

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

A special meeting of the Board of Supervisors of the Xentury City Community Development District was held Tuesday, September 25, 2017 at 11:00 a.m. in the St. George Room 102 of the Gaylord Palms Resort & Convention Center, located at 6000 West Osceola Parkway, Kissimmee, Florida 34746.

Present and constituting a quorum were:

Owen Beitsch
Todd Persons

Vice Chairman
Assistant Secretary

Also present were:

Gary Moyer
Scott Clark
Nick Pope
Dimitri Toumazos
John Florio

District Manager
District Counsel
Xentury City Development Company (via telephone)
Xentury City Development Company
District Engineer (via telephone)

FIRST ORDER OF BUSINESS

Roll Call

Mr. Moyer called the meeting to order. The record will reflect Supervisors Beitsch and Persons are present, and a quorum of the Board was established.

SECOND ORDER OF BUSINESS

Public Comment

Hearing no comments from the public, the next order of business followed.

THIRD ORDER OF BUSINESS

Organizational Matters

A. Appointment of Supervisors to Fill the Unexpired Terms of Office Seat 1 (11/2018) and Seat 5 (11/2020)

Mr. Moyer stated one of the items we talked about at the last meeting dealt with adding people to the Board. As I mentioned, we currently have three Supervisors, and we are entitled to have five. I think Mr. Toumazos and Mr. Pope were going to discuss this.

Mr. Toumazos stated yes. Mr. Pope, do you want to make a proposal?

Mr. Pope responded your friend, who is in our building, makes sense if he is willing to serve.

Mr. Toumazos stated I will check with him. Mr. Tom Tuckdarian, at one point in time over the last year, has expressed an interest. Mr. Pope there were three, are you focused on one? What do you think?

Mr. Pope responded I think, if he would be willing to do it, Mr. Chris Liew would be an interesting addition because he has a CDD of his own and he would be familiar. He is the adjacent property owner. He would be a good choice. My second choice, if he would be willing to do it, is Mr. Ken Smith and finally, Mr. Bill Beckett.

Mr. Toumazos asked do you feel there would be a conflict of interest with Mr. Chris Liew? That was my initial reaction.

Mr. Pope responded I do not know that anything the CDD does is actually in conflict with anything Mr. Liew is doing, or wants to do. Is Mr. Florio there?

Mr. Florio responded yes.

Mr. Pope asked Mr. Florio, do you still work for Mr. Liew?

Mr. Florio responded yes, we do all of Mr. Liew's surveying.

Mr. Pope asked what is your thought on that?

Mr. Florio responded first of all, I do not believe Mr. Liew has a CDD on their property. At least, if they do, I am not aware of it. They just went through a fairly elaborate plan to plat all of their remaining property. I was under the impression it was to get it ready to sell. The only thing I would bring up is if you are competing for users, he would be aware of people talking to you, but he would probably be aware anyway because everybody shops.

Mr. Pope stated that does not come up at the CDD Meetings.

Mr. Florio stated the perspective is different between a bulk sale and a lease. I think he would be a great addition, frankly. He keeps up on what is going on. He also has an interesting relationship with Orange County. As you know, we own property which is bifurcated by the property line, although we are not in the District.

Mr. Pope stated this is affectionately known by developers as the *Two-County Property*.

Mr. Florio stated I have heard about that by quite a few people. I think as long as Mr. Liew is around and engaged, it is a good idea.

Mr. Beitsch stated I have a reason why it may not be a good idea. It is ultimately up to Mr. Toumazos and Mr. Pope. It appears one of our powers does involve the potential decision to perform off-site improvements, and it would seem to me that sometimes the nature of these off-

site improvements are beneficial to other properties, not just ourselves. However, they are defined ultimately; and it does seem to a degree we should be thinking about these off-site improvements, or think of someone else to determine whether a vote from a competing landowner necessarily benefits or potentially impacts negatively the plans which are appropriate for you and your strategic thinking. I certainly think Mr. Liew would be a knowledgeable addition, but I do think you have this other item to consider.

