MINUTES OF MEETING

Board of Supervisors

Reedy Creek Improvement District

August 26, 2020

9:32 a.m.

Vice-President Greer called the regular meeting of the Reedy Creek Improvement District Board of Supervisors to order at 9:32 a.m. on Wednesday, August 26, 2020, at the Administrative Offices of the District, 1900 Hotel Plaza Boulevard, Lake Buena Vista, Florida.

Those present via teleconference were Max Brito, Jane Adams, and Larry Hames. Vice-President Don Greer and Wayne Schoolfield attended in-person, constituting a quorum of the Board of Supervisors. Others in attendance included; John Classe, District Administrator; Ann Blakeslee, Deputy District Administrator; and Wanda Siskron, District Clerk, Administration; Craig Sandt, Contract and Construction Management; Eddie Fernandez, Finance; Ron Zupa and Yenni Hernandez, Technology Services; Chris Quinn and Susan Higginbotham, Finance; Kerry Satterwhite, Property Management; and Mark Swanson, RCES. Those participating via teleconference were: Bruce Jones, Contract and Construction Management; Chief Richard LePere; Deputy Chief Tanya Naylor; and Deputy Chief Eric Ferrari, RCFD; Eryka Washington and Erin O’Donnell, Administration; Lexy Wollstadt and Heidi Powell, Finance; Chris Ferraro and Jason Herrick, RCES; Kate Kolbo, Planning & Engineering; Jerry Woolridge, Building & Safety; Jason Middleton, HR; Mike Critiks, Environmental Sciences; Sean Roberts, WDP&R-Legal; and Ed Milgrim and Illana Perras, Milgrim Law Group.

Vice-President Greer 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 emergency exits and the location of the two AEDs in case of an emergency. 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 a first-aid kit is located at the Security Guard’s desk right outside the Boardroom. Mr. Fernandez advised that the COVID-19 virus has affected different elements; e.g., life plan, finance, career, education, retirement and travel. But, we have forgotten one important element and that is personal safety. Mr. Fernandez advised that this includes where we go, where we drive, and how we protect ourselves and others. For peace of mind, we need to focus on clarity and how to overcome challenges and take true ownership of our lives and those around us.
APPROVAL OF MINUTES

Minutes from the July 22, 2020 BOS Meeting were approved and accepted as presented.

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

REPORTS

A departmental report was presented by the District Administrator and the Deputy District Administrator. (EXHIBIT G)

Mr. Classe advised that he was glad to have Mr. Hames on the phone call today after his back surgery three weeks ago. Mr. Hames advised that he recently had a lumbar/vertebrae fusion and will be at home recuperating for several weeks. Mr. Classe wished Mr. Hames well and a speedy recovery. Mr. Hames thanked everyone for their kind words.

Mr. Classe advised that the District continues to practice safety protocols related to COVID-19. Mr. Classe advised that the District has been fortunate in that we have only had a couple of employees affected seriously by this virus and they have been doing better over the past week. Mr. Classe advised that with the schools back in session and the fear of a spike in Central Florida, effective today, we are once again implementing a modified work-from-home plan for the next 30 days to provide the opportunity to keep our staff safe. This plan will be monitored on a month-to-month basis.

Ms. Blakeslee advised that the FY21 budget will be discussed in a Budget Workshop later on in today’s meeting.

CONSENT AGENDA

Vice-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 – Live Front to Dead Front Switch Change-Out – Initial Project Budget Revision
CONSIDERATION of Request for Board approval to revise the initial project budget for the Live Front to Dead Front Switch Change-Out project from $1,104,600.00 to $1,154,600.00. Funding for this request will be derived from the RCID Series 2015-1 Utility Revenue Bonds (Non-Taxable).

