

## MINUTES OF MEETING

Board of Supervisors

Reedy Creek Improvement District

*September 14, 2022*

5:05 p.m.

President Hames called the regular meeting of the Reedy Creek Improvement District Board of Supervisors to order at 5:06 p.m. on Wednesday, September 14, 2022 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, Leila Jammal and Don Greer constituting a quorum of the Board of Supervisors. Others in attendance included; John Classe, District Administrator; Tina Graham, District Clerk; Tracy Borden, Assistant Clerk, and Ryan Conrad, Administration; Chris Quinn, Heidi Powell, and Susan Higginbotham, Finance; Ron Zupa, Technology Services; Kerry Satterwhite, Facilities; Katherine Luetzow, Planning & Engineering; Ed Milgrim and Ilana Perras, Milgrim Law Group; Mark Swanson, RCES Finance; and Richard Bilbao, Orlando Business Journal. Participating via teleconference was Wendy Duncan, Environmental Sciences.

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

### **SAFETY MINUTE**

Mr. Classe went over the emergency exits and the AED location. He asked everyone to be safe on their drive home due to the inclement weather.

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

### **PUBLIC HEARING**

President Hames then called a Public Hearing to order at 5:07 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 2023. Ms. Higginbotham advised that FY2023 assessed values are \$13.4B, an increase of 8%. Ms. Higginbotham advised that overall millage rate increased to 13.9000 from 13.5741 mills. Ms. Higginbotham reported that revenues total \$183M. Ms. Higginbotham advised that annual Labor expense is increasing in FY23 by \$2.8M for a total of \$56.3M. Included in this increase is Merit and Contractual increases, additional headcount of 14 employees as the workload is returning to pre covid levels, and an anticipated increase from Cigna our health insurance provider. Ms. Higginbotham advised that FY23 Roadway Planned Work total budget is \$16M,

Drainage planned work is \$1.9M and Building planned work is \$2.1M. Capital Outlay budget is \$7.9M, which includes Fire Department equipment and updates at the Environmental Sciences Department. Ms. Higginbotham stated that the budget for debt service is \$58M and the total expenditures is budgeted to be \$188.3M. Ms. Higginbotham advised that savings in FY22 gives us a beginning balance of \$30.5M budgeted for a use of fund balance of \$5.3, with ending fund balance of \$25.1M. Ms. Higginbotham requested the Board to approve a \$1M addition to the Committed to property appraiser settlements balance. Ms. Higginbotham advised that we are asking the BOS to approve a tentative millage rate of 13.9000 and a tentative Operating Budget for FY23 and the final approval will take place at the September 28th Public Hearing. President Hames asked if there were any public comments on the request for approval of the tentative millage rate and there were none. Upon motion by Ms. Adams and duly seconded, the Board unanimously approved this request. President Hames asked if there were any public comments on the request for approval of the tentative budget for RCID for FY2023 and there were none. Upon motion by Mr. Brito and duly seconded, the Board approved this request. **(EXHIBIT A)**

Mr. Mark Swanson addressed the Utility budget for FY2023. Mr. Swanson advised that there has not been any changes since the August presentation. Mr. Swanson reported that Labor Support has increased now that employment positions that were previously on a hiring freeze due to Covid are being filled. Mr. Swanson advised that there has been an increase in utility rates mostly due to the rise of natural gas prices. Mr. Swanson advised that FY23 utility budget costs are increasing by \$29.3M or 17.7% to the FY22 budget costs. Also, combined revenue and interest are increasing by \$29.3M or 17.6% from the FY22 plan, which is matching the operating expense increase. The increase is the result of a 13% combined average rate increase and a 4% greater consumption volume across all utilities. Mr. Swanson advised that FY23 proposed electric rates are 18.4% higher than the current rates; FY23 proposed natural gas rates are 12.5% higher than the current rate and continue to be lower than other local utility gas providers; FY23 proposed water and sewer combined rates are slightly lower than the current rate and continue to be lower than other local water and sewer utility providers.; and FY23 proposed solid waste rates are 8.2% higher than the current rate and continue to be lower than other local solid waste utility providers. Mr. Swanson advised that our primary customers are aware and expecting the increases. President Hames asked if there were any public comments on the request for approval of the tentative budget for RCID Utilities for FY2023 and there were none. Upon motion by Ms. Jammal and duly seconded, the Board approved this request. **(EXHIBIT B)**

Mr. Swanson announced to the BOS that they have a copy of the advertisement for the proposed utility rates. Mr. Swanson requested consideration of request for Board consideration and adoption of proposed rates for electric for customers served by the Reedy Creek Improvement District effective for the first meter reading after September 20, 2022. 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.

President Hames then closed the public hearing for the Reedy Creek Improvement District tentative budget/millage and for the Reedy Creek Improvement District Utility rates and budget for FY 2023 at 5:24 p.m.

**OTHER BUSINESS**

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

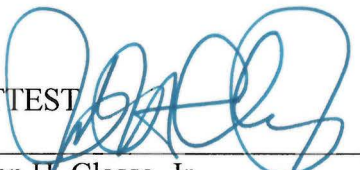
Mr. Classe announced that each BOS member has a copy of a tentative Public Meeting Rules of Procedure and Instructions that the District is working on. He requested for the BOS to review and reply with any comments or changes they may have. The final document will be presented at the next BOS meeting for approval. Mr. Classe advised that the District is already following most of the procedures and has added some additions.


Mr. Classe advised that the next BOS meeting will take place on September 28<sup>th</sup> at 4:30 p.m. and asked that all BOS members be present in-person.

Mr. Classe then gave his Final Thought from George Bernard Shaw, Irish playwright, critic, political activist, 1856-1950, ***“People who say it cannot be done should not interrupt those who are doing it.”***

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

ATTEST

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

  
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Laurence C. Hames  
President, Board of Supervisors