

## MINUTES OF MEETING

Board of Supervisors

Reedy Creek Improvement District

*September 26, 2018*

4:30 p.m.

President Greer called the regular meeting of the Reedy Creek Improvement District Board of Supervisors to order at 4:30 p.m. on Wednesday, September 26, 2018 at the Administrative Offices of the District, 1900 Hotel Plaza Boulevard, Lake Buena Vista, Florida.

Those present were Donald Greer, Jane Adams, Max Brito, Larry Hames and Wayne Schoolfield, constituting a quorum of the Board of Supervisors. Others in attendance included; John Classe, District Administrator; Ann Blakeslee, Deputy District Administrator; Wanda Siskron, District Clerk; and Erin O'Donnell, Administration; Craig Sandt, Dana Keller, and Eddie Fernandez, Contract & Risk Management; Susan Higginbotham, Lexy Wollstadt, and Heidi Powell, Finance; Ron Zupa and Yenni Hernandez, Technology Services; Mike Crikis, Environmental Sciences; Jerry Wooldridge, Building and Safety; Kate Kolbo, Planning & Engineering; Chief Richard LePere, Tim Stromsnes, Ryan O'Reilly and Sean Pierce, RCFD; John Giddens, Jason Herrick and Mark Swanson, RCES; John McGowan, WDP&R; Layla Krens, HDR; and Timothy Beuth, visitor/observer.

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

### **SAFETY MINUTE**

Mr. Eddie Fernandez identified the location of the emergency exits and the location of the AEDs in case of an emergency. Mr. Fernandez advised that a first-aid kit is located at the Security Guard's desk right outside the Boardroom. Mr. Fernandez advised that in the event of a fire, there are two exits on the first floor and emergency personnel wearing safety vests will escort everyone to the nearest exit. Mr. Fernandez advised that the safety topic of the month is "Don't Be Insane, Protect Your Brain." Mr. Fernandez then presented a demonstration with an RCID safety helmet. Mr. Fernandez showed that a 5 pound weight had been dropped onto the helmet several times from a distance of 8 feet above the helmet and only a small dent was made in the helmet. So, the helmets are doing what they are supposed to do. Mr. Fernandez advised everyone to please be safe.

### **APPROVAL OF MINUTES**

Minutes of the August 22<sup>nd</sup> and September 12<sup>th</sup> BOS Meetings were approved as presented.

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

## **REPORTS**

A departmental report was presented by the District Administrator. **(EXHIBIT K)**

Mr. Classe advised that our long-time Chaplain, Dr. Ragan Vandegriff, III, has recently retired. Chaplain Vandegriff served several other agencies in the Central Florida area for over 40 years. When Chaplain Vandegriff came to the First Baptist Church of Orlando years ago as a minister, one of his requests was that he would be able to serve the community via several emergency services departments throughout the Central Florida area. Chaplain Vandegriff has moved to Georgia to be closer to his children and grandchildren. We are sorry to see Chaplain Vandegriff go, but wish him well.

Mr. Classe presented a slide with a photo of the last precast element being set for the Disney Springs A.3 Parking Garage which is a key milestone. Mr. Classe advised that work is moving a lot faster than the two previous garages due to using the precast elements and that completion is scheduled in early 2019.

Mr. Classe advised the BOS that there is a nice book at each of their places related to the Buena Vista Drive Corridor. Mr. Classe advised that this book has been prepared by the team for their reading enjoyment.

Mr. Classe advised that there was a slight revision to the Consent Agenda from the one that was sent with the BOS packages. Mr. Classe advised that Mr. Tom Farmer's re-appointment to the Board of Appeals for a three-year term has been added to be considered for approval at today's meeting.

## **CONSENT AGENDA**

President Greer 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 could be pulled from the Consent Agenda for further discussion, if requested. Consent Agenda items are shown below:

### **Item 6A – World Drive North Phase II Cost Estimating Services – Amendment of Professional Services Agreement**

CONSIDERATION of Request for Board approval to amend the Agreement between RCID and **Jordan Brothers Construction, LLC**, for additional estimating services for the line and grade plans in connection with the World Drive North Phase II Project, and to add the amount of **\$9,781.17**. The total amount includes **\$9,315.40** in fees and **\$465.77** of reimbursables.

