

T H E C A B I N E T
S T A T E O F F L O R I D A

Representing:

STATE BOARD OF ADMINISTRATION

DEPARTMENT OF REVENUE

BOARD OF TRUSTEES, INTERNAL IMPROVEMENT TRUST FUND

The above agencies came to be heard before
THE FLORIDA CABINET, Honorable Governor Bush
presiding, in the Cabinet Meeting Room, LL-03, The
Capitol, Tallahassee, Florida, on Friday, March 3,
2006, commencing at approximately 9:15 a.m.

Reported by:

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Registered Professional Reporter
Notary Public

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1 APPEARANCES:

2 Representing the Florida Cabinet:

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4 JEB BUSH
Governor

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6 CHARLES H. BRONSON
Commissioner of Agriculture

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8 CHARLIE CRIST
Attorney General

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10 TOM GALLAGHER
Chief Financial Officer

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1	I N D E X		
2	STATE BOARD OF ADMINISTRATION		
3	(Presented by COLEMAN STIPANOVICH)		
4	ITEM	ACTION	PAGE
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10	(Presented by JAMES ZINGALE)		
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15	BOARD OF TRUSTEES, INTERNAL IMPROVEMENT TRUST FUND		
16	(Presented by COLLEEN CASTILLE)		
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1 P R O C E E D I N G S

2 GOVERNOR BUSH: Today we need to appoint a Parole
3 Qualifications Committee to consider the applications
4 for a vacancy on the Parole Commission that will occur
5 this June. The Parole Commission and each of us have
6 submitted a name for the five-member committee. We
7 also need to select a committee chair.

8 The following individuals have agreed to be
9 considered: Ed Spooner from Gadsden County, Judge
10 Allawas from Brevard County, Sheriff Don Hunter from
11 Collier County, State Attorney Jerry Blair from
12 Suwannee County, Sheriff Jim Coats from Pinellas
13 County.

14 CFO GALLAGHER: Governor, I move all of those and
15 to make Ed Spooner the chairman.

16 GOVERNOR BUSH: Is there a second?

17 COMMISSIONER BRONSON: Second.

18 GOVERNOR BUSH: Any objections? There's a motion
19 and a second. Without objection, the slate carries in
20 a landslide. Thank you.

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1 GOVERNOR BUSH: State Board of Administration.

2 CFO GALLAGHER: Motion on the minutes.

3 ATTORNEY GENERAL CRIST: Second.

4 GOVERNOR BUSH: There's a motion and a second.

5 Without objection, Item 1 passes. Hello, Coleman.

6 MR. STIPANOVICH: Good morning, Governor, members.

7 Thank you. Item number 2 is request for approval of

8 fiscal determination of an amount not exceeding

9 \$9,900,000 tax exempt Florida Housing Finance

10 Corporation multifamily mortgage revenue refunding

11 bonds.

12 ATTORNEY GENERAL CRIST: Motion.

13 CFO GALLAGHER: Second.

14 GOVERNOR BUSH: There's a motion and a second.

15 Without objection, the item passes. Thank you,

16 Coleman. That's the shortest.

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1 GOVERNOR BUSH: Department of Revenue.

2 CFO GALLAGHER: Motion on the minutes.

3 ATTORNEY GENERAL CRIST: Second.

4 GOVERNOR BUSH: There's a motion and a second.

5 Without objection, Item 1 passes.

6 MR. ZINGALE: Item number 2, request approval for
7 a few rule changes. These rule changes primarily
8 incorporate 2005 law changes, a few corrections, and
9 some small information will exchange. Request
10 approval.

11 CFO GALLAGHER: Just mention that it looks like
12 you have taken the substitute communications tax off
13 your rules?

14 MR. ZINGALE: Yes, sir.

15 CFO GALLAGHER: Because they're off the books?

16 MR. ZINGALE: Well, yes, sir. There was a law
17 change.

18 CFO GALLAGHER: Glad to see that.

19 GOVERNOR BUSH: That's a good thing.

20 MR. ZINGALE: There's a clarification in there for
21 voice over Internet protocols that are taxable.

22 CFO GALLAGHER: How does that tax work?

23 MR. ZINGALE: That is a law change.

24 CFO GALLAGHER: Beg your pardon?

25 MR. ZINGALE: That is a law change.

1 GOVERNOR BUSH: What do we tax?

2 MR. ZINGALE: If you have your device, your phone
3 attached to your computer and you're making a
4 communication with that, that is taxable.