Item 6B – Live Front to Dead Front Switch Change-Out – RCES Soft Costs
CONSIDERATION of Request for Board approval of an amount Not-To-Exceed $50,000.00 for RCES engineering and construction support, including survey, submittal review and project
inspection costs for the Live Front to Dead Front Switch Change-Out project. This request includes Board authorization for RCID’s and/or RCES’s direct purchase of miscellaneous goods and ancillary professional services as necessary for the project. Funding for this request will be derived from the RCID Series 2015-1 Utility Revenue Bonds (Non-Taxable). (EXHIBIT A)

**Item 6C – Project C2 Electric Service – Preliminary Budget Revision**
CONSIDERATION of Request for Board approval to revise the preliminary budget for the Project C2 Electric Service project by reducing approved funding in the construction line item and increasing funding in the Owner-Furnished Material line item. The total preliminary budget amount will remain unchanged. Funding for this request will be derived from the RCID Series 2018-1 Utility Revenue Bonds (Non-Taxable).

**Item 6D – Project C2 Electric Service – Owner Furnished Material (OFM)**
CONSIDERATION of Request for Board approval of Owner-Furnished Material (OFM) in the amount of $40,000.00 for the Project C2 Electric Service project. Funding for this request will be derived from the RCID Series 2018-1 Utility Revenue Bonds (Non-Taxable). (EXHIBIT B)

Vice-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 – WWTP Influent Channel Rehabilitation – Initial Project Budget Revision**
Mr. Herrick requested Board authorization to revise the initial project budget for the WWTP Influent Channel Rehabilitation project from $2,562,500.00 to $2,612,500.00. Funding for this request will be derived from the RCID Series 2018-1 Utility Revenue Bonds (Non-Taxable). This request is related to suspension of work by the contractor due to COVID-19. Mr. Herrick advised that in Garney’s contract for this project, there is a clause that anytime work is stopped, by the Owner, for over 31 days, the contractor can request additional costs and fees associated with the work stoppage. In addition to demobilizing from the construction site, there was some additional work to remove shoring and clean up the site. Therefore, the project budget needs to be increased to cover this cost. Vice-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 7B – WWTP Influent Channel Rehabilitation – Change Order**
Mr. Herrick requested Board approval to execute a Change Order with Garney Companies, Inc., in the amount of $65,642.00 for the WWTP Influent Channel Rehabilitation project. Funding for this request will be derived from the RCID Series 2018-1 Utility Revenue Bonds (Non-Taxable). Mr. Herrick advised that this request is the amount of the cost of the changes needed due to work stoppage. Vice-President Greer asked if there were any public comments on this request and there were none. Upon motion by Mr. Schoolfield and duly seconded, the Board unanimously approved the request. (EXHIBIT C)
Item 7C – Osceola Parkway Corridor Construction Projects – Change Order Allowance Reallocation

Mr. Jones requested Board approval to reallocate a portion of the change order allowance previously approved for the Osceola Parkway and Victory Way Interchange Project to the World Drive Interchange NE Quadrant Project. Both construction contracts are with Southland Construction, Inc., and the amount to be reallocated is $250,000.00. The reallocation is associated with asphalt paving that was removed from the Osceola Parkway and Victory Way Interchange project and added to the World Drive Interchange NE Quadrant Project. The overall budget for the 2016-2024 District-Wide Transportation Projects remains unchanged. Mr. Jones advised that this request is due to 1600 tons of asphalt needing to be moved from Osceola Parkway and Victory Way to the World Drive Interchange NE Quadrant project. This move will create a better work product. There is no change in the pricing nor the overall project budget. Vice-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.

8. BUDGET WORKSHOP

Ms. Susan Higginbotham gave an update on the proposed operating budget and millage for FY2021. Ms. Higginbotham reported that FY2020 actual revenues are projected to show a decrease over the FY20 budgeted revenues including a decrease of $4.3M attributable to permits and fees (work construction stoppage related to COVID-19) and Osceola Parkway funds due to the buy-out by Osceola County in January of 2020. FY 2020 assessed values are at $13.8B, up 9.9%; FY2021 budgeted revenues will decrease by 6.7M for a total of $152.9M. Ms. Higginbotham reported that there will be a total millage rate decrease to 11.1429 mills. Ms. Higginbotham reported that the General Operating millage rate will decrease from 7.3231 mills to 6.8467 mills and that Debt Service millage will decrease from 4.9677 mills to 4.2962 mills. The Operating millage rate of 6.8467 is the calculated roll back rate which means no tax increase. Ms. Higginbotham advised that FY2021 budgeted revenues will decrease by $6.7M to $152.9M, due primarily to the decrease in expected revenues from building permit fees and the termination of the Osceola Parkway agreement. For Expenditures, Ms. Higginbotham advised that Labor includes a net decrease of 24 positions which were budgeted unfilled positions in FY2020. Annual merit and contractual increases of 4% to 4.7% are included. Other Expenses in FY21 include Roadway planned work with total budget of $9.4M; Drainage planned work with budget of $1M; and Bldg. planned work program with budget of $1.5M. Debt Service has a Decrease in FY20 and FY21 due to 2013A and 2013B bond refinancing.

