

**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 Tuesday, August 2, 2016 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.

Present and constituting a quorum were:

Steven Ivins	Chairman
Owen Beitsch	Vice Chairman
Todd Persons	Assistant Secretary
Timothy Baker	Assistant Secretary

Also present were:

Gary Moyer	District Manager
Scott Clark	District Counsel

FIRST ORDER OF BUSINESS

Roll Call

Mr. Moyer called the meeting to order.

Mr. Moyer stated the record shall reflect all Board members are present at roll call.

SECOND ORDER OF BUSINESS

Public Comment

There being no public present, the next order of business followed.

THIRD ORDER OF BUSINESS

Organizational Matters

- A. Appointment of Supervisor to Fill an Unexpired Term of Office (11/2016)**
- B. Oath of Office for Newly Elected Supervisor**
- C. Designation of Officers – Resolution 2016-01**

Mr. Moyer stated we have been carrying an item under Organizational Matters to address the appointment of a Supervisor to fill an unexpired term of office which will come up for election in November, and at this late date, it would probably be appropriate to carry it to the Landowners election, unless, Mr. Ivins, you have someone you want to nominate to the Board.

Mr. Ivins stated I do not have anyone at this time. I would like to carry it to the next election.

Mr. Beitsch stated if I may, since I probably should have mentioned this during public comments, given that today is a budget day, it seems important perhaps to say on the record we did properly notice the meeting, which I know you did.

Mr. Moyer stated I have the proof of publication in the record.

Mr. Beitsch stated I am more mindful of this now that I know we actually have a website.

Mr. Moyer stated we are good to go.

FOURTH ORDER OF BUSINESS

Approval of the Minutes of the May 3, 2016 Meeting

Mr. Moyer stated each Board member received a copy of the Minutes of the May 3, 2016 Meeting and requested any additions, corrections or deletions.

There not being any,

On MOTION by Mr. Beitsch seconded by Mr. Persons with all in favor, the Minutes of the May 3, 2016 Meeting were approved.

FIFTH ORDER OF BUSINESS

Public Hearing for Adoption of the Fiscal Year 2017 Budget

A. Fiscal Year 2017 Budget

Mr. Moyer stated the real purpose of the meeting today is for the Board to consider the adoption of your Fiscal Year 2017 Budget. We discussed this back at your May 3, 2016 Meeting. It is, for all practical purposes, the same budget we have been operating under for a period of years. There are no increases to that budget. The way the District raises its revenues is not through the levy of a non-ad valorem assessment which is typical for the way most CDDs collect revenue, but in our case we do so through a Developer Funding Agreement. We have a long history with the Developer Funding Agreement and have not experienced any problems, and that would be what we would recommend to the Board to continue to fund our operations on an as needed basis through the developer. With that very brief introduction, I would be glad to entertain any questions or comments.

Mr. Beitsch stated I am reminded there was comment in the minutes about the insurance. I do not really remember what the number was, but I think the comment in the Minutes was I

thought we would have an exact quote at some point in time, not that it is that much different from the actuals. What is the amount?

Mr. Moyer responded we are currently paying \$3,765. We historically budgeted \$4,270 and just did so again. The budget is not really an authorization to spend.

Mr. Baker asked how long have we been with this company?

Mr. Moyer asked are you referring to the insurance company?

Mr. Baker responded yes.

Mr. Moyer stated it has been a long time.

Mr. Baker stated there is no ulterior motive by asking.

Mr. Moyer stated the General Liability and the Directors & Officers Insurance is the low end of what you are going to pay, and the reason for that is we do not have any employees, we really do not operate any facilities, so we do not have a lot of exposure. The meeting has been advertised for a Public Hearing, so we will go ahead and open it for any public comment, again recognizing there is no one here except for Supervisors and staff.

B. Consideration of Resolution 2016-03 Adopting the Fiscal Year 2017 Budget

Mr. Moyer stated not hearing any public comment, if the Board is of a mind to adopt the budget, you can do so through the adoption of Resolution 2016-03.

There being no comments or questions from the Board,

On MOTION by Mr. Beitsch seconded by Mr. Persons with all in favor, Resolution 2016-03 Relating to the Annual Appropriations of the District and Adopting the Budget for the Fiscal Year Beginning October 1, 2016 and Ending September 30, 2017, 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 for the Board to take action on is to approve the Developer Funding Agreement. This is in the same form we have used for several years.

There being no comments or questions from the Board,

On MOTION by Mr. Ivins seconded by Mr. Baker with all in favor, the Developer Funding Agreement for Fiscal Year 2017 was approved.

SIXTH ORDER OF BUSINESS

Manager's Report

A. Financial Statements, Funding Requests and Check Register

Mr. Moyer stated in terms of the Manager's Report, you have the financial statements. We are a couple thousand dollars under budget, and you also have the invoices and check register and if you had an opportunity to review those, I will be glad to answer questions. Otherwise, I ask for a motion to approve the Funding Requests and Check Register.