Mr. Pope stated on a theoretical level, that is a valid observation. I have known Mr. Liew for 30 years, and I do not think he would do less than the honorable thing in each case. I suppose there is a chance we could put him in a conflicting circumstance, but I doubt that. I am not certain what off-site improvements you have in mind.

Mr. Beitsch stated absolutely not. I am just stating the obvious.

Mr. Pope stated there actually is something I wanted to discuss later on in the meeting. I do not think it would be one that would affect Mr. Liew in any way.

Mr. Moyer stated there are obviously rules in place for voting conflict, and ways to deal with it if it happens.

Mr. Toumazos stated the only thing I could think of for off-site is developing something on Parcel A-2.

Mr. Pope stated I do not know why Mr. Liew would be opposed to anything we might do.

Mr. Toumazos stated I agree. It is outside our CDD.

Mr. Pope stated Mr. Toumazos, you and I will discuss this after the meeting and we will approach Mr. Liew. There may be a simple answer, which he is not interested, or does not think he should. The other person is Mr. Ken Smith. Mr. Smith is also an honorable person. Everyone there knows who he is. He is a former County Commissioner and served for 12 or 16 years. He is well thought of in Osceola County. He is retired now and I am not certain if he would be willing to do it, but he would be a good addition. Finally, Mr. Bill Beckett would be my third choice because he is somewhat in the same circumstance as Mr. Florio. He does legal work for us and it may be a problematic circumstance.

Mr. Florio stated he also represents Mr. Liew.

Mr. Beitsch stated obviously it is now up to the other Supervisors to make the decision, but I think Mr. Ken Smith sounds like a good fit for a lot of different reasons.

Mr. Persons asked what is Mr. Liew's last name? I do not know anything about him.

Mr. Pope responded it is spelled L-I-E-W.

Mr. Toumazos stated he operates the property World Gateway immediately north of us. We have worked with him and known him, as Mr. Pope said, for many years. We worked with him on developing International Drive and the road system early on. He was an integral part of that.

Mr. Persons asked what is his profession?

Mr. Toumazos responded he oversees and manages the 600 acre property north of us.

Mr. Pope stated he is bright, and a nice man, and so is Mr. Smith. We have two openings. We should do each of them. We have to ask them, then we will know what our options are.

Mr. Toumazos stated that is a possibility. Mr. Pope, we will take your suggestion, talk off line and go from there.

Mr. Moyer stated we will table all the items under organizational matters until our next meeting, then we will put it back on the agenda for further discussion.

B. Oath of Office for Newly Elected Supervisors

This item was tabled to the next meeting.

C. Designation of Officers – Resolution 2017-03

This item was tabled to the next meeting, at which time a new Resolution number for Fiscal Year 2018 will be assigned.

FOURTH ORDER OF BUSINESS

**Approval of the Minutes of the
July 25, 2017 Meeting**

Mr. Moyer stated each Board member received a copy of the minutes of the July 25, 2017 Meeting, and requested any additions, corrections or deletions.

Mr. Beitsch stated I have a correction on Page 9 of the minutes. I am quoting you, Mr. Pope.

Mr. Pope stated I think there is a typo.

Mr. Beitsch stated on line four, it should not say *the math I did*, but *the map I did*.

Mr. Florio stated the only comment I have is that I would at least be shown in attendance.

There being no further additions, corrections or deletions,

On MOTION by Mr. Beitsch seconded by Mr. Persons with all in favor, the Minutes of the July 25, 2017 Meeting were approved as amended.
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FIFTH ORDER OF BUSINESS

**Public Hearing for Adoption of the Fiscal
Year 2018 Budget**

A. Fiscal Year 2018 Budget

Mr. Moyer stated the primary purpose of this meeting is to consider the adoption of the budget we discussed back in July. Basically, it is the same budget we have been operating under for a number of years. We made an adjustment for our websites. As you gentlemen are aware, it seems like every year, the legislature adds items that we need to put on our website to ensure there is full transparency on what the District is doing. In doing that, what started out to be a \$13 expense probably will be more which is the hosting fee. With that brief discussion, are there any other comments?

