

MINUTES OF MEETING

Board of Supervisors

Reedy Creek Improvement District

September 12, 2018

5:16 p.m.

A special meeting of the Board of Supervisors of the Reedy Creek Improvement District (RCID) was called to order by President Greer at 5:16 p.m. at 1900 Hotel Plaza Boulevard, Lake Buena Vista, Florida.

Those present were Donald Greer, Jane Adams, Max Brito and Laurence Hames, constituting a quorum of the Board of Supervisors. Others in attendance included; John Classe, District Administrator; Wanda Siskron, District Clerk, and Erin O'Donnell, Administration; Bruce Jones and Eddie Fernandez, Contract & Risk Management; Susan Higginbotham and Heidi Powell, Finance; Ron Zupa, Technology Services; Jerry Wooldridge, Building & Safety; Kate Kolbo, Planning & Engineering; Chief Richard LePere, RCFD; Chris Ferraro and Mark Swanson, Reedy Creek Energy Services (RCES); and John McGowan, WDP&R-Legal.

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

The District Clerk recorded proof of publication of the meeting notice. **(EXHIBIT C)**

SAFETY MINUTE

Mr. Eddie Fernandez presented a simple and effective safety presentation; if there is an emergency, get out quickly through the emergency exits located in the rear and front of the building or just follow the Fire Chief, who is in the audience today.

PUBLIC HEARING

President Greer then called a Public Hearing to order at 5:18 p.m. for the review and approval of the tentative millage rate and tentative budget for the Reedy Creek Improvement District (RCID) for Fiscal Year 2019. Ms. Higginbotham advised that there have been no changes since the August 22nd Budget Workshop. Ms. Higginbotham advised that FY2019 Assessed Values are \$11.8 Billion, up 9.8%. Ms. Higginbotham reported that the General Operating millage rate will decrease from 6.963 mills to 6.919 mills and that Debt Service millage will increase from 5.067 mills to 5.4806 mills. For Expenditures, Ms. Higginbotham advised that Labor includes seven additional positions with \$1.5M in labor being attributable to annual wage increases for both contractual employees and non-contractual employees. Other Expenses include Roadway Maintenance which includes pavement restoration; one bridge replacement; roadway street light

replacement by replacing lights with LED lights and Outside Services; Lemon Garage anticipated to open in January 2019, an additional \$2M. Ms. Higginbotham advised that Capital Outlay is down \$1M and includes one Bronto for FY2018, and one for FY 2019; and Debt Service shows a net increase of \$5.6M. Ms. Higginbotham advised that we are asking the BOS to approve a tentative millage rate and tentative budget and the final approval will take place at the September 26th Public Hearing. President Greer asked if there were any public comments on the request for approval of the tentative millage rate and there were none. Upon motion by Mr. Brito and duly seconded, the Board unanimously approved this request. President Greer asked if there were any public comments on the request for approval of the tentative budget for RCID for FY2019 and there were none. Upon motion by Mr. Hames and duly seconded, the Board approved this request. President Greer then closed the Public Hearing at 5:22 p.m.

Mr. Mark Swanson addressed the Utility budget for 2019. Mr. Swanson advised that there were some changes to the tentative budget from the information provided at the August 22nd Budget Workshop. Mr. Swanson advised that there was an increase of \$3M in the budget due to unplanned repairs to Hollywood Studios' chiller plant and Co-Gen rehab effort. Mr. Swanson advised that the funding source is from surplus funds collected in prior years and that there will be no increase in rate or costs to taxpayers. Mr. Swanson advised that the Utility budget will be \$1M or .5% greater than 2018. Mr. Swanson advised that Revenues will increase by \$1.1M, or .6% and there will be no rate change. Mr. Swanson advised that electric, natural gas and water rates are still comparable and favorable and rates will remain unchanged. Mr. Hames asked about the amount of money that is kept in reserves for emergencies or rehab costs. Mr. Swanson advised that build-up for rehab to Co-Gen is \$4.7M. Mr. Swanson advised that there is \$7M in surplus above cash flow. Some of those funds will be used. If emergency funds are not used, they will be put back into net surplus. Ms. Ferraro advised that the turbine has been down for maintenance since November 2016, but anticipates a return to service in 2019. Mr. Swanson advised that no action is required by the BOS for the Utility Budget item today, but that action will be taken at the September 26th meeting.

