

MINUTES OF MEETING

Board of Supervisors Annual Landowners Meeting

Reedy Creek Improvement District

May 20, 2020

The annual meeting of the owners of land within the Reedy Creek Improvement District (RCID) was called to order at 9:30 a.m. on Wednesday, May 20, 2020 at the Administrative Offices of the District, 1900 Hotel Plaza Boulevard, Lake Buena Vista, Florida, by Chairman Larry Hames.

Landowners present in-person were Larry Hames and Wayne Schoolfield; Mark Kohl, Walt Disney Parks and Resorts U.S., Inc. (WDP&R); Lee Schmutte, Palm Hospitality; and Page Pierce, The Celebration Company, Flamingo Crossings, LLC and Golden Oak Development, LLC, constituting a quorum of the Landowners of the District. Also in attendance were John Classe, District Administrator; Ann Blakeslee, Deputy District Administrator; Wanda Siskron, District Clerk, Administration; Richard LePere, Emergency Services; Chris Quinn, Finance; Ron Zupa and Yenni Hernandez, Technology Services; and Jan Carpenter, Latham, Luna, Eden & Beaudine, LLP. Participating via teleconference were BOS Members Jane Adams, Max Brito and Don Greer. Other participants via teleconference included and Erin O'Donnell, District Administration; Susan Higginbotham and Heidi Powell, Finance; Jason Middleton, Human Resources; Kate Kolbo and Katherine Luetzow, Planning and Engineering; Bruce Jones and Craig Standt, Contract & Construction Management; Jerry Wooldridge, Building and Safety; Mike Crikis and Jeff Holland, Environmental Sciences; John McGowan and Sean Roberts, Legal, WDP&R; Chris Ferraro, Jason Herrick and Mark Swanson, Reedy Creek Energy Services; and Ed Milgrim and Ilana Perras, Milgrim Law Firm.

Chairman Hames called the meeting to order. First order of business was the Pledge of Allegiance.

Mr. John Classe presented the safety instructions for the Administration Building. Mr. Classe identified the locations of the emergency exits and the location of the two AEDs in case of an emergency. Mr. Classe advised that several news sources are reporting a decline in the number of confirmed COVID-19 cases in the U. S. over the last several days. Mr. Classe advised that this is great news and hopefully, a continuing trend as we move forward. Mr. Classe advised that the 2020 hurricane season starts in under two weeks. Colorado State University, a highly recognized hurricane authority in the U.S., is predicting 12 hurricanes (4 of those being major storms; Category 3 or greater) in addition to 16 additional named storms. Mr. Classe advised that most of us should have many of the supplies needed because of the current COVID-19 climate. However, it's important to review your hurricane supply list and purchase supplies now to avoid another possible supply shortage when the first storm is named.

Chairman Hames asked if the meeting was properly noticed. The District Clerk, Wanda Siskron, acknowledged that the meeting was properly noticed. **(Exhibit A)**

Mr. Classe presented the Letter of Certification from Jeff L. Green, P.S.M., setting forth the amount of land owned by each Landowner within the District.

Mr. Classe called the roll of Landowners via a Letter of Certification from Jeff L. Green, P.S.M., setting forth the amount of land owned by each Landowner within the District. **(Exhibit B)**. Based on the verbal roll call, the following Landowners were present in-person, by proxy or via teleconference, representing 23,497.30 of the 24,607.60 acres within the District:

Jane Adams
Max Brito
Donald Greer
Laurence Hames
Wayne Schoolfield
Flamingo Crossings, LLC
Golden Oak Development, LLC
Reedy Creek Improvement District
The Celebration Company
Palm Hospitality
Walt Disney Parks and Resorts U.S., Inc.

Landowner Representatives who were present in-person (in addition to the Board members) were Mr. Mark Kohl, representing Walt Disney Parks and Resorts U.S., Inc. (WDP&R); Mr. Lee Schudde, representing Palm Hospitality; and Mr. Page Pierce, representing Flamingo Crossings, LLC, Golden Oak Development, LLC and The Celebration Company.

The following Landowners were not present and/or not represented by proxy for the verbal roll call:

ARDC-Ocala
FC Hotel A, LLC
FS Orlando II, LLC
FS Orlando Golf, LLC
Florida Department of Transportation
Hess Retail Stores, LLC
JL-FX Hotel Development, LLC
JL-FX Orlando Hotel 4, LLC
Mattamy Orlando LLC
Orange County
Orlando Gateway Group, LLC
Walgreen Co.

