

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:

DIVISION OF BOND FINANCE
DEPARTMENT OF REVENUE
DEPARTMENT OF VETERANS AFFAIRS
DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES
BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND
STATE BOARD OF ADMINISTRATION

The above agencies came to be heard before
THE FLORIDA CABINET, Honorable Governor Crist presiding,
in the Cabinet Meeting Room, LL-03, The Capitol,
Tallahassee, Florida, on Tuesday, October 2, 2007,
commencing at approximately 9:11 a.m.

Reported by:

MARY ALLEN NEEL
Registered Professional Reporter
Registered Florida Reporter
Notary Public

ACCURATE STENOGRAPHY REPORTERS, INC.
2894 REMINGTON GREEN LANE
TALLAHASSEE, FLORIDA 32308
(850)878-2221

APPEARANCES:

Representing the Florida Cabinet:

CHARLIE CRIST
Governor

CHARLES H. BRONSON
Commissioner of Agriculture

BILL McCOLLUM
Attorney General

ALEX SINK
Chief Financial Officer

* * *

I N D E X

INTERIM EXECUTIVE DIRECTOR OF THE AGENCY
FOR ENTERPRISE INFORMATION TECHNOLOGY

Vote	Approved	6
------	----------	---

EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE

Vote	Approved	7
------	----------	---

DIVISION OF BOND FINANCE
(Presented by BEN WATKINS)

ITEM	ACTION	PAGE
1	Approved	11
2	Approved	11

DEPARTMENT OF REVENUE
(Presented by JIM ZINGALE)

ITEM	ACTION	PAGE
1	Approved	13
2	Approved	14

DEPARTMENT OF VETERANS AFFAIRS
(Presented by ADMIRAL LEROY COLLINS, JR.)

ITEM	ACTION	PAGE
1	Approved	15

DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES
(Presented by ELECTRA BUSTLE)

ITEM	ACTION	PAGE
1	Approved	18
2	Approved	18
3	Withdrawn	20
4	Approved	31

CONTINUED INDEX

BOARD OF TRUSTEES, INTERNAL IMPROVEMENT TRUST FUND
(Presented by MIKE SOLE)

ITEM	ACTION	PAGE
1	Approved	32
2	Withdrawn	34
3	Approved	35
4	Deferred	35

STATE BOARD OF ADMINISTRATION
(Presented by COLEMAN STIPANOVICH)

ITEM	ACTION	PAGE
1	Approved	36
2	Approved	37
3	Approved	37
4	Approved	38
5	Approved	41

CERTIFICATE OF REPORTER		42
-------------------------	--	----

P R O C E E D I N G S

(The agenda items commenced at 9:51 a.m.)

GOVERNOR CRIST: Thank you. We have a bit of business to attend to. We now have the opportunity to vote on an interim executive director for the Agency for Enterprise Information Technology. As you know, this agency was created in 2007 during the legislative session. We're fortunate to have an excellent and highly qualified candidate for this important position. Jim Zingale has agreed to take on this role on an interim basis until the permanent executive director would be appointed.

Receiving his doctorate in economics from FSU, Florida State University, Dr. Jim Zingale served the people of Florida with dedication and distinction for over 34 years. Has it been that long? Hard to believe, such a young-looking guy.

Currently Dr. Zingale serves as the executive director of the Department of Revenue and does extraordinary work there. He was appointed in January of 2000 after holding the deputy executive director's position for ten years. The doctor also served 18 years as legislative staff, which included four years as staff director for the Florida House of Representatives Appropriations

1 Committee.

2 Jim, as many of you probably are aware, is
3 scheduled to retire in February of next year, so
4 we're extremely fortunate and grateful to have
5 someone with his qualifications and caliber and his
6 dedication to public service willing to accept this
7 new challenge for the next four months.

8 Is there a motion to approve?

9 CFO SINK: I so move.

10 COMMISSIONER BRONSON: Second.

11 GOVERNOR CRIST: Moved and seconded. Show it
12 approved without objection beginning October 15th,
13 2007. Wow, we did all that. It just went so well.
14 There was some more stuff I'm supposed to say, but
15 I think we got it all in. Let me make sure. Now
16 we have.

17 Since we have just approved the appointment of
18 Dr. Zingale, I would like to recommend the
19 appointment of Lisa Echeverri -- did I say it
20 right, Lisa? To serve as -- I practiced it last
21 night, believe it or not. To serve as the
22 executive director of the Department of Revenue.

23 Lisa joined the Florida Department of Revenue
24 in 1990 as an attorney in the Office of the General
25 Counsel. She served as the chief assistant general

1 counsel from '94 until she left the Department for
2 private practice. Lisa rejoined the Department in
3 1999 as the director of legislative and cabinet
4 services. In October of 2002 she was appointed the
5 deputy executive director, where she oversees the
6 operations for the Department's general tax,
7 property tax -- hopefully you'll have less of that
8 to deal with soon -- and child support programs and
9 continues to serve as the Department's director of
10 legislative and cabinet service. Lisa received
11 both an undergraduate degree in finance and her law
12 degree from the Florida State University.

13 I know that Jim considers her a worthy
14 successor, and I'm confident she'll do a tremendous
15 job for the people of this great state.

