

**MINUTES OF MEETING  
XENTURY CITY  
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Xentury City Community Development District was held on Wednesday, August 29, 2012, at 11:00 A.M. at the Gaylord Palms Resort & Convention Center, Sales Boardroom, 6000 West Osceola Parkway, Kissimmee, Florida.

Present and constituting a quorum were:

Steven R. Ivins	Chairman
Owen M. Beitsch, Ph.D.	Vice Chairman
Todd Persons	Assistant Secretary
Timothy R. Baker	Assistant Secretary (by phone)

Also present were:

Gary L. Moyer	District Manager
Scott Clark	District Attorney
John Florio	Engineer (by phone)

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Moyer called the meeting to order and called the roll.

**SECOND ORDER OF BUSINESS**

**Organizational Matters – Appointment of Supervisor**

Mr. Moyer stated we carry over this item at every meeting due to a vacancy on the Board. This seat will be available at the upcoming landowners meeting. If we do not have anyone to appoint at the landowners meeting, we will discuss this matter at the organizational meeting, soon after the landowners meeting on November 7, 2012.

**THIRD ORDER OF BUSINESS**

**Approval of the Minutes of the June 18, 2012 Meeting**

Mr. Moyer stated each Board member received a copy of the minutes of the June 18, 2012 meeting and requested any additions, corrections or deletions.

There not being any,

On MOTION by Mr. Persons seconded by Mr. Ivins with all in favor, the minutes of the June 18, 2012 meeting were approved.
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**FOURTH ORDER OF BUSINESS****Public Hearing for the Adoption of the  
Fiscal Year 2013 Budget****A. Fiscal Year 2013 Budget**

Mr. Moyer stated the primary purpose of our meeting today is to hold the public hearing for the adoption of the fiscal year 2013 budget. This is one of the few mandatory things we have to do as a Community Development District, pursuant to the provisions of Chapter 190 of the Florida Statutes. You may recall at our June 18 meeting, we provided a proposed budget, which we reviewed and the Board adopted through a Resolution approving the budget and setting a public hearing for today. As we discussed at the June meeting, this budget is similar to the one we have been operating under for several years. There are no major changes, other than a minor difference in the insurance premium, which we will not know until we receive the quote. As you can see, in this fiscal year we only paid \$3,784 for our liability insurance. In all likelihood, the \$3,750 is overstated or at least we hope this is the case. Since this meeting was noticed as a public hearing, we will open the meeting at this time to take any comments on the proposed budget.

Mr. Toumazos stated I do not have any comments.

Mr. Moyer stated since there are no comments, I would ask for a motion closing the public hearing.

On MOTION by Dr. Beitsch seconded by Mr. Ivins with all in favor the public hearing for the adoption of the Fiscal Year 2013 budget was closed.

**B. Consideration of Resolution 2012-2 Adopting the Budget**

Mr. Moyer stated Resolution 2012-2 was provided to the Board, which evidences approval of the budget. This resolution by heading is:

*“A RESOLUTION OF THE XENTURY CITY COMMUNITY DEVELOPMENT DISTRICT RELATING TO THE ANNUAL APPROPRIATIONS OF THE DISTRICT AND ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2012; AND ENDING SEPTEMBER 30, 2013, AND REFERENCING THE MAINTENANCE AND BENEFIT SPECIAL ASSESSMENTS TO BE LEVIED BY THE DISTRICT FOR SAID FISCAL YEAR”*

Mr. Moyer stated the blanks in this budget will be filled in with the amounts shown in the budget, which is \$24,772.

On MOTION by Mr. Ivins seconded by Mr. Persons with all in favor Resolution 2012-2 as stated above was adopted.

**C. Approval of Developer Funding Agreement**

Mr. Moyer stated the final item for the Board's approval is the Developer Funding Agreement for fiscal year 2013. This is a short and to the point agreement, which this District should be commended for having. It provides for a method of having the Developer fund the operating costs of the District rather than going through the process of putting these costs on the real estate tax bill for Osceola County and collecting it through the Tax Collector. This is something we have been using for a period of years and has always worked well. We never had any problem and the staff recommendation is for the Board to approve this Developer Funding Agreement.

On MOTION by Dr. Beitsch seconded by Mr. Ivins with all in favor the Developer Funding Agreement for fiscal year 2013 was approved.

