

MINUTES OF MEETING

Board of Supervisors

Reedy Creek Improvement District

February 8, 2023

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, February 8, 2023, at the Administrative Offices of the District, 1900 Hotel Plaza Boulevard, Lake Buena Vista, Florida.

Those present were President Larry Hames, Max Brito, Jane Adams, and Don Greer, constituting a quorum of the Board of Supervisors. Others in attendance included; John Classe, District Administrator; Tina Graham, District Clerk; and Tracy Borden, Assistant Clerk; Administration; Ron Zupa and Yenni Hernandez, Technology Services; Chris Quinn, Heidi Powell, and Susan Higginbotham, Finance; Chief Richard LePere, Eric Ferrari, Tanya Naylor, Joel Edwards Emergency Services; Ed Milgrim and Ilana Perras, Milgrim Law Group, Jason Middleton, and Eddie Fernandez, Human Resources; Katherine Luetzow and Lee Pulham, Planning & Engineering; Mike Rickabaugh, Building & Safety; Eryka Washington, Communications; Tom, Nedorost, Gretchen Sterner, Renee Raper, Angie Sola, Joyce Bowers, Charlie Reed, and John Raper, Lake Buena Vista Residents; Ronald Conrad, Justin Conley and Brian Liffick, Cherry Bekaert; Bob Hazen, WESH 2 News; Valerie Boey, Fox 35; Skyler Swisher, Orlando Sentinel; Loren Bray, Channel 9 WFTV; Brian Carlson and Nic Querolo, Bloomberg; Richard Bilbao, OBJ; and Aaron Wockenfuss. Those participating via teleconference were: Erin O'Donnell, Communications; Michele Dicus and Kimberley Ferretti, Human Resources; Chris Ferraro and Mark Swanson, RCES; Todd Rimmer, WDI; Craig Sandt, Facilities; Lexy Wollstadt, Finance; and Mike Crikis, Environmental Sciences.

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

SAFETY MINUTE

Mr. Eddie Fernandez presented the safety instructions for the Administration Building. Mr. Fernandez identified the locations of the first aid supplies, AED's, emergency exits as well as the evacuation procedures.

APPROVAL OF MINUTES

Minutes from the January 25, 2023 BOS Meeting were approved and accepted as presented.

The District Clerk recorded proof of publication of the meeting notice.

REPORTS

Mr. Classe announced that on Friday February 10th, at the Holiday Inn, the District has its first Women in STEM breakfast recognizing and celebrating District women in Science, Technology, Engineering and Mathematics. We anticipate over 35 in attendance. Our guest speaker is Kathleen Brooks Loftin the Center Chief Technologist at NASA's John F. Kennedy Space Center and former Chemistry Lab manager at RCID.

PUBLIC HEARING

Item 6A – Chapter 163 Developer's Agreement – Final Reading

President Hames then called a Public Hearing to order at 9:33 a.m. Mr. Classe requested Board approval of a Chapter 163 Developer's Agreement between RCID and **Walt Disney Parks and Resorts U.S., Inc.** consistent with the RCID Comprehensive Plan and Land Development Regulations.

Mr. Classe advised that there has been no changes since the first reading and the Board is being asked to consider a proposed development agreement between the District and Walt Disney Parks and Resorts U.S., Inc. (Disney). This is the second of two public hearings required to approve the development agreement. This meeting was properly noticed.

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. President Hames then closed the Public Hearing at 9:34 a.m. **(EXHIBIT A)**

REGULAR AGENDA

Item 7A – Review of RCID Financial Statements

Ms. Higginbotham requested for the Board to accept FY2022 RCID Financial Statements. A copy of the Financial Statements was provided to the BOS with their packages. Ms. Higginbotham presented slides advising what services the Auditors, Cherry Bekaert, are engaged to perform. Ms. Higginbotham reported that she was pleased with the technical consulting support that Cherry Bekaert is providing to the District. Ms. Higginbotham reported that the District had an increase in total net position of \$44.4 million; a decrease in net long-term debt of \$59.7 million with principal payments of \$53.7 million; an increase in net pension liability of \$38.6 million; a decrease in net OPEB liability of \$18.3 million. Ms. Higginbotham reported on Financial Statement Highlights for FY2022; return to normal operational levels post-pandemic. Changes for

services increased 9.7%; Ad Valorem tax revenues increased 16.2%; utility operations expenses increased 20.8% and Governmental activities expenses increased 6.8%.

Ms. Higginbotham reported on 2023 items, which include GASB 96 Subscription-Based Information Technology Arrangements. She advised that there are changes to the way certain IT arrangements are accounted for in the financial statements and comprehensive review of existing agreements. Ms. Higginbotham asked if there were any questions and there were none.