5 CFO GALLAGHER: How is it taxed?

6 MR. ZINGALE: It's a rate on service, like a phone
7 charge would be.

8 CFO GALLAGHER: How does one know -- how do you
9 know what somebody is using on their Internet, whether
10 they're sending an e-mail or sending a voice? How
11 would you know that?

12 MR. ZINGALE: Well --

13 GOVERNOR BUSH: Here she comes. The bail-out
14 artist.

15 MS. ECHEVERRI: There are companies that -- Lisa
16 Echeverri, Department of Revenue. There are companies
17 that provide that service for voice over Internet
18 protocol, and they bill you on a bill that looks very
19 much just like your phone bill or your wireless bill,
20 and the communication services tax applies to those
21 charges made by the company for the service provided.

22 GOVERNOR BUSH: As though they were a regular
23 phone call.

24 CFO GALLAGHER: If you have your own internal
25 Internet and you use that to communicate with your own

1 offices and you don't have one of those services, you
2 just do it yourself, how does one know how much you're
3 using?

4 MS. ECHEVERRI: Well, I'm not familiar with that
5 setup. I mean, in most cases you're using some kind of
6 provider that allows you to -- and you don't buy the
7 equipment from them. You may have your own equipment
8 that you've purchased somewhere else that you hook up.
9 But you are going through some sort of provider. I'm
10 not sure if there's a use tax provision with respect to
11 setting it up yourself.

12 It certainly, if it was under that substitute
13 systems provision, that has been repealed, so --

14 CFO GALLAGHER: I'm well aware of that.

15 MS. ECHEVERRI: So this is just when a company
16 provides that service to you, the same way they provide
17 any other telecommunication service.

18 CFO GALLAGHER: Okay. So if there's a carrier
19 involved, is what you're talking about basically.

20 MS. ECHEVERRI: Yes.

21 CFO GALLAGHER: Okay. Good enough.

22 GOVERNOR BUSH: All right. Is there a motion?

23 CFO GALLAGHER: I move Item number 2.

24 COMMISSIONER BRONSON: Second.

25 GOVERNOR BUSH: There's a motion and a second.

1 Without objection, Item 2 passes. Thank you, Jim.

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1 GOVERNOR BUSH: Board of Trustees.

2 MS. CASTILLE: Good morning, Governor, members of
3 the Cabinet. Item 1 is the Tri Delta corrective
4 quitclaim deed and modification of deed restrictions.
5 This is the recommendation of a corrective deed from
6 the BOT, Board of Trustees, to the Tri Delta sorority
7 through the University of Florida. This is a deed
8 restriction -- I mean a deed restriction -- a deed
9 amendment that they're requesting.

10 CFO GALLAGHER: Now, this is an interesting issue
11 because all of the sororities and fraternities that we
12 allow on our land, campuses basically, they limit how
13 many students are staying in there by these deed
14 restrictions.

15 MS. CASTILLE: Correct.

16 CFO GALLAGHER: And every time they want to build
17 an addition and have more people there, they go to the
18 university. The university gives them permission. Is
19 there a reason why we need to -- couldn't we put a deed
20 restriction in there that would basically leave it up
21 to the president of the university to say how many
22 students can be there?

23 MS. CASTILLE: We could do that. However, the
24 university is requesting that we keep this -- that we
25 keep the Cabinet in there.

1 CFO GALLAGHER: So the president doesn't have to
2 be the one to say how many they do or don't have?

3 MS. CASTILLE: They would like to have a policy
4 that caps the number of students or the number of the
5 buildings that can cap the number of students that can
6 live on the property.

7 CFO GALLAGHER: I'm for the policy, but I don't
8 know why we wouldn't have the president make the --
9 make the policy.

10 GOVERNOR BUSH: General.

11 ATTORNEY GENERAL CRIST: Thank you, Governor. I
12 would agree with the Treasurer. I mean, can't we leave
13 these kinds of decisions regarding Tri Delt to the
14 university president?

