as the Deferred Compensation Plan Committee may, from time-to-time, by resolution, designate.

Article IV - Membership

Section 1: Members

Members of the Deferred Compensation Plan Committee shall consist of the persons holding the following positions (as permanently or temporarily assigned thereto):

District Administrator, or Designee

Director - Finance

Director - Human Resources

Section 2: Membership Termination

The membership of a person is terminated when the position (i.e. District Administrator, Finance Manager or Human Resource Manager, as applicable) that Member held is permanently

or temporarily assigned to another person.

Article V - Committee Chair Person

Section 1: Nomination

The District Administrator will serve as Chairperson. In his/her absence the District Director – Finance will serve as Chairperson.

Section 2: Duties

The Chairperson shall preside over meetings, appoint members to standing and special subcommittees, if any, and perform such other duties as may be delegated by the Board or the Members of the Deferred Compensation Plan Committee.

Section 3: Records

The Chairperson shall keep, or cause to be kept, minutes of meetings and all Deferred Compensation Plan Committee records and correspondence.

Article VI - Meetings

Section 1: Meetings

Meetings shall be held in support of the Plans only as needed and may be called by the Chairperson or by petition of a majority of the Members of the Deferred Compensation Plan Committee. The Chairperson or his/her designee shall notify all Members of meetings.

Section 2: Quorums

A quorum for a meeting shall be all three Members.

Article VII - Indemnification

In accordance with the Plans, the District agrees to indemnify, defend and hold harmless the Members of the Deferred Compensation Plan Committee, to the fullest extent permitted by law, against any and all claims, actions, losses, damages, expenses and/or liabilities the Deferred Compensation Plan Committee may incur in the exercise and performance of the Deferred Compensation Plan Committee's power and duties hereunder, unless the same are determined to be due to gross negligence or willful misconduct.

Article VIII - Amendment of By-Laws

These By-laws may be amended by a majority vote of the Members at any meeting.

Item 7D – World Drive North Phase 2 – Laydown Yard Permanent Electric Service

Mr. Kasper requested Board approval to award a Not-To-Exceed Agreement to Reedy Creek Energy Services (RCES) in the total amount of **\$315,000.00** in support of the World Drive North Phase 2 project. This amount will fund the design and construction of new permanent electric service at the RCID STOLport Lay Down Yard located just off World Drive North. Funding for this request is included in the approved budget and is derived from the RCID Series 2016-2024 Transportation Projects Ad Valorem Bonds. Mr. Kasper advised that the request is for new permanent electric service at RCID STOLport Lay Down Yard for World Drive North Phase 2 project. This area will also be used for the World Drive North Phase 3 project and will be used for approximately 2-1/2 years. President Hames asked if there were any public comments on this

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request and there were none. Upon motion by Mr. Brito and duly seconded, the Board unanimously approved the request. **(EXHIBIT D)**

8. OTHER BUSINESS

• Interlocal Agreement

Mr. Classe advised that he had placed a copy of an Interlocal Agreement between RCID and Orange County at each Board Member's desk for review. Mr. Classe asked Deputy Chief Ferrari to address this request. Deputy Chief Ferrari advised that this request is for an Interlocal Agreement between RCID and the Orange County Public Safety Department. Deputy Chief Ferrari advised that this agreement is for Orange County to have access to RCID's Trunked Simulcast Radio System (TSR). This will allow Orange County to automatically tie into RCID's system whenever they need better coverage while roaming. Deputy Chief Ferrari advised that this system will still be controlled by RCID. President Hames asked if there were any public comments on this request and there were none. Upon motion by Ms. Adams and duly seconded, the Board unanimously approved the request.

• Approvals and Signature Authority (EXHIBIT E)

Mr. Quinn advised that this request is to modernize language on this document. Former language referred to written checks, but now 75% of our business is via electronic transfers. We added District Administrator to Pro Tempore position due to Deputy District Administrator no longer being here. The District Administrator can designate when not available and a secondary signature is needed. Mr. Quinn advised that a few tweaks were made to approval levels, e.g., increased \$25,000.00 amount requiring two signatures to \$50,000.00. President Hames asked if there were any public comments on this request and there were none. Upon motion by Mr. Brito and duly seconded, the Board unanimously approved the request.

• Budget Amendment (EXHIBIT F)

Mr. Quinn advised that there were a lot of disputes between Landowners and the Orange County Tax Appraiser's Office. Mr. Quinn advised that Disney had 14 properties in dispute from 2015 to 2020 tax years. Recently, Disney reached a settlement with Orange County in the amount of \$5.9M. Mr. Quinn advised that RCID had set aside \$5M from collection of taxes to cover a settlement if one was reached. Therefore, due to a shortfall in funds set aside, RCID needs an additional \$1M from Reserves to pay the difference. Mr. Quinn advised that RCID has already made a payment of \$5.9M to Disney for these over-collected taxes. President Hames asked if there were any public comments on this request and there were none. Upon motion by Ms. Adams and duly seconded, the Board unanimously approved the request.