16 Is there a motion to approve her appointment?

17 ATTORNEY GENERAL McCOLLUM: I so move.

18 COMMISSIONER BRONSON: Second.

19 GOVERNOR CRIST: Moved and seconded, Lisa
20 Echeverri to serve as the executive director
21 beginning October 15th, 2007. Congratulations.

22 (Applause.)

23 DR. ZINGALE: I'm an emotional Italian. This
24 is not an easy thing for me.

25 GOVERNOR CRIST: I'm an emotional Greek.

1 That's all right.

2 DR. ZINGALE: You know what that's like, so
3 these things are going to be difficult for me.

4 GOVERNOR CRIST: It's Greek and Irish. If I
5 don't say that, my mother gets upset, so I've
6 covered my mother.

7 DR. ZINGALE: Just a quick story. I spent two
8 weeks with my wife on our fortieth wedding
9 anniversary perusing the Great Rocky Mountains,
10 Glacier, Tetons, Yellowstone. We were entering
11 West Glacier. Three little small buildings there
12 in the woods as you're trying to get into the park,
13 and one of them, there were 45 people crammed on
14 the front porch and sitting on the lawn with
15 laptops in front of them. So I counted them and
16 went and looked, and there were seven- and
17 eight-year-olds, there were senior citizens much
18 older than me, there were teenagers, there were
19 young adults.

20 I soon found after leaving that small little
21 spot that in our national park systems, there's is
22 no TVs, there's no self-service, there's no
23 connection to the Internet. That was the only
24 place in the next five days.

25 But it showed me that all over the world, even

1 way out in that beautiful environment, there is an
2 IT revolution going on, in our personal lives, in
3 running an agency. This is what we need ten years
4 from now looking back, the right choice, the right
5 structure to make IT decisions, because it's a
6 revolution, and we need it. You've seen in front
7 of this Cabinet and past Cabinets what the
8 Department of Revenue has been able to do with that
9 technology.

10 I truly have had many, many jobs all over
11 state government, but I only really have one
12 talent. I manage to find really, really, really,
13 really bright people. I give them things to do,
14 and I work them real hard. Okay? It's a privilege
15 and honor to serve the people of Florida. I hope
16 to use that one talent to serve you one more time.

17 Thank you.

18 (Applause.)

19 MS. ECHEVERRI: I don't tell stories as well
20 as Jim. About three months ago, Jim asked the
21 managers at the Department of Revenue to make a
22 list of our mentors, and my list was very long. It
23 included people who had hired me into state
24 government 17 years ago, people I had worked with
25 over the years, friends that I run with, and family

1 members. But no one was more prominent on that
2 list than Jim.

3 Jim has been tireless in his efforts to share
4 his knowledge and his experience not only with me,
5 but with other managers at the Department of
6 Revenue. And his one vision was for us to someday
7 manage without him, so your appointment of me this
8 morning is really a testament to, I think, your
9 confidence in the managers at the Department of
10 Revenue that serve with me. And I am privileged to
11 serve in that capacity, both for the Cabinet and
12 the Governor, and more importantly, for the
13 citizens of Florida, so I thank you very much.

14 (Applause.)
15
16
17
18
19
20
21
22
23
24
25

1 GOVERNOR CRIST: Our next Cabinet meeting will
2 be Tuesday, October 16th, 2007.

3 Bond Finance, Ben Watkins. Good morning, Ben.

4 MR. WATKINS: Good morning, Governor and
5 Cabinet members.

6 Item Number 1 is the minutes from the
7 September 19th meeting.

8 CFO SINK: Move approval.

9 COMMISSIONER BRONSON: Second.

10 GOVERNOR CRIST: Moved and seconded. Show the
11 minutes approved without objection.

12 MR. WATKINS: And Item 2 is a resolution
13 authorizing the competitive sale of up to
14 \$150 million in Florida Forever revenue bonds to
15 provide funds for acquiring conservation land
16 through the Florida Forever program.

17 ATTORNEY GENERAL McCOLLUM: I move it.

18 CFO SINK: Second.

19 GOVERNOR CRIST: Moved and seconded it. Show
20 it approved without objection.

21 MR. WATKINS: Thank you.

22 GOVERNOR CRIST: That was --

23 MR. WATKINS: Short agenda this morning,
24 Governor.

25 GOVERNOR CRIST: Thank you for that. Well

done. Efficient government. Love it.

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

1 GOVERNOR CRIST: Department of Revenue.

2 Dr. Jim.

3 DR. ZINGALE: Somebody in my family, and I
4 won't say who, but some people refer to me as
5 Dr. Z, but my wife kind of said after today I'll be
6 called "Dr. Who?"

7 GOVERNOR CRIST: Not in our book.

8 DR. ZINGALE: We appreciate that. Maybe
9 that's coming in a little bit.

10 Let's see. Recommend approval of the minutes.

11 GOVERNOR CRIST: Is there a motion on the
12 minutes?

13 CFO SINK: Move it.

14 ATTORNEY GENERAL McCOLLUM: Second.

15 GOVERNOR CRIST: Moved and seconded. Show the
16 minutes approved without objection.

17 DR. ZINGALE: Item Number 2 deals with a few
18 rule changes. These rule changes incorporate new
19 legislation, and when we open up new legislation,
20 we try to revise that section.