There being no comments or questions from the Board,

On MOTION by Mr. Persons seconded by Mr. Beitsch with all in favor, the Funding Requests and Check Register were approved.

B. Fiscal Year 2017 Meeting Schedule

Mr. Moyer stated we publish a notice which states the Board meets on an as needed basis and does not have a schedule, and as such will be advertised in accordance with Chapter 189 of the Florida Statutes as a special meeting. With this being the case, there is no schedule for the Board to approve.

C. Consideration of Resolution 2016-04 Designating the District Attorney as Registered Agent

Mr. Moyer stated this Resolution designates Mr. Clark as the District's Registered Agent and his office's address is the registered office. This primarily is for service of process items such as litigation, as well as notices which require Mr. Clark to respond within certain timeframes. Severn Trent has been the Registered Agent, but through a couple of unfortunate oversights, some of those notices were not handled properly, so I decided to cut the middleman out and go directly to the person who needs to handle this. That would be my recommendation. Mr. Clark has looked at the Resolution.

Mr. Clark stated I will just note that my firm name is Clark and Albaugh, LLC. Scott Clark P.A. is old and does not exist anymore, so they will not accept that.

Mr. Moyer stated we will make that change.

Mr. Clark stated with that change, I am good.

There being no further discussion,

On MOTION by Mr. Ivins seconded by Mr. Baker with all in favor, Resolution 2016-04 Designating Scott Clark of Clark and Albaugh, LLC, as the District's Registered Agent, and Further Designating the District's Registered Office for Service of Process as 700 West Morse Boulevard, Suite 101, Winter Park, Florida 32789, was adopted.

D. Landowner Meeting Information, Proxy Ballot and Sample Agenda

Mr. Moyer stated this is to inform anyone from the Board and anyone who is present at this meeting, that we will have a landowners meeting in November, which does not necessarily need to be a Board meeting. Historically, Mr. Ivins and I meet for approximately ten minutes. Mr. Ivins, I do need a date in November that is good for you and that is what we will use for the landowners meeting.

Mr. Ivins stated November 8, 2016 is Election Day. Are you open that day?

Mr. Moyer responded yes, I believe so.

Mr. Ivins asked can we hold the meeting at your office?

Mr. Moyer responded yes. We moved recently. Are you familiar with where the library is on Campus Street? When you are coming in at Celebration Boulevard that comes to a dead end and that is Campus Street. There is library there now and we built a maintenance office building behind the library.

Mr. Ivins asked what time do you want to meet?

Mr. Moyer responded I will meet at whatever time is good for you.

Mr. Ivins asked how is 11:00 a.m.?

Mr. Moyer responded that sounds good to me.

Mr. Moyer stated the final item I am sure Mr. Beitsch will enjoy in my report has nothing to do with this District, but the Villages have prevailed in closing the IRS issue. As you are aware, in 2014 and 2015 because of historically low taxable rates, we refinanced the Tax Exempt Bonds with taxable bonds at a lower interest rate than the Tax Exempt Bonds and saved our constituents \$26 Million, which took most of the other issues off of the table. They have continued to go through the process to determine whether they wanted to go back three years to assess bond holders for the liability if they determine the bonds were taxable and that went on for 18 months, maybe a little longer, and they finally concluded that in their words as part of the letter, it was not a good tax policy and they closed the examination.

Mr. Beitsch stated since we got this guidance letter, I thought it was pursued and I guess it is still out there, so we did resolve the issue for Board representation, but in terms of the tax liability, I guess it hit \$26 Million, but thank goodness you prevailed.

Mr. Moyer stated the guidance you mentioned is still out there, but they received numerous comments and you can never predict what the IRS will do, but the person who actually drafted it, as I understand, is they just want to leave the definition of political subdivision the way it has been for a number of years.

SEVENTH ORDER OF BUSINESS

Attorney's Report

Mr. Clark stated there is legislation which requires Special Districts, including CDDs to post their agenda with their Agenda Package and all supporting materials on their websites seven days before the meeting, which primarily affects the Manager's office. That is something you will begin to see after October 1, 2016 or by October 1, 2016. That is the effective date for all Districts. It is not a big change here, but some of my Districts with extensive agendas are concerned because they can never get the professionals and staff members to get their reports in on time.

Mr. Persons asked is the entire book going to be on-line?

Mr. Clark responded everything which is available will be on-line seven days before the meeting, and because of lead time that probably means 10 days before the meeting effectively to get to the webmaster to post it, but everything that is going to be presented that is available will need to be in that package. A question that was posted to me was does that mean that if something comes up that is not on the agenda, you cannot hear it? The answer to that is no, but we should be more careful. Sometimes Districts are cavalier and you get to the meeting and say this is the new agenda and so my advice is to be more careful and not load the agenda at the last minute. Again, in our situation here, we have a simple agenda, and there are things we know are going to happen, but that does impose discipline on some Districts.

Mr. Persons asked is all of the back-up data going to be included?

Mr. Clark responded everything you see here, every dollar we spend will be posted on-line. The dollars, the budgets, financial reports, we do not have an audit, are generally posted on-line anyway for people to see. I do not know if we do that on our website.