REGULAR AGENDA

Item 5A. Resolution No. 602 – VEBA Trust Agreement

Mr. John McGowan requested BOS approval for the BOS to adopt **RCID Resolution 602**, a Resolution of the Reedy Creek Improvement District authorizing the retention of US Bank as trustee of a trust established for funding other post-employment benefits, to be overseen by the Reedy Creek Improvement District Other Post-Employment Benefits Voluntary Employee Benefit Association; providing for the severability of the parts hereof; and providing for an effective date. Mr. McGowan advised that this request is related to BOS approval of VEBA Trust in March of this year. The purpose of this Trust is to set aside funds for post-employment benefits. This request is to approve a Trustee to manage the funds within the Trust. US Bank has been selected as the Trustee after careful review of several other financial entities. RCID has the ability to change the Trustee in the future, if necessary. The Trust Agreement has to be executed by RCID with \$11M

to be deposited before October 1st. Ms. Higginbotham advised that \$1M is in the new budget and will continue to go into the Plan to build-up the Trust Fund. President Greer asked if there were any public comments on this request and there were none. Upon motion by Mr. Hames and duly seconded, the Board unanimously approved this request. **(EXHIBIT B)**

RESOLUTION NO. 602

A RESOLUTION OF THE REEDY CREEK IMPROVEMENT DISTRICT AUTHORIZING THE RETENTION OF US BANK AS TRUSTEE OF A TRUST ESTABLISHED FOR FUNDING OTHER POST-EMPLOYMENT BENEFITS, TO BE OVERSEEN BY THE REEDY CREEK IMPROVEMENT DISTRICT OTHER POST-EMPLOYMENT BENEFITS VOLUNTARY EMPLOYEE BENEFIT ASSOCIATION; PROVIDING FOR THE SEVERABILITY OF THE PARTS HEREOF; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Reedy Creek Improvement District (District) is a special district created by Chapter 67-764, Laws of Florida; and

WHEREAS, Chapter 112.0801, Florida Statutes, requires the District to offer its retirees and their eligible dependents continued participation in life, health, accident, hospitalization, or annuity insurance, or any combination of such insurance, that the District provides to its active employees; and

WHEREAS, the Reedy Creek Improvement District Voluntary Employee Benefit Association ("RCID VEBA") was previously-established to oversee a trust fund to hold and accumulate assets and to disburse payments for these retiree benefits to certain retired employees of the District who otherwise meet the eligibility requirements for such payments, commonly referred to as "other post-employment benefits" or "OPEB;" and

WHEREAS, the retention of a professional trustee over these funds is desired.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE REEDY CREEK IMPROVEMENT DISTRICT THAT:

Section 1. Incorporation. All findings and statements in the foregoing preamble, including the definition of all terms therein, are hereby incorporated herein by reference, as if fully repeated herein.

Section 2. Authority. This Resolution is adopted pursuant to Chapter 67-764, Laws of Florida, Special Acts of 1967; and other applicable provisions of law (collectively, the "Law").

Section 3. Adoption. The attached Trust Agreement (Exhibit A) with US Bank National Association is hereby approved for adoption.

Section 4. Authorizations. The District Administrator or Deputy District Administrator are hereby authorized and directed to sign the Exhibits to this Resolution.

Section 5. Severability of Provisions. If any word, phrase, clause, subsection or section of this resolution is for any reason held unconstitutional or invalid, the invalidity thereof shall not affect the validity of any remaining portions of this resolution.

Section 6. Repeal of Inconsistent Resolutions. All resolutions or portions thereof previously adopted by the Board which are inconsistent with the provisions of this resolution are hereby repealed to the extent of such inconsistency.

Section 7. Effective Date. This Resolution shall become effective September 12, 2018.

This Resolution is hereby approved and adopted by the Board of Supervisors of the Reedy Creek Improvement District, this 12th day of September, 2018.

REEDY CREEK IMPROVEMENT DISTRICT

(SEAL)

President, Board of Supervisors

ATTEST:

Secretary, Board of Supervisor


OTHER BUSINESS

President Greer asked if there was any further business to discuss.

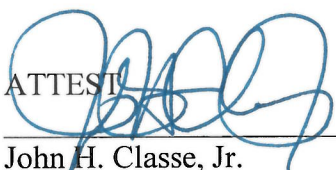
Mr. Classe advised that the next BOS meeting will take place on September 26th at 4:30 p.m.

Mr. Classe did not have a Final Thought for this BOS meeting.

There being no further business to come before the Board, the meeting was adjourned.



Donald R. Greer
President, Board of Supervisors

ATTEST


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