21 The first one is in the sales tax section.
22 The rule reflects the ability to donate the sales
23 tax collection allowance, what a retailer gets to
24 hold back, and that collection allowance can go to
25 education. This is reflecting a law change.

1 GOVERNOR CRIST: Is there a motion on Item 2?

2 ATTORNEY GENERAL McCOLLUM: I so move.

3 COMMISSIONER BRONSON: Second.

4 DR. ZINGALE: No, no, no. I did bad. I'm a
5 little nervous. I apologize. There's two other
6 small pieces to that. Solid waste fee and rental
7 car surcharge rules were adopted. This also
8 reflected the registration of these fees when they
9 engage in new activities, such as selling tires or
10 batteries or rental vehicles.

11 The last piece is dealing with the water
12 treatment upgrade fee, not a tax, a fee. Think of
13 it as a temporary impact fee imposed by the
14 Legislature to fund the water treatment plant
15 upgrades in the Northwest Wellfield in Miami-Dade.
16 This fee will expire when the plant is finished.
17 Request approval of Item 2.

18 CFO SINK: Move it.

19 GOVERNOR CRIST: I think we have a moved and
20 seconded, but not final approval. Is there any
21 objection? Show it approved without objection.

22 DR. ZINGALE: Sorry. Thank you.

23 GOVERNOR CRIST: Thank you very much.

24

25

1 GOVERNOR CRIST: Department of Veterans
2 Affairs. Admiral, good morning, sir.

3 ADMIRAL COLLINS: Good morning, sir.

4 GOVERNOR CRIST: How are you?

5 ADMIRAL COLLINS: Governor and Cabinet, the
6 Florida Department of Veterans Affairs has one
7 agenda item, our quarterly report for the fourth
8 quarter of the year 2007, fiscal year 2007. The
9 report includes three main sections, the
10 administrative highlights, the Division of Benefits
11 and Assistance, and the State Homes Program. I
12 recommend acceptance.

13 GOVERNOR CRIST: Is there a motion?

14 ATTORNEY GENERAL McCOLLUM: So move.

15 COMMISSIONER BRONSON: Second.

16 GOVERNOR CRIST: Moved and seconded. Show it
17 approved without objection. How's everything
18 going, Admiral?

19 ADMIRAL COLLINS: Fine, thank you.

20 GOVERNOR CRIST: Are you doing well? Please
21 say hello to your mother for me.

22 ADMIRAL COLLINS: I sure will.

23 GOVERNOR CRIST: Thank you, sir.

24 ADMIRAL COLLINS: Appreciate your courtesy.

25

1 GOVERNOR CRIST: Highway Safety and Motor
2 Vehicles, Director. What a neat title, director.

3 MS. BUSTLE: Good morning. Thank you, Good
4 morning.

5 Before I get started, if I could just take a
6 moment to introduce our interim director with the
7 Florida Highway Patrol, Colonel John Czernis. He
8 is a 30-year veteran of the Florida Highway Patrol
9 who started his career in 1974 with the Vero Beach
10 Police Department and shortly thereafter in 1977
11 started with the Florida Highway Patrol. He
12 started as a trooper, worked his way up until his
13 promotion to lieutenant colonel in 2003. He has
14 either worked in or supervised almost every
15 division within the patrol, including field
16 operations, investigations, and the training
17 academy. We are lucky to have his depth and
18 breadth of knowledge and experience at the helm,
19 and I thank him for taking on this new role. We
20 are in the process of looking for a permanent
21 director and will have an inclusive process, but I
22 want to thank him and introduce him to you all.

23 GOVERNOR CRIST: Colonel, would you like to
24 say a word?

25 COLONEL CZERNIS: Sure.

1 GOVERNOR CRIST: You're from Vero Beach?

2 COLONEL CZERNIS: Yes, sir, I sure am. That's
3 where I grew up, and I served on the city police
4 department there for two and a half years.

5 GOVERNOR CRIST: Very good.

6 COLONEL CZERNIS: Governor and members of the
7 Cabinet, it's sincerely a pleasure to stand before
8 you today representing the members of the Highway
9 Patrol. Our troopers, Florida's troopers are
10 patrolling the highways and responding to calls for
11 service day in and day out, 365 days a year. I'm
12 so proud of them and so proud of the work that they
13 do, and it's just a honor to serve in this interim
14 capacity. I certainly appreciate you and the
15 Cabinet for the direction and support that you give
16 us. It's a team, and we work together as a team to
17 make Florida a better place. Thank you for
18 allowing me a few moments to speak to you.

19 GOVERNOR CRIST: Thank you, Colonel.
20 Appreciate your good work.

21 MS. BUSTLE: Thank you very much. Thank you,
22 Colonel.

23 Now to our agenda. We have three agenda
24 items. Our first item is the minutes of the
25 July 31st Cabinet meeting.

1 GOVERNOR CRIST: Is there a motion on the
2 minutes?

3 CFO SINK: Move it.

4 COMMISSIONER BRONSON: Second.

5 GOVERNOR CRIST: Moved and seconded. Show
6 them approved without objection.

7 MS. BUSTLE: Our second item is our June 30,
8 2007 annual performance report and our contracts
9 and purchases over \$100,000.