Ms. Higginbotham introduced Ron Conrad, Brian Liffick and Justin Conley from Cherry Bekaert. Mr. Conrad and his team gave a brief presentation to the Board. The Auditors advised that they have finished their audit and concluded with clean unmodified audit opinions for the District. Mr. Conrad reported that there were no difficulties or disagreements with management; Mr. Conrad thanked management for their support during the audit process as well as the Board. Mr. Conrad asked if there were any questions on his presentation and there were none.

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 7B – License Agreement

Mr. Classe requested for Board approval and District Administrator authorization to sign a License Agreement between the Reedy Creek Improvement District (RCID) and **Walt Disney Parks and Resorts U.S., Inc. (WDPR)** for the continued use by WDPR of the Disney Springs parking garages and pedestrian bridge for security screening. The License Agreement will be in substantially similar form as attached hereto as **EXHIBIT C** with such changes as the District Administrator reasonably approves. Mr. Classe advised in 2020, during the pandemic, the District executed a license agreement with Walt Disney Parks and Resorts, U.S., Inc. to allow for guest screening in the Disney Springs parking garages to promote the safety and welfare of visitors to the Disney Springs area. Over the past year, we have worked with Disney to refine the footprint of the screening operations and the agreement before you replaces the existing license agreement. 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 7C – RCES Labor Service Agreement

Mr. Classe requested for Board approval and District Administrator authorization to sign the Amended and Restated Labor Service Agreement between the Reedy Creek Improvement District (RCID) and **Reedy Creek Energy Services (RCES)**. The agreement is modified to be consistent with RCID's 2032 Comprehensive Plan, to extend the term of the agreement, to update the scope of services, to amend the procedures to calculate RCES' fees, and to address other administrative items. The Amended and Restated Labor Service Agreement will be in substantially similar form as attached hereto as **EXHIBIT D** with such changes as the District Administrator reasonably approves. Mr. Classe advised that there is a labor services agreement between the District and Reedy Creek Energy Services to provide assistance in the operation of the District's utility

systems. The agreement is budgeted and approved annually and there are no changes to the current fee. The proposed amended and restated agreement modifies the existing agreement to:

- Be consistent with the District's 2032 Comprehensive Plan;
- Update and clarify the scope of services;
- Amend the procedures to calculate the fees;
- Extend the term of the agreement; and
- Address other administrative items.

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.

Item 7D – Declaration of Restrictive Covenants

Mr. Classe requested for Board approval and District Administrator authorization to sign a Declaration of Restrictive Covenants by Reedy Creek Improvement District (RCID). The Declaration is associated with the Chapter 163 Developer's Agreement, which provides certainty regarding future development to **Walt Disney Parks and Resorts U.S., Inc. (WDPR)** and is consistent with RCID's 2032 Comprehensive Plan. The Declaration will be in substantially similar form as attached hereto as **EXHIBIT E** with such changes as the District Administrator reasonably approves. Mr. Classe advised that the Declaration is associated with the Chapter 163 Developer's Agreement that the Board just approved and is consistent with the RCID 2032 Comprehensive Plan adopted by the Board in January. The Declaration is consistent with the Board's planning powers:

- to guide and accomplish the coordinated, balanced and harmonious development of the land within the District in accordance with existing and future needs; and
- memorializes that the District Property will be used for valid government purposes to promote the general welfare of the District's inhabitants and property owners; and

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.

Item 7E – License Agreement

Mr. Classe requested for Board approval and District Administrator authorization to sign a License Agreement between the Reedy Creek Improvement District (RCID) and **Walt Disney Parks and Resorts U.S., Inc. (WDPR)** for the continued use by WDPR of certain RCID property for the placement and use of WDPR equipment, which equipment includes, among other items, a compressed air utility system. The License Agreement will be in substantially similar form as attached hereto as **EXHIBIT F** with such changes as the District Administrator reasonably approves. Mr. Classe advised that Disney operates and maintains the equipment and there is no cost to RCID. 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.

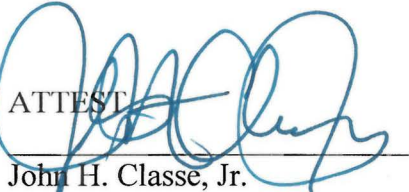
OTHER BUSINESS

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


Mr. Classe advised that today's Final Thought is from John Wooden, Basketball Coach; *"Things turn out best for the people who make the best of the way things turn out."*

There being no further business to come before the Board, the meeting was adjourned at 9:58 a.m.

ATTEST



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



Laurence C. Hames
President, Board of Supervisors