

**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, June 18, 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

Also present were:

Gary L. Moyer	District Manager
Scott Clark	District Attorney

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 there is a vacancy on the Board. Is the Board in the position to consider someone to appoint to this vacant seat? If not, we will carry this over to the next meeting.

Mr. Ivins responded carry it over to the next agenda.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the August 15, 2011 Meeting

Mr. Moyer stated each Board member received a copy of the minutes of the August 15, 2011 meeting and requested any additions, corrections or deletions.

There not being any,

On MOTION by Mr. Persons seconded by Dr. Beitsch with all in favor, the minutes of the August 15, 2011 meeting were approved.

FOURTH ORDER OF BUSINESS

Presentation of Fiscal Year 2013 Budget

A. Fiscal Year 2013 Budget

Mr. Moyer stated the purpose of our meeting today is to adopt a budget. According to the Florida Statutes, this is the first step in the process. There are two operative words in Chapter 190. The first is to “approve” a budget and set a public hearing. Then after the public hearing, I will ask the Board to “adopt” the budget. The budget enclosed in your agenda package for all practical purposes is the same as previous years, given the activity the District is involved in or lack there of as the case may be. We do not expect any significant changes except for General Liability, which we budgeted slightly more than last year. The amount will be the premium, but we do not expect it to be much above what we paid last year.

Dr. Beitsch stated I cannot imagine the developer who funds our activities, cares that we are going to operate substantially less than what he agreed to.

B. Consideration of Resolution 2012-1 Approving the Budget and Setting a Public Hearing

Mr. Moyer stated we need to discuss dates to hold the public hearing in August. I am looking at either August 22 or August 29. This gives us the 60 days we need to make the budget available to the County.

Mr. Ivins stated I have the public hearing marked on my calendar for August 22 at 11:00 A.M.

Mr. Persons stated Mr. Toumazos prefers August 29.

Mr. Moyer stated if everyone is available, we will schedule the public hearing for August 29, 2012 at 11:00 A.M.

Mr. Baker asked does the meeting have to be at the hotel?

Mr. Ivins responded no, but it has to be in Osceola County.

Mr. Baker stated it makes no difference to me.

Mr. Moyer stated we will set the public hearing by the adoption of Resolution 2012-1.

<p>On MOTION by Dr. Beitsch seconded by Mr. Baker with all in favor Resolution 2012-1 Approving the Proposed Budget for Fiscal Year 2013 and Setting a Public Hearing for August 29, 2012 at 11:00 A.M. at the Gaylord Palms Resort & Convention Center, 6000 West Osceola Parkway, Kissimmee, Florida was adopted.</p>

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 for April were included in your agenda package. There is nothing significant to highlight. We are under budget and by the end of this fiscal year, the budget anticipates us being \$5,000 under budget.

On MOTION by Dr. Beitsch seconded by Mr. Persons with all in favor the financials for April 30, 2012, Funding Request No. 62 in the amount of \$1,145.87, Funding Request No. 63 in the amount of \$918.79, Funding Request No. 64 in the amount of \$917.75, Funding Request No. 65 in the amount of \$946.37, Funding Request No. 66 in the amount of \$918.44 and Funding Request No. 67 in the amount of \$920.84 and the check register for the period October 1, 2011 through April 30, 2012 in the amount of \$11,519.17 were approved.

C. Implementation of GASB 54

Mr. Moyer stated GASB stands for Governmental Accounting Standards Board, which promulgates rules on how governments present their financial statements. This particular directive goes to how we show fund balance. It actually has no effect on this CDD, but other CDD's having reserve funds, are now required to allocate them to one of five categories. It will either be a non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance or unassigned fund balance. We only have \$1,300 or \$1,400 in our fund balance, which is an unassigned fund balance. Given where we are as a District, this is not unusual and would be expected.

Mr. Clark asked is this supposed to help municipalities stay out of trouble?

Mr. Moyer responded I think so. I think this is a better way of accounting. For example, if we had set aside monies to cover the first three months of operation, instead of this being an unassigned fund balance, it would now be put into an assigned fund balance because there is a purpose for it. If we had bonds and a debt service reserve account, those would be restricted fund balances because we cannot get to them unless we have a bond default and have to use the reserve account. They are not actually under the jurisdiction of this Board. This is why they went through these five hierarchies of fund balance.

Dr. Beitsch stated I have been to County Commission meetings where commissioners were restricting their fund balance. This was a great move, but does not have an effect on us.

Mr. Moyer stated no, it does not.

D. Report on Number of Registered Voters – (0)

Mr. Moyer stated we are required to monitor whether we have any registered voters within the District. We do this by contacting the Supervisor of Elections. We did not anticipate having any registered voters and according to the letter from Ms. Mary Jane Arrington from the Supervisor of Elections office, there were in fact no registered voters. This only becomes applicable when we get 250 registered voters or qualified electors. When this happens, the District converts from landownership, where you receive one vote for every acre, to a General Election format where the registered voters elect the Supervisors. We are still required to enter the number of registered voters into the public record every year.

SIXTH ORDER OF BUSINESS

Attorney's Report

Mr. Clark stated I do not have anything to report, but I have a question. Will we be having a landowners meeting this year?