10 Last year we patrolled 31.6 million miles of
11 highway, served 12.6 million customers around the
12 state, and had many successes, as reflected in the
13 report that we've provided you. We met the
14 majority, 86 percent of our performance measures.
15 We're working hard to continue that trend.

16 GOVERNOR CRIST: Excellent. Is there a motion
17 to approve?

18 COMMISSIONER BRONSON: So move.

19 ATTORNEY GENERAL McCOLLUM: Second.

20 GOVERNOR CRIST: Moved and seconded. Show it
21 approved.

22 CFO SINK: Governor?

23 GOVERNOR CRIST: CFO. Pardon me.

24 CFO SINK: Let me just -- I have just a couple
25 of little questions here.

1 First of all, compliments on the performance
2 report. It was very well done, and more
3 importantly, there's a lot of good statistics in
4 there.

5 But one of the things that I picked up on here
6 was this factoid that says drinking drivers in
7 crashes. Twenty-one-year-old drivers have the
8 highest involvement rate in all crashes and in
9 fatal crashes. One-eighth -- am I correct in
10 interpreting this is just one age group, people who
11 are the age of 21? Is that right, Electra?

12 MS. BUSTLE: I believe that is a range.
13 Mr. Westberry, is -- I think that's a range. Is
14 that 18 through 21, or just 21-year-olds?

15 MR. WESTBERRY: Eighteen through 21.

16 MS. BUSTLE: Eighteen through 21.

17 CFO SINK: Okay. Because -- well, it just
18 leads me to conclude that if we could have some
19 very targeted communications, particularly on
20 college campuses, where many of these 21-year-old
21 drivers are reaching legal drinking age, that
22 perhaps we could have some impact in reducing the
23 fatalities from drinking drivers, because it's
24 obvious that they're mostly occurring within this
25 younger age group, as we all know.

1 MS. BUSTLE: I think that's an excellent
2 point, CFO. And to target education to prevent
3 that from happening rather than having to come to
4 the crash, I mean, that is an excellent point, and
5 working with the universities would be an excellent
6 initiative.

7 GOVERNOR CRIST: Good point, CFO. Thank you.
8 General, did you have a --

9 ATTORNEY GENERAL McCOLLUM: I don't, no.
10 Thank you.

11 MS. BUSTLE: Our last legislative -- our last
12 item on the agenda is our legislative budget
13 request. The issues listed -- I'm sorry. I've
14 just been given a note, which is always important.
15 I need to withdraw Item Number 3 from the agenda.

16 GOVERNOR CRIST: Is there a motion to withdraw
17 Item 3?

18 CFO SINK: Move it.

19 ATTORNEY GENERAL McCOLLUM: Second.

20 GOVERNOR CRIST: Moved and seconded to
21 withdraw. It's withdrawn.

22 MS. BUSTLE: Thank you. The issues listed in
23 our legislative budget request revolve around our
24 strategic efforts in workforce development,
25 improved service delivery, performance management,

1 and improved communications internally and
2 externally. We also took into account our current
3 efforts to reduce the state budget and focus on
4 core mission critical functions in our request.

5 As you can see in our legislative budget
6 request, our number one agency priority is the
7 trooper recruitment and retention pay plan. These
8 men and women play a critical role in the safety
9 and security of our highways and our citizens, and
10 you all have been very supportive of their needs.
11 Last year you supported and the Governor
12 recommended the same pay plan to assist with our
13 compression efforts and to start to make the
14 Florida Highway Patrol competitive with city and
15 county law enforcement agencies and assist in our
16 recruitment and retention efforts.

17 But we continue to have a high vacancy rate of
18 12 percent in June 2007, and we have carried on
19 average 200 vacancies for the last five years. Of
20 83 troopers surveyed who left the agency last year,
21 41 percent of them noted pay as the reason for
22 leaving.

23 And just to give you an example, here in Leon
24 County, the starting salary of a Leon County
25 sheriff's deputy is 10 percent higher than the

1 Florida Highway Patrol starting salary, and the
2 Tallahassee Police Department is even higher than
3 that. We looked at statistics, and it takes an
4 average trooper at least five years to get to the
5 starting pay of the Tallahassee Police Department,
6 and you can see that trend statewide.

7 I can recall speaking to a trooper on the
8 Turnpike, a rest area, and he was a corporal, a
9 traffic homicide investigator ten years, making
10 \$40,000 a year, and the starting pay for
11 Tallahassee is 39,200. So we have work to do, and
12 I know you all have focused on that, and I would
13 ask again this year for your support on that issue.

14 We are also looking at recruitment and
15 retention of our customer service positions in our
16 driver's license offices. They also have had an
17 exponential increase in responsibilities since
18 September 11, 2001, performing many duties like
19 reviewing documents from Immigration, Customs and
20 Enforcement, Department of Homeland Security, to
21 determine if folks are here legally in our state.

22 We have a five-year facility improvement plan
23 in there for the first time. We've actually
24 assessed a five-year plan rather than come to you
25 yearly. And it is based on the Department of

1 Management Services facilities assessment.

2 So you will see overall the request focuses
3 around our strategic issues, and we would ask for
4 your support. I'm happy to answer any questions
5 you have.