• Budget Discussion (EXHIBIT G)

Ms. Higginbotham advised that in September, we will have two Public Hearings, one for the Tentative Budget and one for the Final Budget. Ms. Higginbotham advised that we will need all four BOS members to attend each of these meetings.

Ms. Higginbotham advised that FY21 actual revenues had a \$3.5M decrease due to Permits and Fees (construction stoppage due to COVID-19) and Ad Valorem Assessed Values budgeted at \$13.8B and actual is \$13.7B; FY2022 assessed values - \$12.5B, a decrease of 9.3%; overall millage rate increase to 13.5741 from 11.1429 mills; Operating millage increase from 6.8467 to 8.6641; Debt Service millage increase from 4.2962 to 4.9100; FY2022 budgeted revenues will increase by \$16.1M to \$169M, result of assessed value times millage rate, gives tax revenue result of \$164M. For Other Revenues, we anticipate the B & S Department and the Environmental Lab revenues to recover from prior year; Revenues at \$3.75M for B&S Department and \$175K for the Environmental Lab. The Cities are contributing their road and bridge funds for \$477K. Ms. Higginbotham advised that annual Merit and Contractual increases in March and January 2022 are budgeted at 4.0% and 4.7% increases. Ms. Higginbotham gave an overview of planned work expenses, capital expenses, debt service expenses and property appraisal settlements. Ms. Higginbotham also recapped savings in FY21 which gave RCID an ending balance of \$30.8M. In FY22, we budgeted for a use of fund balance of \$9.6M, and ending Fund balance of \$21.1M. For FY22, using the Assessed values of \$12.59B times the millage rate of \$13.5741 and other income gives us total revenues of \$169M. Ms. Higginbotham advised that in FY21, the WDW resorts settled their lawsuits with the Orange County Property Appraiser and RCID refunded WDW \$6M. Ms. Higginbotham advised that we used \$5M previously committed to property appraisal settlements and \$1M in available Fund Balance. Ms. Higginbotham advised that we would like to start reserving for the future settlements of the WDW resorts' property appraisal lawsuits, and that we have lawsuits from the Hilton, the Four Seasons and the Swan & Dolphin. Ms. Higginbotham advised that we would like to add \$4M to committed-to property appraisal settlements as a placeholder in FY22 and then add to it in upcoming years. Ms. Higginbotham advised that no action is required by the BOS today. Ms. Higginbotham advised that our two budget meetings will be held on September 15th and September 29th. Ms. Higginbotham advised that certain Millage Rate increases require that the majority of our BOS Members attend these meetings, so please mark your calendars and plan to attend as we only have four BOS members at the present time and we need all four in attendance.

Mr. Quinn covered RCES's utility budget for Mr. Swanson. Mr. Quinn advised that there has been a significant increase in consumption in the last six months. Mr. Quinn advised that based on projections, effective October 1st, rates will drop a little. At the beginning of COVID-19, rates were increased by 10%. Mr. Quinn advised that FY22 utility budget costs are \$17.0M or 11.4% higher than the FY21 forecasted costs. Also, combined revenue and interest are increasing by \$16.9M or 11.4% from the FY21 forecast, which is offsetting the operating expense by the same amount. The increase is the result of 17% greater consumptions and a -6% rate reduction across all utilities. Mr. Quinn advised that FY22 proposed electric rates are -6% lower than the curate rate of \$80.23; FY22 proposed natural gas rates are -6% lower than current rate of \$7.04; FY22 proposed water and sewer combined rates are -6% lower than current rate of \$7.45; and FY22 proposed solid waste rates are -6% lower than current rate of \$35.75. Mr. Quinn advised that the September presentation will compare FY21 to FY22 with revenue and operations close to \$1.2 budgeted target.

President Hames then asked if there was any further business to discuss.

Mr. Classe advised that the next BOS meeting will be held on September 15th, at 5:05 p.m.

Mr. Classe advised that he was going to change the format of the Final Thought a little. Instead, he asked the question, "What happened on August 25th in history?" Mr. Classe advised the following took place on August 25th:

- In 1718, hundreds of French colonists arrive in Louisiana; New Orleans founded.
- In 1814, British forces destroy Library of Congress, containing 3,000 books (War of 1812).
- In 1908, National Association of Colored Nurses forms.
- In 1916, President Woodrow Wilson signed an act establishing the National Park Service within the Department of the Interior.
- In 1932, Amelia Earhart completes transcontinental flight.
- In 1944, during World War II, Paris was liberated by Allied forces after four years of Nazi occupation.
- In 1970, Elton John's 1st U. S. appearance (Troubador – West Hollywood, Los Angeles, CA).
- In 1987, Dow Jones Industrial stock avg. reaches record 2,722.42.
- In 2017, Category 4 Hurricane Harvey makes landfall in Texas, northeast of Corpus Christi with 130 mph winds.
- In 2020, WHO announces that Africa has eradicated polio (defined as four years since last case).

There being no further business to come before the Board, the meeting was adjourned at 10:22 a.m.



Laurence C. Hames
President, Board of Supervisors

ATTEST



John H. Classe, Jr.
Secretary, Board of Supervisors