Funding for this request is included in the approved project budget and is derived from the RCID 2016-2020 Transportation Projects Ad Valorem Bonds.

**Item 6B – Floridian Place Extension Project – Smart City Facilities Relocation RCID**

CONSIDERATION of Request for Board approval to enter into an agreement with **Smart City Telecom** in the amount of **\$19,072.42**, which constitutes the cost of providing location services and realignment of its underground facilities in support of the Floridian Place Extension Project. Staff also requests Board authorization for the District Administrator or Deputy District Administrator to execute change orders up to an aggregate amount of **10%** of the contract amount.

Funding for this request is included in the approved project budget and is derived from the RCID 2016-2020 Transportation Projects Ad Valorem Bonds.

**Item 6C – A.3 Parking Garage Project Area Development – Amendment of Professional Services Agreement**

CONSIDERATION of Request for Board approval to amend an Agreement for Professional Services between RCID and **Canin Associates, Inc.**, and add to the fee the amount of **\$16,303.00** for additional Area Development design services in support of the A.3 Parking Garage Project.

Funding for this request is included in the approved project budget and is derived from the RCID 2016-2020 Transportation Projects Ad Valorem Bonds.

**Item 6D – ISDA Master Agreement**

CONSIDERATION of Request for Board approval of ISDA Master Agreement, Schedule to the 1992 ISDA Master Agreement and Credit Support Annex to the Schedule dated as of September 26, 2018 between **Citibank, N.A.** and RCID. **(EXHIBIT A)**

**Item 6E – Project Black Lake Electric Service – Professional Design Services**

CONSIDERATION of Request for Board approval to execute a Work Authorization under Master Services Agreement #M000063 to **Fred Wilson & Associates, Inc.**, in the total amount of **\$27,257.00**, comprised of **\$26,042.00** in professional design fees and **\$1,215.00** in reimbursable expenses for design, bidding and construction phase services associated with Project Black Lake. **(EXHIBIT B)**

Funding for this request is subject to reimbursement from the RCID Series 2015-1 Utility Revenue Bonds and RCID Series 2018-1 Utility Revenue Bonds (Non-Taxable). In addition, this project will receive customer Cost-in-Aid-of Construction (CIAC) funds.

**Item 6F** – CONSIDERATION of Appointment of Ms. Jacquelyn (Jacki) Hale to the RCID Board of Appeals effective today, but with three-year term to expire June 2021.

**Item 6G** – CONSIDERATION of Re-Appointment of Mr. Thomas (Tom) Farmer to the RCID Board of Appeals for a three-year term to expire August 2021.

President Greer asked if anyone had a 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 Mr. Schoolfield and duly seconded, the Board unanimously approved the Consent Agenda.

## **REGULAR AGENDA**

### **Item 7A – Western Way Roadway Extension and Floridian Place Extension Construction Management and CEI Services – Amendment of Professional Services Agreement**

Mr. Craig Sandt requested Board approval to amend the Agreement for Professional Services between RCID and **Target Engineering Group, Inc.**, and add to the Not-To-Exceed fee in the total amount of **\$727,751.98**, for additional Construction Management and Engineering Inspection services supporting the Western Way Extension and Floridian Place Extension Projects. Of the total amount, **\$212,586.03** of fee and **\$25,200.00** of reimbursable expenses are allocable to the Western Way Extension project and **\$428,765.95** of fee and **\$61,200.00** of reimbursable expenses are allocable to the Floridian Place Extension project. Funding for this request is included in the approved project budget and is derived from the RCID 2016-2020 Transportation Projects Ad Valorem Bonds. Mr. Sandt advised that this request is for adding an additional five months to this contract due to contractor's slow start near wetland area which presented a lot of soil issues as well as additional testing methods being required. This area near Magic Kingdom has a lot of muck soil issues and there was a need to drive pilings deeper than originally anticipated. Mr. Sandt advised that this project is still under budget. Mr. Hames asked what happens to remaining funds if project comes in under budget. Mr. Sandt advised that in that case, the funds are allocated to another Capital project. 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 the request. **(EXHIBIT C)**