Mr. Pope responded I am not certain whether it is pertinent to the Budget itself. Somewhere in here, it refers to the revenues the District is to receive, and I did not see Revenue Request 136. Perhaps I missed it.

Mr. Beitsch asked where are you?

Mr. Pope Responded I am not sure it is actually in the part we are looking at now, but it pertained to the revenues of the District and it refers to Revenue Request 136. I saw 133, 134 and 135, but I did not see 136.

Mr. Clark stated I believe that is the one we were discussing earlier, that just came out about a week ago. That would have been for September.

Mr. Pope stated it is probably not much different than the other three. I just did not see it.

Mr. Clark stated dollars and cents wise, I think we had a legal fee attached to that one. It was closer to \$2,000 this time. Other than that, everything is constant.

Mr. Moyer stated I will take a look at that and if there is anything I need to circle back on, we will do that.

Mr. Pope asked Mr. Moyer and Mr. Clark, I am looking at Resolution 2017-05 relating to the Budget. On Page 3, Paragraph 4, it describes the process for being able to move funds around within the Budget, the authority of the Manager and the Treasurer if they do not exceed certain amounts. Out of curiosity, what happens if they do exceed certain amounts? Would we need to have a special meeting to authorize it?

Mr. Moyer responded yes sir, that is exactly right. If it is outside of those parameters, we would have to bring it back to the Board.

Mr. Beitsch asked are you suggesting the language ought to be more explicit, or even identify a procedure that is otherwise understood?

Mr. Pope responded I think it would not hurt to add a sentence which states to the extent something exceeds these parameters, it is brought back to the Board for approval, but I do not think we have to do that. As I read it, the question in my mind is what happens? I assumed that was the case but I wanted to confirm it. I think it is fine.

Mr. Beitsch asked for legal counsel, can we amend the Resolution and not delay it?

Mr. Clark responded absolutely. If the Board wants to add that language, it may be done. That is the default condition. The Board has to approve this language. Frankly, it is more relevant in Districts with larger budgets. It gives some leeway at the end of the Fiscal Year for adjustments to be made without having to call a meeting where it is obviously just a mathematical adjustment. We are talking about a \$10,000 and \$25,000 budget.

Mr. Beitsch stated I am watching the Budget. If you all are okay with it, I will leave it alone.

Mr. Pope stated Mr. Beitsch, I appreciate you watching over the budget and acting as if it were your own.

Mr. Moyer asked any other comments on the Budget?

Mr. Persons responded for the record, let us indicate that we opened the Public Hearing. I do not think we did that.

B. Consideration of Resolution 2017-05 Adopting the Fiscal Year 2018 Budget

Mr. Moyer stated at this time, we will open the Public Hearing. Let the record reflect that, other than Mr. Toumazos, our two Board Members, Mr. Clark and I, there is no one else present at this meeting. We do have Mr. Pope and Mr. Florio on the phone, which constitutes the total number of people attending the meeting.

Mr. Beitsch stated perhaps we should also make note of the fact the meeting was noticed. The date and the appropriate venue were posted outside, so there is no misunderstanding about the setting.

Mr. Moyer stated very good, we will add that. We will turn to the Board for any questions or comments on the Budget.

Mr. Beitsch stated I have no comments or questions.

Mr. Persons asked do we make separate motions for the Budget and Resolutions or all in one?

Mr. Moyer responded no, the Adoption of the Resolution includes the Budget.