Mr. Moyer responded yes. Three seats are up for election; Dr. Beitsch's seat, Mr. Ivins seat and the vacant seat.

Mr. Clark stated at our August meeting, we should provide the election forms to the Board.

Mr. Moyer stated I will provide proxy forms and a description of the election process.

Mr. Clark stated there does not need to be a regular meeting with this meeting. If the landowner does not show up, the Board can make appointments for the vacant seats at the next regular meeting.

SEVENTH ORDER OF BUSINESS

Engineer's Report

There not being any, the next item followed.

EIGHTH ORDER OF BUSINESS

Supervisor Requests

Dr. Beitsch stated I have forgotten we met so long ago. I actually thought we met earlier this year. I think you do a great job on the minutes. We discussed some time ago sending the minutes out shortly after the meeting. Perhaps you wait until weeks before the meeting to transcribe them. I do not know if this creates extra effort on your part. If substantive issues

arose, it would be in the best interest of the Board to be able to review the minutes and identify action items much more quickly while memories are fresh as opposed to nine months later.

Mr. Moyer stated we can do this for you. This is not a problem.

Dr. Beitsch stated thank you! Regarding the budget process, I could not remember how this worked. Why are we having two meetings; one now and another in August?

Mr. Moyer responded the law requires a two-step process in adopting the budget. When you approve the budget, I will send it to the County. The County then has 60 days to make their comments to us. Then we will have the public hearing.

Mr. Clark stated the County never makes comments on the budget.

Mr. Moyer stated if the County had comments, we would enter those into the record. Affected landowners could also show up at the meeting and ask questions.

Dr. Beitsch stated this was one of the reasons why I wanted to get the minutes sooner. It would be most regrettable if in the time between meetings someone says something and forgets exactly what they said on a particularly important matter. I do not think this has ever happened. For this group, the budget is a principle legal activity and continuity seems important. Of course, if for some reason I am not re-appointed to the Board, the institutional memory will survive and be intact.

NINTH ORDER OF BUSINESS

Audience Comments

Mr. Ivins stated I would like to update the Board on what is occurring in Xentury City. Gaylord has sold their management interest in the Palms hotel to Marriott. The new Gaylord REIT will own four Gaylord hotels and Marriott is going to manage them. I do not know what this means. I personally think it will be less hands on and more dollar oriented. The idea is to save money and combine services. To the untrained eye, it will be operations as usual. There have been three or four General Managers since they opened.

Mr. Persons asked will there be a new flag?

Mr. Ivins responded there will probably be one saying "Gaylord Hotels by Marriott". We are working on a big project catty-cornered to this corner. The developer wants to build a mixed-use project with hotels and retail such as entertainment. This is a big project dollar wise. It will take awhile for them to pull it all together. They have been working on this project for two years. They seemed very optimistic to me, but each one of their visions are different. This is one of the challenges in putting this all together.

Mr. Baker stated it is encouraging to hear there is some movement.

Mr. Ivins stated yes. We are hearing positive things such as money being available for such a project.

Mr. Baker asked how many acres?

Mr. Ivins responded there are 60 acres with a large wetland. They also have another phase. There are some other interests too. If you are interested, I can give you a tour. There is certainly more interest in the property.

Dr. Beitsch asked how many acres do we own?

Mr. Ivins responded about 250 acres yet to develop.

Dr. Beitsch asked do you think the change in the flag or change in the management is helpful to this process?

Mr. Ivins responded in a way it could be helpful. Many people who travel for a living, like to receive points. If they had a convention, they would come here, but if a guy has points and takes his family on vacation, he will stay at the Marriott or Courtyard of Marriott. The Developer knowing this, would allow them to park across the street. I think there is a lot of overflow bookings coming out of here and a lot of people decide to stay at a Marriott hotel, since there is a lack of product in the business class hotels around here. If you put a business class hotel on a Marriott flag, it will do well. The developer would keep track of it though.

Dr. Beitsch stated I never considered that before and this is a good point.

Mr. Baker stated this will be a billion dollar development.

Dr. Beitsch stated it is very exciting.

Mr. Ivins stated the County is a great place to come. They are talking about withholding all of the impact fees. They calculated what the impact fees would be. The question is whether \$16 million was enough to sway someone to come. I do not think so.

Dr. Beitsch stated it depends on what the \$16 million would have gone for. It makes you wonder what they are going to collect for.

Mr. Ivins stated this certainly makes it worth it on a tax basis.

Mr. Persons asked is the family happy?

Mr. Ivins responded I think so. It could be a world-class project and a place where people will say "Wow"!

Dr. Beitsch stated we have had an empty supervisor's seat for three years and Gaylord never elected anyone to fill the seat. Why have they been reluctant and what do you think these people might want? Does your agreement with Gaylord stipulate a seat will be held for them or was it just expected?

Mr. Clark responded the government stipulated it.

Dr. Beitsch stated thanks for the information.

TENTH ORDER OF BUSINESS

Adjournment

There being no further business,

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

Gary L. Moyer
Secretary

Steven R. Ivins
Chairman