**FIFTH ORDER OF BUSINESS**

**Manager's Report**

**A. Financial Statements & Funding Requests**

**B. Check Register**

Mr. Moyer stated the financial statements, check register and funding requests through July 31, 2012 were included in your agenda package. There is nothing significant to highlight. The pro-rated budget through July 31, 2012 is \$20,462. We spent \$15,009, so therefore we are \$5,453 under budget.

On MOTION by Dr. Beitsch seconded by Mr. Ivins with all in favor the financials for July 31, 2012, Funding Request No. 69 in the amount of \$917.12, Funding Request No. 70 in the amount of \$2,303.15 and Funding Request No. 71 in the amount of \$1,139.70 and the check register for the period May 1, 2012 through July 31, 2012 in the amount of \$4,166.07 were approved.

**C. Consideration of FY 2012 Meeting Schedule and Designation of November 2012 Landowners Meeting Date**

Mr. Moyer stated there is another Florida Statute, Chapter 189, which requires Special Districts in the State to publish a meeting schedule once a year. The notice we will advertise states the Board meets on an as needed basis and we consider those meetings to be special

meetings. As such, we will publish them separately seven days prior to the meeting. This is provided for in Chapter 189. At this time, I request the Board enter a motion approving the placement of such a notice in accordance with the provisions of Chapter 189.

On MOTION by Mr. Persons seconded by Mr. Ivins with all in favor the meeting schedule for fiscal year 2013 was approved.

Mr. Moyer stated I provided materials related to our landowners meeting, which we propose for November 7, 2012 at 9:00 A.M. at this location. This is not a Board meeting, this is a meeting of landowners, which when assembled, will elect three Supervisors. Dr. Beitsch, Mr. Ivins and a vacant seat are up for election. At this meeting, we will determine the number of votes represented by land ownership on an acreage basis. Those landowners would cast their ballots based on the Supervisors placed into nomination at that meeting. The material provided to the Board is what you need to become familiar with.

Mr. Persons stated I think we agreed to meet in your office.

Mr. Clark stated the Board actually agreed to meet at the Celebration Community Center, which is located at 851 Celebration Avenue, Room 105.

Mr. Toumazos stated this would not be a meeting for those who are not landowners.

Mr. Moyer stated there would not be a necessity for the rest of the Supervisors to attend. It will just be Mr. Ivins and me. The meeting will be very short.

#### **SIXTH ORDER OF BUSINESS**

#### **Attorney's Report**

There not being any, the next item followed.

#### **SEVENTH ORDER OF BUSINESS**

#### **Engineer's Report**

There not being any, the next item followed.

#### **EIGHTH ORDER OF BUSINESS**

#### **Supervisor Requests**

Dr. Beitsch stated on the November General Election ballot, there are nine constitutional amendments. Three or four probably affect this industry. They certainly affect property owners. This is just a reminder so you are aware of them and perhaps reflect on the implications. Amendment 2 is an additional homestead exemption for disabled military veterans. I do not know what it does to existing legislation, but it would certainly entitle those who return from military service with a disability to have a reduced property tax bill on parcels they own. The

reason why I am mentioning this is because all of these amendments have some impact on local government revenues by varying degrees. I think the connection is in terms of reduced property tax revenues. They indirectly affect the responsibilities of CDD's relying on government services regardless of what they are chartered to do. Amendment 2 probably has minimal impact. The major one is Amendment 4, which is a cap on increases in assessments for all types of properties. Currently, we can go up to 10% on non-homestead properties. This amendment would cap annual increases at 5%. In Volusia County, the historic rates of increases in some cases has been as high as 11% or 12%. I have no idea what Gaylord has been in the past. This is a significant limitation on local governments according to Florida Tax Watch. Osceola County in particular would likely be affected because its rates are fairly low because of the focus on hospitality and tourism type property. It also provides some limitations on homesteaded properties, which I do not think are very important.

Mr. Toumazos asked does this apply only to the tax itself and not any add-ons for bonding or CRA fees?