There being no further discussion,

On MOTION by Mr. Persons seconded by Mr. Beitsch with all in favor, Resolution 2017-05 Relating to the Annual Appropriations of the District and Adopting the Budget for the Fiscal Year Beginning October 1, 2017 and Ending September 30, 2018, and Referencing the Maintenance and Benefit Special Assessments to be Levied by the District for Said Fiscal Year, was adopted.

C. Consideration of Developer Funding Agreement

Mr. Moyer stated the final item I have for the Board in relation to the Budget is a Developer Funding Agreement for Fiscal Year 2018. It is a short agreement we have operated under for a number of years without difficulty. I remember in my very first couple of meetings here, I used to explain this agreement as a letter from my son saying “*Dad, send money*” when he was in college. This is pretty close to that.

Mr. Pope stated I had an item for a minute or two of discussion. In the second *Whereas* clause on the Developer Funding Agreement, I do not think it is necessarily limiting language. I am sure it is not because it says proceed with the discharge of its duties to include, and it lists certain items, but it relates mainly to water management, roadways, water distribution and wastewater facilities, which are described as Capital Improvements. My recollection, Mr. Clark and Mr. Moyer, is that the powers the CDDs have at least under the Statute are not limited to those items. There are other items of infrastructure they can decide to take on. That came to my mind just because of items Mr. Toumazos and I are working on which would be a parking facility that would serve potentially the entire property as an overflow facility. Another might be a transit system. Those are just possibilities. There is no certainty that we would do either one, but I would like your thoughts on whether there are any limitations on our ability to do that apart from having the money to do it.

Mr. Clark stated if we can find a public purpose in doing those things, which I believe that you could, then certainly.

Mr. Toumazos stated when you say public purpose, a parking structure that would necessarily serve all our properties, and could potentially serve any other off-site parking if someone wanted to park there, should qualify.

Mr. Moyer stated I do not think a parking structure is a problem.

Mr. Toumazos asked is that an issue if it is off site?

Mr. Clark responded I think we could work with an off-site improvement.

Mr. Pope asked is it the same for a transit system?

Mr. Persons asked what do you envision in that, Mr. Pope?

Mr. Pope responded this is probably more information than anyone needs to worry about, but I think some of you are familiar with a group who control transit technology, and we are working with another group to try and bring that technology to the U.S. I am hopeful that we will be able to do that. There are many opportunities for how we might do this. One of them happens to be on our property, particularly if we end up developing it as intensely as we would like to. Some form of transit would facilitate that and take some impact off the roads. This particular system is known as *Aeromovel* and is a fascinating kind of technology. It has some advantages economically and physically. I do not know whether we will do that, but I would like to know that one of our options for doing it might be through the CDD.

Mr. Florio stated Mr. Pope, that may be extended too. Instead of putting *Aeromovel* up initially, we may start with a rubber tire-like circulator system until the ridership makes sense for an *Airmobile*. That is another potential for the CDD to develop on site.

Mr. Beitsch asked Mr. Pope, for the benefit of everybody here, is this discussion about the extent of the CDD Powers, or is it about the language in the Resolution?

Mr. Pope responded no, I am convinced the language is not limiting, but it does not mention anything more. It prompted me to ask whether there are any limitations which would pertain to those two items, either in the original Resolutions the Board or County Commissioners ask for the CDD, or statutorily that would prevent us from being able to utilize the CDD to implement either of those. Financing is a separate matter and we would have to figure that out. I just wanted to ensure it was appropriate if we wanted to use the CDD as the vehicle to accomplish that.

Mr. Beitsch stated that raises a question Mr. Clark and Mr. Moyer might want to comment on at the same time. We do not address any Operations and Maintenance. We only specify Capital, which if you are fixated on what is here, there is certainly other things which are here.

Mr. Pope stated yes, the maintenance of the facilities we have in place is in process and appropriate. We can add Operations and Maintenance.