Chairman Hames requested nominations for Chairman for the meeting. Mr. Mark Kohl made a motion to nominate Mr. Hames as Chairman for the meeting. Motion was seconded by Mr. Schoolfield. All in favor. Nomination approved. Chairman Hames then requested nominations for Secretary for the meeting. Mr. Lee Schmutde made a motion to nominate Mr. Classe as Secretary. Motion was seconded by Mr. Hames. All in favor. Nomination approved.

Chairman Hames stated the next item of business was ratification by the Landowners of all actions by the Board of Supervisors and Officers of the District since the last meeting in May of 2019. Mr. Kohl, representing WDP&R, moved a motion to ratify all actions of the Board of Supervisors and Officers of the District since the last Landowners' meeting. Mr. Schoolfield seconded the motion and the motion was unanimously approved. **(Exhibit C)**

Chairman Hames then asked Secretary Classe to present the annual reports to the Landowners.

Ms. Kate Kolbo advised Mr. Classe that Ms. Katherine Luetzow would be presenting Planning & Engineering's two reports; the 2019 Annual Report for Reclamation & Water Control, Roadway & Bridge Infrastructure and the 2020 Annual Water Control Inspection Report.

Ms. Luetzow then presented both the 2019 Annual Report for Reclamation & Water Control, Roadway and Bridge Infrastructure and 2020 Annual Water Control Inspection Reports. Ms. Kuetzow advised that these two reports were included in the Landowners material previously provided and that the reports are required by RCID's Charter to be presented to the Landowners for their acceptance. Ms. Luetzow advised that these reports identify scheduling of on-going maintenance and the planning for future expansion. Ms. Kolbo advised that RCID is up to speed on all bridges, with oldest bridges having been replaced. All bridges are in good serviceable condition. Mr. Brito made a motion to accept the 2019 Annual Report for Reclamation & Water Control, Roadway and Bridge Infrastructure and Mr. Schoolfield seconded the motion. This report was accepted on behalf of the Landowners. Mr. Schmutde made a motion to accept the 2020 Water Control Structures Inspection Report as presented. Mr. Greer seconded the motion. This report was accepted on behalf of the Landowners. **(Exhibits D & E)**

President Hames asked Ms. Blakeslee to present the Annual Financial Report on behalf of the District Treasurer. Ms. Blakeslee advised that Mr. Chris Quinn would be presenting the Annual Financial Report. Mr. Quinn presented an overview of Fiscal Year ended September 30, 2019, summarizing the governmental activities and utility operations by major financial statement classification. Mr. Quinn reviewed property taxes and governmental expenses; utility revenues and expenses; capital assets, and outstanding debt, all as of September 2019. Mr. Quinn advised that the District had a positive strong year for both Ad Valorem and Utilities. Mr. Quinn reported that the District's Utility Rating was downgraded by the following rating agencies; Fitch to an A Watch Negative; Standard & Poor's to an A-Watch Negative; and Moody's reaffirmed Ad Valorem Bonds. Mr. Quinn advised that the District has weekly telephone calls with these rating agencies and they are all aware of the Utility Rates Public Hearing being held on Friday, May 22nd. These downgrades are related to the decrease in revenues from Utilities due to 50% less consumer usage of the majority of the District's Landowners due to COVID-19.

Mr. Quinn advised that all financial compliance and disclosure requirements have been met. Mr. Quinn advised that for FY2020, RCID's ad valorem millage rate is 12.2908 and the utility debt service coverage is 1.35.

Mr. Quinn went on to report that some of the effects of COVID-19 on operations and current and future budgets include; deferring capital projects that are not critical (no bond funded projects have been deferred); an internal freeze on hiring and overtime; and no non-essential travel. Mr. Quinn advised that the utility bond issuance scheduled for 2020 will be postponed. Mr. Schmutte made a motion to accept the Annual Financial Report as presented. Mr. Schoolfield seconded the motion and report was accepted as presented.

Chairman Hames requested the report on operations and accomplishments during the preceding year.