6 GOVERNOR CRIST: Any questions?

7 COMMISSIONER BRONSON: Yes, please.

8 GOVERNOR CRIST: Commissioner.

9 COMMISSIONER BRONSON: Thank you. Electra,
10 you probably have received some of the same
11 information we have on the fact that not only are
12 we going through these cuts now, but we're probably
13 going to be looking at the potential for more come
14 March. And I know this is designed toward this
15 next year's budgetary process.

16 I support the compression issue that you have.
17 I've got the same issue that I would imagine that
18 every law enforcement agency in state government,
19 including fire --

20 CFO SINK: We have it.

21 COMMISSIONER BRONSON: -- have compression.
22 I've got it with my -- we lose almost 25 percent of
23 our firefighters every year, or every two years, to
24 local community fire departments. So those issues
25 have to be addressed. We've put them off, but the

1 budget is going to create some problems for us.
2 Capital outlay is another issue with every agency.
3 And I hope that -- while you're asking for the
4 support for those issues, which I certainly
5 support, that may not come at the end of the
6 budgetary process, because I did notice that you
7 were up about 29 total percent. That's counting
8 the compression issue for your officers. So I
9 certainly can support that as a Cabinet member, but
10 I'm not sure we're going to get there.

11 MS. BUSTLE: Understood. I appreciate your
12 comments.

13 ATTORNEY GENERAL McCOLLUM: I have one too,
14 Governor. I just notice in the budget items this
15 effort to try to get the customer queuing system or
16 lining-up system more automated. And having been
17 in these offices, I know, and I know many of our
18 citizens have, that would be a very valuable thing,
19 if I'm reading it right. Would you explain that a
20 little bit to us, how that works, Electra?

21 MS. BUSTLE: Sure, General. Many offices, tax
22 collectors also do driver's license work for us,
23 and they have what's called a queuing system. It's
24 an electronic system where a customer comes in and
25 is immediately given a ticket, and that ticket is

1 tracked all the way through when they actually get
2 to the examiner or the customer service specialist.

3 It not only tracks the numbers, but it also
4 tracks skilled-based needs. For instance, if a
5 customer has a driver's license issue rather than
6 maybe a financial responsibility issue, it's able
7 to say that person needs to go to this particular
8 customer service specialist. It has a reporting
9 ability that is unbelievable. You can actually be
10 in a county, and, for instance, we could be here in
11 Tallahassee, and I could be looking at Miami
12 driver's license offices and on a dashboard be able
13 to see that the wait times are beyond an acceptable
14 rate, and we can work towards adding resources.
15 It's a resource management tool.

16 So all the way around, it provides us accurate
17 and real-time information where we can make
18 management and resource decisions. And it will
19 also provide you all a better opportunity to see
20 the numbers of customers coming in and the types of
21 work we are doing. As I said, tax collectors
22 already have it in their offices, and they have
23 shown great success in customer service
24 improvements as a result of putting that in there.

25 ATTORNEY GENERAL McCOLLUM: Well, I'm really

1 pleased to see this in here, and I'm glad you
2 explained it, because I think, while we all focus
3 on the Highway Patrol, and the department you run
4 is safety conscious, and I'm much that way myself,
5 this is a great public service. You have to meet
6 the public, and this is important.

7 Thank you.

8 GOVERNOR CRIST: Thank you, General. CFO?

9 CFO SINK: Yes. Thank you, Governor.

10 Would you review with us what the proposed
11 cuts might be from this year's budget? Obviously,
12 we don't know yet until the Legislature takes
13 action, but what is on the table in terms of cuts,
14 and how does that reconcile with your request then
15 to add 60 more troopers for the next fiscal year
16 after that?

17 MS. BUSTLE: I don't have the list. I'll go
18 off the top of my head for just a little bit. I
19 know that most of the cuts are off of our
20 recommended --

21 GOVERNOR CRIST: You mean the reductions of
22 the increases?

23 MS. BUSTLE: Yes. I'm sorry. The reductions
24 are off of the list that we had provided. There
25 are some that were excess budget authority and

1 things to that effect. So they were very careful
2 in what I understand to adhere to looking at
3 keeping service and public safety and seeing where
4 we can create efficiencies.

5 As it relates to the Highway Patrol, there is
6 approximately 57 positions on the list of
7 reductions, all vacancies, and not all troopers.
8 Some are in supervisory positions.

9 What we did with the 60 positions, this is a
10 -- it's a plan that was actually initiated two
11 years ago through a formalized process to determine
12 how many troopers we need on the road. And
13 understanding that we are in a mode of reducing our
14 expenses, we really felt it was important to
15 continue to have that plan at least on the table
16 for discussion, understanding where we are
17 budgetarily. And if we are able to get some
18 compression and some pay changes, we can bring that
19 200 vacancies down, and then we're not looking at
20 all these vacant positions. So it's a balancing
21 act.

22 So we are looking at some reductions, but
23 they're not necessarily all trooper positions.
24 It's all throughout the ranks, and we feel like we
25 can do that without impacting service at this

1 point.