Mr. Beitsch stated I am suggesting this because you raised a comment about what the County Commissioners originally adopted. I have no idea what the County Commissioners originally adopted and you seem to be raising the question of whether that is most limiting.

Mr. Moyer stated I think at some point we will probably need to go back and look at that. The Ordinance was adopted. It is Ordinance 98-04 of Osceola County and within that framework of the Ordinance, it grants to the District those powers under Chapters 190-01.21 and 190-01.22 subparagraphs A, B, D, E, F and 3. There are specific powers which have been granted to this District. Mr. Clark or I can send you a memorandum.

Mr. Persons asked could you get us a PDF copy of that? I am sure we have it somewhere.

Mr. Moyer responded absolutely, I will be glad to do that.

Mr. Florio stated with all the respect, I faced both of these questions before. The worst case is to the extent that we are not effectively competing with Osceola County, we can always amend the Ordinance to get the power we need to do what you want to do. For example, if we wanted to authorize Police powers, which is possible, that is a special request which would have to be done through a special process, and we would effectively be competing. Parking structures are common, even some forms of transit are common. The question becomes whether we are doing it for free or if we are going to charge, if there are different rates. This is where it gets bogged down.

Mr. Pope stated all of those are details that would have to be attended to, I am assuming, between Mr. Toumazos and I, and we could talk the County Commission into doing whatever we want. I was just wondering if the powers that were granted to us had any known limitations on being able to do those kinds of things. I think by and large, they would be inclined to favor both a parking structure and any kind of transit technology. I think they wish they were competing.

Mr. Toumazos stated I agree. The reason those powers were granted or enumerated individually is there are others left out. We need to see if anything we are trying to do is on the left-out list.

Mr. Moyer stated when I send Mr. Toumazos the 98-06 Ordinance, I will put in 190-012(1) and 2, so that you know what the powers are and what you are entitled to.

Mr. Pope asked could you copy me on that as well?

Mr. Moyer responded sure.

Mr. Pope stated that was really the only comment I had on this Agreement.

Mr. Beitsch stated as I recall, Mr. Pope, we thought Orange County would love *Aeormovel* when we gave it to them.

There being no further discussion,

On MOTION by Mr. Beitsch seconded by Mr. Persons with all in favor, the Developer Funding Agreement for Fiscal Year 2018 was approved.

SIXTH ORDER OF BUSINESS

Manager's Report

A. Financial Statements, Funding Requests and Check Register

Mr. Moyer stated we discussed the pending funding requests which I will get more information on and send to Mr. Toumazos. There are not many exceptions, or anything strange going on in the District. It follows the spending plan we have had in place for a number of years.

B. Fiscal Year 2018 Meeting Schedule

Mr. Moyer stated you are aware we do not have a regular meeting schedule. Every meeting we have had is considered a special meeting. It is advertised at least seven days in advance of when we meet. We publish in the newspaper an acknowledgment there is no meeting schedule and that all of these are special meetings.

SEVENTH ORDER OF BUSINESS

Attorney's Report

Mr. Clark stated just following up on the conversation we were just having. I am looking quickly at the Statute and trying to compare the Ordinance, and it looks like the glaring omission in the powers is the right to build schools, but it looks like the other things are included. I will look at that more carefully and send you a memorandum for the Board's consideration.

Mr. Pope stated with the exception of a cooking school, I do not think we have designs on schools.

Mr. Moyer stated I did not think so. It is public schools specifically.

EIGHTH ORDER OF BUSINESS

Engineer's Report

There being no report, the next order of business followed.

NINTH ORDER OF BUSINESS

Supervisor Requests

Hearing no comments from Supervisors, the next order of business followed.

TENTH ORDER OF BUSINESS

Audience Comments


Hearing no comments from the audience, the next order of business followed.

ELEVENTH ORDER OF BUSINESS


Adjournment

There being no further business,

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



Gary L. Moyer
Secretary



Owen Beitsch
Vice Chairman