There are still pending lawsuits against Orange County’s Tax Assessor due to assessed valuations. WDP&R is paying 100% of their taxes due to RCID. We will continue to keep track of exposure and look at reserves in fund balance. Ms. Higginbotham advised that we have added $1M to the reserve fund, but if this money is not spent, it will go back into available Operating funds upon the Board’s approval. The Board congratulated Mr. Classe for a good job in balancing out everything during this trying time. Mr. Classe advised that it has been a team effort and that the District has been very fortunate in not reducing any headcount and rolling-over projects until next year. Mr.
Classe advised that Ms. Kolbo has identified the worst roadway repair projects that can be handled during this slow time in traffic volume. Ms. Higginbotham advised that the tentative budget hearing is September 9th, 5:05 p.m., to set tentative millage rate and budget and final budget hearing is September 23rd, after 5:05 p.m., to set final millage rate and budget. There is no action needed by the BOS at today’s meeting.

Mr. Mark Swanson addressed the Utility budget for FY21. Mr. Swanson advised that these last few months have been challenging times, but we are continuing to monitor consumptions as parks start to open back up. Mr. Swanson advised that FY21’s utility costs are $5.2M or -3% lower than the FY20 plan costs. Mr. Swanson advised that RCID’s combined revenue and interest are reducing by ($5.2M) or -3% which is offsetting the operating expense by the same amount; FY21 electric rates are unchanged to the current rates; natural gas rates are unchanged to the current rates; water and sewer combined rates are unchanged to the current rates; and, solid waste rates are unchanged to the current rates.

Mr. Swanson advised that back in June of this year, the BOS approved a 10% rate increase. Mr. Swanson advised that FY21 will continue with the same rate. Mr. Swanson advised that RCID will continue to monitor rates and determine if any adjustments are needed after 1st Quarter or mid-year FY21. Mr. Swanson advised that if consumption is higher, there could be a reduction, but if consumption is lower, then there could be a potential increase in rates. Mr. Swanson advised that our rates are still comparable with OUC/Duke Energy/TECO. Mr. Swarson advised that natural gas rates are considerably lower than other companies; and water and solid waste are both favorable. Mr. Swanson advised that after the 10% increase was approved in June, these rates have now been offset by a 30-50% reduction in consumption.

Mr. Swanson advised that at next month’s September 9th BOS Meeting, there will be a work session related to costs and budget. Mr. Swanson advised that at the September 23rd BOS meeting, a presentation will be submitted with no anticipated rate increases. Mr. Swanson advised that no Board action is required at today’s meeting.

8. OTHER BUSINESS

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

Mr. Classe advised that he did have one item for consideration of approval. Mr. Classe advised that earlier this year, Orange County changed the name of Flamingo Crossings Blvd. back to Hartzog Road. Mr. Classe advised that this change requires the Board’s approval for renaming the portion of this roadway within the boundaries of the District. Mr. Classe advised that the District will notify all of those affected by the new name change. Vice-President Greer asked if there were any public comments on this request and there were none. Upon motion by Mr. Schoolfield and duly seconded, the Board unanimously approved the request.

Mr. Classe advised that the next BOS meeting will take place on September 9th at 5:05 p.m. and it will be a virtual meeting.
Mr. Classe advised that today’s Final Thought is from Albert Schweitzer, theologian, organist, writer, humanitarian, philosopher, physician. “Success is not the key to happiness. Happiness is the key to success.”

There being no further business to come before the Board, the meeting was adjourned at 10:20 a.m.

Laurence C. Hames
President, Board of Supervisors

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