2 CFO SINK: And, Governor, I do want to share
3 Commissioner Bronson's concern about the very large
4 pay disparities between our sworn law officers
5 across state government. I think at some point, it
6 would be good to have the Department of Management
7 Services perhaps do a survey across state
8 government similar to what the Highway Patrol has
9 done, comparing their pay rates and grades with
10 other comparable law enforcement agencies. We
11 desperately need to have that happen just so that
12 we know where we are in state government and that
13 we don't then start to have huge disparities
14 between Highway Patrol, Insurance Fraud, Fish and
15 Wildlife. All of these classes of jobs really need
16 to be addressed, I believe, in kind of one package.

17 COMMISSIONER BRONSON: Governor, if I might
18 follow up on that, the thing that I come back to
19 all the time is, you know, it's great to have great
20 trained law enforcement and firefighters in the
21 state, but if the State is the one doing all the
22 training and spending the money and the expense to
23 train them so local agencies can get them without
24 having to pay for that training, they're getting a
25 great deal.

1 And for a few percentages of salary costs,
2 we're losing our shirts on this deal, because it
3 costs us quite a bit of money to have everybody
4 trained, our officers and agents, especially
5 officers and agents that handle issues that most
6 law enforcement don't even handle, because we
7 concentrate on those, and it takes a lot of
8 training to do that. Our firefighters are trained
9 for both forest and structural fires, so when a
10 local agency picks them up, they get a trained
11 person and forest fire training that they normally
12 wouldn't pay for in their normal processes.

13 So it's costing the State insurmountable
14 amounts of money to do this and keep having that
15 turnover every couple of years. It's just killing
16 us. And we really do need to have a quality report
17 done on what it's really costing us by not being
18 able to meet some minimum salaries that would work
19 for us iin compression and so forth.

20 MS. BUSTLE: Agreed.

21 GOVERNOR CRIST: I think I have some hopeful
22 thoughts for you --

23 CFO SINK: Good.

24 GOVERNOR CRIST: -- along those lines, with
25 what I believe the Legislature will do shortly, as

1 Senator Jeff Atwater would describe it, conduct an
2 intervention into local governments that we compete
3 with for these fine officers, and I think they're
4 going to do that shortly.

5 But I think that it will also benefit our
6 ability to greater reward law enforcement officers
7 at the state level, because I think with the
8 reduction in those property taxes, there will be
9 more spending of disposable income by our fellow
10 Floridians, which will end up in increased sales
11 tax revenue for the State Treasury, so we can
12 compete better and keep more of these officers that
13 are at the state level and be more competitive with
14 our friends in local government.

15 Any other questions?

16 MS. BUSTLE: That's all I have.

17 GOVERNOR CRIST: Thank you. Good job.

18 MS. BUSTLE: Thank you. Thanks.

19 GOVERNOR CRIST: Mike Sole, Board of Trustees.
20 Secretary, how are you?

21 MR. SOLE: Doing well, Governor.

22 GOVERNOR CRIST: Good.

23 MR. SOLE: Good morning, Cabinet members.

24 Item number 1 is submittal of the minutes for the
25 July 31st, August 14th, and August 28th Cabinet

1 meetings.

2 GOVERNOR CRIST: Oh, hold on, Mike.

3 MR. SOLE: Sure.

4 GOVERNOR CRIST: I made a mistake. We needed
5 to vote on that. But before we -- the last item,
6 Electra. I don't know that you need to come back
7 up, but --

8 CFO SINK: She's probably gone.

9 GOVERNOR CRIST: Probably gone, so you don't
10 need to at all. But I'm not going to vote on it.
11 I can't. But first, is there a motion?

12 CFO SINK: Well, I move it.

13 ATTORNEY GENERAL McCOLLUM: Second it.

14 GOVERNOR CRIST: Moved and seconded. Wait.
15 Just give me a second. Okay. So it has been moved
16 and seconded. Is there any objection?

17 CFO SINK: No.

18 GOVERNOR CRIST: Okay. Great. Florida law
19 requires the Governor to independently submit a
20 budget proposal. Accordingly, I am abstaining from
21 the vote on that item. Therefore, the record
22 should reflect that this item is approved with one
23 abstention. That was Item Number 4 for the last
24 agenda.

25

1 ATTORNEY GENERAL McCOLLUM: Governor, if I
2 could, I would move the minutes for Mike Sole on
3 the Board of Trustees.

4 CFO SINK: Second.

5 COMMISSIONER BRONSON: Second.

6 GOVERNOR CRIST: Moved and seconded. Approved
7 without objection.

8 MR. SOLE: Thank you, General.

9 GOVERNOR CRIST: Mike, may I ask you a
10 question?

11 MR. SOLE: Yes, sir, absolutely.

12 GOVERNOR CRIST: This relates to south
13 Florida. And it's not an agenda item. I just have
14 a question while you're here. It seemed
15 fortuitous. We've been getting a lot of rain in
16 south Florida, but not so much right on top of the
17 lake.

18 MR. SOLE: Correct.

19 GOVERNOR CRIST: And I have been told
20 somewhere, I can't remember where, that, you know,
21 what we're trying to do is clean up the
22 Caloosahatchee and the St. Lucie Rivers. It's very
23 important to the Senate president. And one
24 component of maybe helping to do that -- we're
25 spending some \$40 million to do it, and thank you

1 for your leadership on that -- is that if you have
2 a lower lake, which I know concerns some, but it
3 also might provide an opportunity to get some of
4 the muck off the bottom. Can we do that?