15 MS. CASTILLE: I believe that we can. However,
16 we're in a situation where there are bid -- there are
17 bids that have been out for construction that are
18 setting to expire. And the university and the sorority
19 in this case do not want to make any changes. They'd
20 like to just get this done as quickly as possible so
21 they can begin construction.

22 COMMISSIONER BRONSON: I'll move Item 1.

23 ATTORNEY GENERAL CRIST: I'll second it.

24 GOVERNOR BUSH: I'm all for the Tri Deltas.
25 There's a motion --

1 CFO GALLAGHER: They should have 80 students there
2 instead of only 73.

3 GOVERNOR BUSH: That's a fraternity, not a
4 sorority. Sororities are much more dignified. There's
5 a motion and a second. Without objection, with heated
6 debate, it passes.

7 CFO GALLAGHER: I move to withdraw Item 2 and Item
8 3 from the agenda.

9 GOVERNOR BUSH: There's a motion.

10 COMMISSIONER BRONSON: Second.

11 GOVERNOR BUSH: And a second to withdraw Items 2
12 and 3. Without objection, the motions (sic) are
13 withdrawn.

14 MS. CASTILLE: Item 4, Destin West Marina
15 recommended consolidated intent for approval of an
16 application for a five-year sovereignty submerged lands
17 lease for 348,637 square feet for an 89-slip
18 commercial, open to the public, marina.

19 CFO GALLAGHER: Motion on 4.

20 ATTORNEY GENERAL CRIST: Second.

21 GOVERNOR BUSH: There's a motion and a second. No
22 discussion. No one wants to -- are there any speakers
23 for any of these things? I feel very -- you don't have
24 to. It's about ready to pass unless you're opposed to
25 it.

1 MS. CASTILLE: I think they're in favor of it.

2 GOVERNOR BUSH: We need to find out who's speaking
3 before I --

4 MS. CASTILLE: He simply wanted to thank you.
5 This is the applicant.

6 MR. TOLBERT: Mr. Governor and the Cabinet, I just
7 wanted to thank you for the privilege to stand before
8 you.

9 GOVERNOR BUSH: We haven't approved it yet. But
10 you can thank us in advance. Please, go ahead. I
11 think you're okay, unless we say something really
12 stupid.

13 MR. TOLBERT: I'll wait for the approval for that
14 for sure.

15 GOVERNOR BUSH: There's a motion and a second.
16 Any discussion? Without objection, the item passes.
17 Yes, sir. What can we do for you?

18 MR. TOLBERT: Mr. Governor and distinguished
19 Cabinet, I just want to thank you today, and as a
20 lifetime Florida resident, I'm proud to offer a boating
21 slip to the general public, and I just want to thank
22 you. It's an honor to be before you today. Thank you.

23 GOVERNOR BUSH: Thank you. Thanks for working
24 with us. Item 5?

25 MS. CASTILLE: Item 5 is Back Bay Improvement

1 Group recommended consolidated intent for an
2 authorization to modify an existing sovereignty
3 submerged land lease to change the use of the docking
4 facility from an open to the public, first come first
5 serve facility to a private docking facility.

6 This will reflect the change in ownership, reduce
7 the term from ten years to five years and increase the
8 preempted area by 14,000 square feet. It will also
9 allow the dredging of 908 yards of cubic material, and
10 the docking facility will accommodate 49 vessels, 10 of
11 which will be on privately owned submerged lands by
12 virtue of a disclaimer on formerly conveyed submerged
13 lands.

14 CFO GALLAGHER: Motion on 5.

15 ATTORNEY GENERAL CRIST: Second.

16 GOVERNOR BUSH: There's a motion and a second.

17 Are there any speakers?

18 MS. CASTILLE: No, sir.

19 GOVERNOR BUSH: Without objection, the motion
20 passes.

21 MS. CASTILLE: Thank you, Governor, members of the
22 Cabinet. That concludes our agenda.

23 GOVERNOR BUSH: 9:28.

24 (Proceedings were concluded at 9:28 a.m.)

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COUNTY OF LEON)

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JO LANGSTON
Registered Professional Reporter