### **Item 7B – Osceola Parkway and Victory Way Interchange Project – Amendment of Construction Services Agreement**

Mr. Sandt requested Board approval to increase the previous Board-authorized change order allowance pursuant to RCID's contract with **Southland Construction, Inc.**, by an additional amount of **\$400,000.00** to compensate the Contractor for the construction of additional friction course asphalt from World Drive North to the current project limits along Osceola Parkway. This scope of work was moved from the World Drive Interchange contract to the Victory Way Interchange contract. Funding for this request is included in the approved project budget and is derived from the RCID 2016-2020 Transportation Projects Ad Valorem Bonds. Mr. Sandt advised that this request is for work to be done by same contractor and same sub-contractor previously approved for Osceola Drive Project and monies are in the Construction budget. President Greer 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 7C – Live Front to Dead Front Switch Change-Out – Preliminary Budget**

Mr. Jason Herrick requested Board approval to establish a preliminary budget of **\$750,000.00** for the Live Front to Dead Front Switch Change-Out project. Funding for this request is derived from

the RCID Series 2015-1 Utility Revenue Bonds and the RCID Series 2018-1 Utility Revenue Bonds (Non-Taxable). Mr. Herrick advised that this request is one that has not previously been before the BOS. Mr. Herrick advised that a total of 9 live front switches will be eliminated and replaced with 7 dead front switches. Mr. Herrick advised that right now, these switches are 12kv lines with exposed lines and hot equipment. Mr. Herrick advised that dead front switches are all insulated and grounded and are not susceptible to damages from outside critters that could shut down switches if they get to the equipment. Mr. Herrick advised that the existing switches are old technology and this upgrade will make this equipment a lot safer. Mr. Herrick advised that project-wide, there are a total of 80 switches left that are live front and 20 will be replaced at the Wastewater Treatment Plant and 14 at Ft. Wilderness. Mr. Herrick advised that the remainder are scattered all over property. 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 the request.

**Item 7D – Live Front to Dead Front Switch Change-Out – Owner-Furnished Materials (OFM)**

Mr. Herrick requested Board approval of Owner-Furnished Materials (OFM) in the amount of **\$458,400.00** for the Live Front to Dead Front Switch Change-Out project. Funding for this request is derived from the RCID Series 2015-1 Utility Revenue Bonds and the RCID Series 2018-1 Utility Revenue Bonds (Non-Taxable). Mr. Herrick advised that this request is for owner-furnished materials related to the above-mentioned project. 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 the request.

**Item 7E – Live Front to Dead Front Switch Change-Out – Professional Design Services**

Mr. Herrick requested Board approval to execute a Work Authorization under Master Services Agreement #M000098 to **Leidos Engineering LLC** in the total amount of **\$48,907.00**, comprised of **\$48,524.00** in professional design fees and **\$383.00** in reimbursable expenses for design, bidding and construction phase services associated with the Live Front to Dead Front Switch Change-Out project. Funding for this request is derived from the RCID Series 2015-1 Utility Revenue Bonds and the RCID Series 2018-1 Utility Revenue Bonds (Non-Taxable). Mr. Herrick advised that this request is for design services from Leidos Engineering LLC which is one of our newest engineering consultants. 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 the request.

**Item 7F – Live Front to Dead Front Switch Change-Out – RCES Soft Costs**

Mr. Herrick requested Board approval of an amount Not-To-Exceed **\$37,000.00** for RCES engineering and construction support, including survey, submittal review and project inspection costs for the Live Front to Dead Front Switch Change-Over project. Funding for this request is derived from the RCID Series 2015-1 Utility Revenue Bonds and the RCID Series 2018-1 Utility Revenue Bonds (Non-Taxable). Mr. Herrick advised that this request is for Soft Costs related to the above-mentioned project. President Greer 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 D)**

**Item 7G – Disney’s Hollywood Studios Expansion New Electric Service – Preliminary Budget**

Mr. Herrick requested Board approval to revise the preliminary budget for Disney’s Hollywood Studios Expansion New Electric Service project from **\$6,470,000.00** to **\$6,600,000.00**. Funding for this request is derived from the RCID Series 2015-1 Utility Revenue Bonds and the RCID Series 2018-1 Utility Revenue Bonds (Non-Taxable). In addition, this project will receive customer Cost-in-Aid-of Construction (CIAC) funds. Mr. Herrick advised that this project has been before the BOS on several occasions. Mr. Herrick also advised that all monies related to this project will be reimbursed via customer Cost-in-Aid-of Construction. Mr. Herrick advised that this project is taking significantly longer due to changing of design plans several times in the middle of the project. This project is to de-energize manholes as work cannot be performed in energized manholes. Therefore, there has to be coordination with Disney on outages and there is only a 3-4 hour window every night in which to perform this work. Mr. Herrick advised that this work is due to a change in policy related to safety enhancements. President Greer 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 7H – Disney’s Hollywood Studios Expansion New Electric Service – RCES Soft Costs**