Dr. Beitsch responded it is focused on the assessed value of the properties, not the mileage. It certainly does not have anything to do with special assessments. There may be some subsequent actions or constitutional strategies, which cap collections in total. There is also an amendment with a Colorado type limit at the State level, which would place a ceiling on revenues the State itself can collect. I believe it focuses on revenues, not expenditures, interestingly enough. The formula is tied to population and income growth. For example, within a certain percentage, no monies should be distributed back to local governments. I think it is reasonable to believe it would not be a long time until the cap on State revenues would affect what intergovernmental revenues are to be shared with Osceola or any other County. As far as what it may mean for the question you are raising, it would not be unreasonable to believe at some point in the future, the notion of what the maximum mileage individual counties and cities can levy and/or in conjunction with other forms of assessments. Many of my clients are doing fire assessments in order to circumvent the other parts of the local agency. Those local governments feel they need to go to other services. It just stands to reason at some point, someone is going to figure out there are many ways to circumvent the system. Even if they change, there probably will still be other ways. Those are the main amendments. There is one additional amendment, but it does not have nearly the sweeping affect the others do. Just to

make it clear, these are simply ideological statements. I am neither speaking to the pros or cons of these amendments. I am just sharing this information with you in the context of the role our CDD assessments plays. I personally believe CDD's are going to become a lot more important going forward. I will be making a presentation to the Florida APA on alternative vehicles for local governments. One point I will be making is CDD's should be considered more and more attractive to local governments as a way of making sure their service levels are met through someone else's ownership and provision of services.

Mr. Toumazos asked do you have a recommendation on a website regarding these amendments?

Dr. Beitsch responded one of the more informative ones is the Volusia Council of Governments. I am not sure who funds this group, but they provide good summaries of each amendment with a simple explanation on what they may mean financially. It is unbiased and does not seem to be wildly tilted in one way or another. I am not sending you to some group speaking my opinion. When I was researching this subject, I was surprised to find most of the material out there is a series of what I think is misleading summaries and newspaper accounts. It is not necessarily biased. It may be, but I am not sure they understand what the amendment actually says. This homestead cap is confusing.

Mr. Clark stated and well intended to be.

Dr. Beitsch stated Legislators do a good job. This is the one website where I found the most information. By the way, I think there are about 15 constitutional measures. I do not recall an election in many years with this much on the ballot. In the Tuesday edition of The Orlando Sentinel, there were three full pages of the complete measures. I am trying to figure out how to move from three full newspaper size sheets to a ballot.

Mr. Clark stated they leave a couple of things off of the ballot.

Dr. Beitsch stated this only confuses the issue more.

Mr. Toumazos stated I am sure the air waves are going to be filled with some advertisements. This is always the case. It just seems to change the mood of the voter because at times when the mood is angry, most of the amendments get vetoed by the voters. Unless they are worded in such a way they are giving homestead exemption advantages to people who fought in the wars.

Dr. Beitsch stated this amendment seems the morally correct thing to do. However, seeing all of the estimates about what it means in terms of dollars, which local governments will not get, is insignificant. I am not sure how this works its way up to the State. I do not know much about personal property taxes on items valued between \$25,000 and \$50,000. This may be the limit, but it will focus exclusively on this range. Local governments collect ad-valorem revenue on personal property. I do not know how this affects any of us, but those rates will be affected based on the total assessments at the State level. All of the Counties comprise just a few million dollars. However, collectively all of these are a hold back to local revenues. There are many other vehicles left out there.

Mr. Ivins stated I looked at the bank reconciliation and saw a Supervisor payment to Dr. Beitsch, but not to the other Supervisors.

Dr. Beitsch stated apparently I was mailed a check at some point in the past, which did not reach me because of my address not being properly recorded. I do not know what happened to the outstanding check or the fact one had ever been issued. This check is a result of one I did not receive. Presumably, there should be an offset in the bookkeeping. I was going to ask Mr. Moyer if he had my actual address. At the last meeting, I requested the minutes be sent to the Board more quickly and I did receive them. However, I did not receive an agenda package. I would like to receive one.

**NINTH ORDER OF BUSINESS****Audience Comments**

There not being any, the next item followed.

**TENTH ORDER OF BUSINESS****Adjournment**

There being no further business,

On MOTION by Mr. Persons seconded by Mr. Ivins with all in favor, the meeting was adjourned.

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Gary L. Moyer  
Secretary

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Steven R. Ivins  
Chairman