5 MR. SOLE: Absolutely.

6 GOVERNOR CRIST: Good.

7 MR. SOLE: In fact, the South Florida Water
8 Management District has been pursuing muck removal
9 in light of the current lake levels, the low lake
10 levels, to reduce and eliminate and remove as much
11 phosphorus from the lake bottom as possible.

12 GOVERNOR CRIST: Great.

13 MR. SOLE: And this is a good ecological,
14 ecosystem improvement.

15 GOVERNOR CRIST: You could get down to some
16 sand instead of muck, and then when --

17 MR. SOLE: Yes, sir, absolutely.

18 GOVERNOR CRIST: After we spent all this
19 money, we don't have -- will not have wasted it,
20 because we did it the right way.

21 MR. SOLE: Yes, sir.

22 GOVERNOR CRIST: Great. Thank you. Item 2.
23 I'm sorry.

24 MR. SOLE: Item Number 2, on behalf of the
25 applicant, we're requesting this item be withdrawn.

1 GOVERNOR CRIST: Is there a motion to
2 withdraw?

3 CFO SINK: Move it.

4 ATTORNEY GENERAL McCOLLUM: Second.

5 GOVERNOR CRIST: Moved and seconded. Show it
6 withdrawn without objection.

7 MR. SOLE: Item Number 3. This is the
8 St. Johns River Water Management District-Turkey
9 Creek ownership agreement. We're requesting
10 authority to enter into an acquisition and
11 ownership agreement with the St. Johns River Water
12 Management District to acquire what we refer to as
13 the Turkey Creek property. This property is
14 currently owned by Lee Ranch, Inc. and is part of
15 the Econ-St.Johns River Ecosystem Florida Forever
16 project.

17 This is one of those projects, Governor and
18 Cabinet, that was a great partnership. The total
19 parcel is some 5,200 acres. The Board of Trustees
20 would be pursuing as part of this agreement
21 acquisition of about a third of that property for
22 approximately \$14.5 -- or excuse me, for \$14.5
23 million. The other third is from the St. Johns
24 River Water Management District. And we also have
25 a federal partner, the Natural Resource

1 Conservation Service. So this is one of those
2 parcels and acquisition agreements that's a good
3 partnership between the District, the Board of
4 Trustees, and the Federal Government.

5 ATTORNEY GENERAL McCOLLUM: I move it.

6 COMMISSIONER BRONSON: Second.

7 GOVERNOR CRIST: Moved and seconded. Show it
8 approved without objection.

9 Item 4.

10 MR. SOLE: Item Number 4, we're requesting to
11 defer this item to the October 16th Cabinet agenda.

12 GOVERNOR CRIST: Is there a motion to defer?

13 CFO SINK: Move it.

14 ATTORNEY GENERAL McCOLLUM: Second.

15 GOVERNOR CRIST: Moves and seconded. Show it
16 deferred without objection. Thank you very much,
17 Secretary.

18 MR. SOLE: Thank you, Governor.

19

20

21

22

23

24

25

1 GOVERNOR CRIST: State Board of
2 Administration. Good to see you, Commish. Good to
3 see you, my friend. Take care, buddy.

4 Coleman Stipanovich. How are you, Coleman?

5 MR. STIPANOVICH: I'm doing good, Governor.
6 How about you?

7 GOVERNOR CRIST: Just fine. Thank you, sir.

8 MR. STIPANOVICH: Members.

9 GOVERNOR CRIST: Item 1.

10 MR. STIPANOVICH: Item 1 is request for
11 approval of the minutes of the September 19, 2007
12 meeting.

13 GOVERNOR CRIST: Is there a motion on the
14 minutes?

15 CFO SINK: I move it.

16 ATTORNEY GENERAL McCOLLUM: Second.

17 GOVERNOR CRIST: Moved and seconded. Show it
18 approved without objection.

19 MR. STIPANOVICH: Item 2 is a request for
20 approval of fiscal sufficiency of an amount not
21 exceeding 150 million State of Florida, Department
22 of Environmental Protection Florida Forever revenue
23 bonds.

24 ATTORNEY GENERAL McCOLLUM: I so move.

25 CFO SINK: I move it. Second.

1 GOVERNOR CRIST: Moved and seconded. Show it
2 approved without objection.

3 MR. STIPANOVICH: Item Number 3 is a request
4 for approval of a fiscal determination of an amount
5 not exceeding 4,338,500 tax-exempt Florida Housing
6 Finance Corporation multifamily mortgage revenue
7 bonds.

8 GOVERNOR CRIST: Is there a motion on 3?

9 CFO SINK: Move it.

10 ATTORNEY GENERAL McCOLLUM: Second.

11 GOVERNOR CRIST: Moved and seconded. Show it
12 approved without objection.

13 MR. STIPANOVICH: Item Number 4 pertains to
14 the Florida Retirement System Investment Plan.
15 It's being requested that you grant approval of 11
16 rules for final adoption, a summary of which is
17 provided in Attachment 4. The changes to these
18 rules are primarily administrative and technical
19 cleanup language as a result of legislation that
20 was enacted over the past couple of years.