Mr. Herrick requested Board approval to increase the RCES soft costs in the amount of **\$130,000.00** for RCES engineering and construction support including survey, submittal review and project inspection costs for Disney’s Hollywood Studios Expansion New Electric Service project. Funding for this request is derived from the RCID Series 2015-1 Utility Revenue Bonds and the RCID Series 2018-1 Utility Revenue Bonds (Non-Taxable). In addition, this project will receive CIAC funds. Mr. Herrick advised that this request is to cover soft costs related to the above-mentioned project. President Greer 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 E)**

**8. PUBLIC HEARINGS**

President Greer called the Public Hearing to order at 5:05 p.m. to consider Board approval of proposed millage and proposed budget rate for the Reedy Creek Improvement District for Fiscal Year 2019.

Ms. Susan Higginbotham advised that there have been a few minor changes to the budget since the Budget Workshop previously held on September 12<sup>th</sup>. Ms. Higginbotham reported that FY2019 Assessed Values are at \$11.8 Billion, up 9.83% from prior year. Ms. Higginbotham reported that the proposed millage rate of 12.3996 consists of 6.919 in General Operating and 5.4806 Debt Service, representing a 3.07% increase. Total Revenues for the General and Debt Service Funds are projected to be \$151 Million and Expenditures \$160 million. Ms. Higginbotham

advised that Labor includes eight additional positions; contractual and non-contractual wage increases; and Capital includes a second Bronto.

Ms. Higginbotham advised that we are asking the BOS to approve adoption of a millage levy for FY2019 of 12.3996. (Operating 6.919, Debt Service 5.4806 dollars per one thousand dollars of assessed valuation and adoption of **RCID Resolution No. 603**. President Greer asked if there were any public comments on this request and there were none. Upon motion made by Mr. Hames and duly seconded, the Board approved this request. **(EXHIBIT F)**

**RESOLUTION NO. 603**

WHEREAS, the Reedy Creek Improvement District intends to levy the FY2019 millage rate of 12.3996 dollars per one-thousand dollars of assessed valuation; and

WHEREAS, Section 200.065, Florida Statutes requires that a resolution levying a millage rate be approved by the taxing authority; and

WHEREAS, the gross taxable value for operating purposes not exempt from taxation has been certified by the County Property Appraisers to Reedy Creek Improvement District as \$11,803,845,770; and

WHEREAS, the Reedy Creek Improvement District has, in accordance with Section 200.065) Florida Statutes,

1. Held a public hearing on September 12, 2018 for the purpose of adopting a tentative millage rate and budget; and
2. Advertised its intent to finally adopt a millage rate and budget; and
3. Held a public hearing on September 26, 2018 for the purpose of receiving comments regarding the final millage rate.

NOW, THEREFORE BE IT RESOLVED, that the Reedy Creek Improvement District, through its Board of Supervisors, hereby levies an operating millage rate of 6.9190 dollars per one thousand dollars of assessed value for FY 2019, which is 6.27% more than the rolled-back rate of 6.5109 computed pursuant to Florida Statutes 200.065; and

BE IT FURTHER RESOLVED, that the Reedy Creek Improvement District, through its Board of Supervisors, hereby levies a debt service millage rate of 5.4806 dollars per one thousand dollars of assessed value for FY 2019 thereby levying a total millage rate of 12.3996 dollars per one-thousand dollars of assessed value for the FY 2019.

BE IT FURTHER RESOLVED by the Board of Supervisors of the Reedy Creek Improvement District assembled in regular session this 26th day of September 2018 that this Resolution be spread in full upon the minutes of this meeting.