Mr. Beitsch asked what is our web address?

Mr. Moyer responded it is Xenturycitycdd.org.

Mr. Beitsch asked that is pretty simple. If I go there now, will I see your faces?

Mr. Moyer responded you will see a pretty picture with a home page which has public records as a link and underneath public records, you have minutes and agendas. It is close to a municipal website.

Mr. Clark stated it is an ongoing trend of transparency or perceived transparency perhaps. A couple of the other changes again, I do not believe have an impact here. There was a *brouhaha* regarding security camera video for cameras owned by public entities, and the problem was that it originated from a court case in the Fifth District because there was an accident or some incident which occurred on the Links Bus and the lawyers subpoenaed the security video and after 9/11, there were changes enacted to the public records statute which said that public records which show the location or design of a security video are exempt and confidential which means that no one can get them, and even law enforcement had a couple of Districts where video was requested by the Sheriff and I said no we cannot give it to you and he wanted to know how can that be, and they said it is confidential and exempt from some purposes, but you can give it to law enforcement because the only exception before was if it was part of an anti-terrorism investigation, then you could not reveal it, so now you can reveal it to law enforcement, and the District itself can use it and reveal it for purposes that it deems appropriate, and a common example is law enforcement, when someone breaks into District property, you want to give the security video to the police. The other common example is that someone drives through the gate and damages it which happens in every District with a gate, and you now have the ability to hand it over to your insurance company where the glitch in the law said you could not do that even to try to make a claim on your insurance. There were some general things which affect dissolution, expansion and merger of Community Development Districts, and there was another change which clarified that CDD's have the power to engage towing companies to tow vehicles which are located in violation, and I have three Districts which have street parking rules and they are affected by that.

Mr. Baker asked how would it affect the media's demand for a video request?

Mr. Clark responded the media at large would still not be able to get security camera video unless a court ordered it under some good cause. It is not a public record in which someone could request it. Another example is in one District where a wife suspected her husband of being at the pool facility with another woman and asked for video and we had to say, no, I am sorry, you cannot have it and, of course, she was outraged and accused us of covering for him. There still has to be

a good purpose, and the idea is to protect the confidentiality so you can put your video cameras in places that you want and not have to advertise the results to everyone.

Mr. Baker stated it all seems very loose to me. We had this thing in Orlando that the cops were wrestling with a guy and he drove off with a car. We all saw the video. People are taking pictures with their phones and the next thing you know the security video pops up from someone.

Mr. Clark stated those are private security videos so they let the news media grab the video and release it. They chose to release it to the news media because it was favorable to the story of the officers, but those are for private business cameras as opposed to a camera located on public property.

Mr. Baker asked can the law subpoena that or request it?

Mr. Clark responded law enforcement can get it and if a lawyer wants it because of a slip and fall and it is evidence of that, then pursuant to a court order, you can generally get it whereas before the government was required to say unless it was a terrorism investigation they refused to distribute it.

EIGHTH ORDER OF BUSINESS

Engineer's Report

There being no engineer present or any issues for discussion, the next order of business followed.

NINTH ORDER OF BUSINESS

Supervisor Requests

Mr. Beitsch stated perhaps you can discuss the officer structure of the District.

Mr. Moyer stated Mr. Ivins is your Chairman and his term will expire in 2016, so in November you will be voting and if he desires to stay on the Board he may vote for himself. Your term expires in 2016 as well and you are Vice Chairman and then all of the rest of the Board members are Assistant Secretaries. The vacant Seat also expires in 2016, so there are three Seats to be filled.

Mr. Persons asked how many vacancies are there?

Mr. Moyer responded there is just one.

Mr. Beitsch asked do you mean calendar year 2016?

Mr. Moyer responded no. November 8th would be the first day. Every two years we have an election in November, since it is a landowners meeting it does not necessarily have to be on Election Day, but it has to be in November and that is why Mr. Ivins had to choose a date for me.

Mr. Beitsch stated since we are not on a scheduled calendar, for meetings and those kinds of events, is our form of notice different than it might be with a specific calendar date?

Mr. Moyer responded usually what we would do if we had a set meeting schedule is that Chapter 189 requires we publish that at least once per year and if we do not have a schedule, all of our meetings need to be advertised seven days before the meeting, so we basically advertise three times per year.

Mr. Beitsch stated that could change in the event we actually became a true business enterprise at some time.

Mr. Moyer stated yes.

TENTH ORDER OF BUSINESS

Audience Comments

There being no audience members present, the next order of business followed.

ELEVENTH ORDER OF BUSINESS

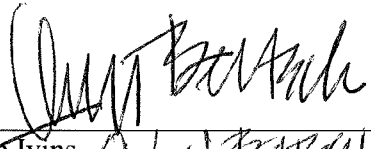
Adjournment

There being no further business,

On MOTION by Mr. Persons seconded by Mr. Ivins with all in favor, the meeting was adjourned at approximately 11:27 a.m.



Gary Moyer
Secretary



Steven Ivins
Chairman