21 At the July 31st meeting this year, you all
22 approved the filing of a notice for these 11 rules.
23 We offered a development workshop and hearing, and
24 it did not take place because it wasn't requested.
25 And if you approve this today, we will file it

1 immediately.

2 ATTORNEY GENERAL McCOLLUM: I move it.

3 CFO SINK: Second.

4 GOVERNOR CRIST: Moved and seconded. Show it
5 approved without objection.

6 MR. STIPANOVICH: On the last agenda item,
7 Number 5, I've provided you the annual agreement
8 for your approval as requested of me and others.
9 There are 13 primary responsibilities and
10 performance objectives for investment management
11 and administrative statewide programs set forth in
12 the performance agreement.

13 As you can see, there are about 35 managed
14 funds that are ranked in asset size under Table 1
15 that fall under these areas. And in terms of --
16 the overall area is \$184 billion under management,
17 75 percent of it is represented by the pension plan
18 with \$136 billion, and it is our core mission.

19 GOVERNOR CRIST: Is there a motion?

20 ATTORNEY GENERAL McCOLLUM: I move it.

21 CFO SINK: Second.

22 Governor, I do want to compliment Coleman on
23 the report, and also on the performance it looks
24 like we're going to be able to report for the
25 fiscal year.

1 I just returned from the National Association
2 of State Treasurers, where the treasurer of
3 Connecticut was bemoaning the fact that their
4 retirement fund is funded at all of 80 percent.
5 Mainly teachers are recipients of their fund, and
6 they've got some very, very serious problems to try
7 to make up the difference, and it was nice to sit
8 there with a smile on my face.

9 GOVERNOR CRIST: We're more blessed than we
10 know in the Sunshine State.

11 MR. STIPANOVICH: Thank you, CFO Sink, for the
12 compliments. And, Governor and members, yesterday
13 your letter was finalized, and you sent it back to
14 me, that will be incorporated into the annual
15 report that will go to the Legislature. And of
16 course, all the members of the Florida Retirement
17 System are always very interested in this annual
18 report. But they're very good results this year,
19 as the CFO has mentioned, and we had a very strong
20 return of 18.07 percent. You know, we're still
21 fully funded with 107 percent surplus. You know,
22 we beat our benchmarks, which is highly unusual.
23 It will never happen again, I promise you, but on
24 all time horizons --

25 GOVERNOR CRIST: Coleman, how are you doing

1 that, man? What's going on over there?

2 MR. STIPANOVICH: I've got good people,
3 Governor. With your leadership -- you know, I use
4 the metaphor of the three-legged stool, and this is
5 why the State of Florida is the envy of the country
6 of public pension funds, and it's because of the
7 leadership we get from the Trustees. Without your
8 leadership, that wouldn't happen. There are a lot
9 of things you could be doing differently that would
10 not help us with these type of returns.

11 The Legislature, I mean, an integral part of
12 this is the Legislature and their fiscal
13 responsibility and how they set contribution rates.
14 I mean, there are two parts to the equation in
15 terms of how you fund the Florida Retirement
16 System. So they've been fiscally responsible, and
17 that's important, setting good public policy.

18 And third and not last is the State Board of
19 Administration, the people that work for you all
20 and serve you and the people of Florida. We're
21 just, you know, an outstanding organization with a
22 lot of good, hard-working people that faithfully
23 serve you and the people, and we just keep turning
24 it out.

25 You know, I'm not going to go there, but there

1 will be a time that I do that, but I hear it's
2 happening all over the state, you know, public
3 safety and other areas where, you know,
4 compensation is an issue. We're fortunate. We've
5 got a lot of good people that just love working
6 here and working for the State Board and working
7 for you all. But at some point in time, we're
8 going to need to talk about some other issues, or
9 it's just not going to continue. But right now, as
10 far as I can see, I think it's going to be --

11 GOVERNOR CRIST: There's a lot of good people
12 that work in Florida, and they don't do it just for
13 the dough.

14 MR. STIPANOVICH: I understand.

15 GOVERNOR CRIST: They do it because they have
16 a good heart, and so do you, and we appreciate your
17 leadership, Coleman.

18 MR. STIPANOVICH: Thank you, Governor.
19 Appreciate your leadership.

20 GOVERNOR CRIST: Thank you very much. It was
21 approved without objection, by the way.

22 And we are adjourned. Thank you.

23 (Proceedings concluded at 10:27 a.m.)
24
25

1

2 CERTIFICATE OF REPORTER

3

4 STATE OF FLORIDA:

5 COUNTY OF LEON:

6 I, MARY ALLEN NEEL, Registered Professional
7 Reporter, do hereby certify that the foregoing
8 proceedings were taken before me at the time and place
9 therein designated; that my shorthand notes were
10 thereafter translated under my supervision; and the
11 foregoing pages numbered 1 through 41 are a true and
12 correct record of the aforesaid proceedings.

13 I FURTHER CERTIFY that I am not a relative,
14 employee, attorney or counsel of any of the parties, nor
15 relative or employee of such attorney or counsel, or
16 financially interested in the foregoing action.

17 DATED THIS 13th day of October, 2007.

18

19

20 _____
21 MARY ALLEN NEEL, RPR, FPR
22 2894-A Remington Green Lane
23 Tallahassee, Florida 32308
24 (850) 878-2221
25