Mr. Classe advised that the department managers from the Reedy Creek Fire Department and Technology Services will give their reports on operations and accomplishments for the District during the preceding year. **(Exhibit F)**

Chief LePere reported that the 911 Communications Center completed the 911 System transition to VoIP, Go-Live, which is a major upgrade and now includes text-to-911 ready and radio system upgrade from 7.14 to 7.17. Chief LePere advised that over 12,000 combined hours of Skyliner (Gondola) training were completed. Chief LePere advised that this is the most comprehensive and largest training endeavor in Reedy Creek history. This training includes department-wide Tower truck, Barge and MEC operations. These methods of training include rescues from the Gondolas if they are stuck over water or special rescues between France and the International Gateway where rope-down rescues are required and those are very technical. Chief LePere advised that the Fire Department has fully-complied with State Compliance requirements. Chief LePere advised that collaboration with Training, Risk/Safety Management and Operations has resulted in an immediate decrease of driver or apparatus-related incidents. Chief LePere advised that his key leadership personnel also participated in a Traffic Incident Management course. Chief LePere advised that his department continues to participate in ongoing live fire, facility and Special Ops training. Chief LePere advised that his department's new hire process has been revised and completed, with HR collaboration, and that their promotional process has been completed.

Chief LePere advised that the fire department participated in a community outreach program by sponsoring Canine Hero Night and Mental Wellness Initiative. Chief LePere advised that this program included canines from Disney Security, Orange County Sheriff's Office, State Fire Marshal's office and "Molly the Fire Dog", all trained as comfort dogs, arson or training dogs. Chief LePere advised that this event was attended by District personnel, along with Lake Buena Vista and Bay Lake residents. Chief LePere advised that his team participates in a wellness and physical fitness program on Wellness Wednesdays. Chief LePere also advised that there is a fully-trained peer support team ensuring mental well-being for the Fire Department's workforce. Chief LePere advised that this team is led by Rick Spence, who recently retired as Asst. Chief-RCFD, and who is now the Chaplain for the Fire Department. This program is also for anyone who needs assistance.

Ms. Yenni Hernandez advised that she would give insight into services provided to our internal customers which in turn provide services to the Landowners as well as a high level overview of 2019 accomplishments. Ms. Hernandez advised on the growth of end-user devices; e.g., phones/badges/printers from when the department was established in 1996 to date. Ms. Hernandez advised that the PMO was established as part of Technology Services Department in 2016 and has completed and closed 74 projects since. She touched on milestone projects such as 911 Upgrade; Environmental Sciences Data Warehouse implementation and new Mosquito Application; HR's new tool; Cornerstone, adding the first module-Performance Management; as well as ongoing upgrades. Ms. Hernandez reported on upgrading and maintaining the digital environment by giving customers a product that they feel comfortable using; keeping in mind disaster recovery and our ability to recover; always looking at security; and continuous education of our customers on product usability. Ms. Hernandez introduced several examples of new technology; eliminating paper by scanning documents, of which 536 boxes were scanned and 1.2 million images have been produced to-date; collaboration tools which enhance our ability to work from anywhere; optimize output environment; output multi functions (had over 100 devices at beginning of project and now down to 38 devices while providing enhanced functionality and features based on customers' feedback). Ms. Hernandez then reviewed what is next for the future; always looking at proactively enhancing the customers' experience; revamping CMS (Contract Management System) to include digital signature; upgrading server infrastructure to enhance our security and disaster recovery capabilities; refresh network infrastructure; Cornerstone modules (compensation/ recruiting & onboarding/ training & development/succession planning); and LIMS (Lab Information Management System) Replacement.

Chairman Hames advised that the next item on the agenda is for Ratification of Actions by the BOS and Officers of the District. Mr. Mark Kohl, WDP&R, made a motion to ratify these actions and Mr. Page Pierce, Flamingo Crossings, LLC, Golden Oak, LLC and The Celebration Company seconded the motion. The motion was unanimously approved.

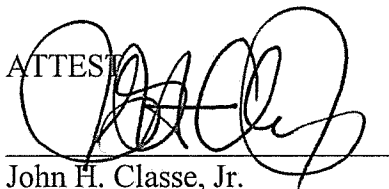
Chairman Hames and the Board members thanked everyone for their reports.

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



Laurence C. Hames
Chairman, Board of Supervisors

ATTEST



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