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President, Board of Supervisors

ATTEST:

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Secretary, Board of Supervisors

Ms. Higginbotham requested Board consideration and adoption of the proposed FY2019 budget for the District and adoption of **RCID Resolution No. 604**. President Greer asked if there were

any public comments on this request and there were none. Upon motion made by Mr. Hames and duly seconded, the Board approved this request. **(EXHIBIT G)**

**RESOLUTION NO. 604**

WHEREAS, the Reedy Creek Improvement District intends to adopt the FY2019 budget; and

WHEREAS, Section 200.065, Florida Statutes requires that a resolution adopting a budget be approved by the taxing authority; and

WHEREAS, the Reedy Creek Improvement District set forth the appropriations and revenue estimate for the Budget for Fiscal Year 2019 in the amount of \$185,162,607; and

WHEREAS, the Reedy Creek Improvement District has, in accordance with Section 200.065) Florida Statutes,

1. Held a public hearing on September 12, 2018 for the purpose of adopting a tentative millage rate and budget; and
2. Advertised its intent to finally adopt a millage rate and budget; and
3. Held a public hearing on September 26, 2018 for the purpose of receiving comments regarding the proposed millage rate and budget.

NOW, THEREFORE BE IT RESOLVED, that the Reedy Creek Improvement District, through its Board of Supervisors, hereby adopts the budget for the FY 2019.

BE IT FURTHER RESOLVED by the Board of Supervisors of the Reedy Creek Improvement District assembled in regular session this 26th day of September 2018 that this Resolution be spread in full upon the minutes of this meeting.

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President, Board of Supervisors

ATTEST:

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Secretary, Board of Supervisors

Ms. Higginbotham requested direction by the Board for the Comptroller to collect taxes for FY2019. President Greer asked if there were any public comments on this request and there were none. Upon motion made by Ms. Adams and duly seconded, the Board approved this request. President Greer then closed the Public Hearing at 5:10 p.m.

President Greer then called a Public Hearing to order at 5:10 p.m. for the Board to consider adoption of proposed utility rates for the Reedy Creek Improvement District Utilities Division.



Mr. Mark Swanson requested Board authorization to adopt proposed rates for chilled water, natural gas, and electric, for customers served by the Reedy Creek Improvement District effective for the first meter reading on or after September 23, 2018.

Mr. Swanson advised that there have been no changes to the proposed rates since the September 12<sup>th</sup> BOS meeting. Mr. Swanson advised that RCID's FY2019 utility costs are (\$1.0M) or 0.5% greater than the FY18 plan costs; revenue and interest and operating expenses are increasing by \$1.1M or 0.6%, resulting in no rate changes for rate payers; rate comparison more favorable compared to other utilities; natural gas significantly favorable by returning to FY18 budgeted rates; water and sewer rates unchanged; and solid waste rates are sustaining current rates. President Greer asked if there were any public comments on this request and there were none. Upon motion by Mr. Brito and duly seconded, the Board approved this request. President Greer then closed the Public Hearing at 5:16 p.m. **(EXHIBIT H)**

## **9. OTHER BUSINESS**

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

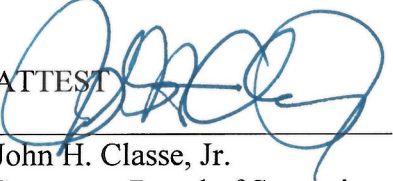
Mr. Swanson requested that the Board authorize the District Administrator to execute on behalf of the District a proposed Labor Service Agreement with RCES for FY2019 in the amount of **\$32,462,000.00**. Mr. Swanson reported that the Budget includes the funds to cover this Agreement to operate the Utilities Division. Upon motion by Mr. Hames and duly seconded, the Board unanimously approved the request. President Greer asked if there were any public comments and there being none, motion carried. **(EXHIBIT I)**

Mr. Classe advised that there was one more request under Other Business. Mr. Classe advised that at the June 27<sup>th</sup> BOS meeting, the BOS approved funding in the amount of **\$412,000.00** for IT services and equipment for the A.3 Parking Garage. Mr. Classe advised that the description for this item should have been worded that these monies were to be used for the Pedestrian Bridge and the A.3 Parking Garage. Upon motion by Mr. Hames and duly seconded, the Board unanimously approved the request. President Greer asked if there were any public comments and there being none, motion carried.

Mr. Classe advised that the next BOS Meeting will take place on October 24<sup>th</sup> at 9:30 a.m.

Mr. Classe then presented the Final Thought from Napoleon Hill, American Author, "Think and Grow Rich", "The No. 1 reason people fail in life is because they listen to their friends, family and neighbors."

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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Donald R. Greer  
President, Board of Supervisors