

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

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Representing:

DIVISION OF BOND FINANCE  
FINANCIAL SERVICES COMMISSION, INSURANCE REGULATION  
DEPARTMENT OF REVENUE  
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, August 10, 2010,  
commencing at approximately 9:07 a.m.

Reported by:

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## APPEARANCES:

Representing the Florida Cabinet:

CHARLIE CRIST  
Governor

CHARLES H. BRONSON  
Commissioner of Agriculture

BILL McCOLLUM  
Attorney General

ALEX SINK  
Chief Financial Officer

\* \* \*

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## P R O C E E D I N G S

(The agenda items commenced at 9:13 a.m.)

GOVERNOR CRIST: Our next Cabinet meeting will be Thursday, August 26th. And with that, I think the CFO has an announcement.

CFO SINK: Thank you, Governor. Governor and Cabinet members, I want to bring up an issue about the Parole Commission. As you know, we have an upcoming vacancy which is going to be created by the retirement of Fred Dunphy. Fred, who is the chair, the current chair of the Commission, announced that he was retiring effective January the 4th.

This Cabinet appointed Commissioner Dunphy to a six-year term back in August of 2008, and he is electing to retire two years into his term. And I feel very strongly that we have the responsibility to name his replacement in advance of his retirement on January the 4th, because it is a seat that this sitting Cabinet had the right to make the appointment. He is leaving early.

And furthermore, if it were to wait until next year when the vacancy is actually created, then it takes the Nominating Commission from three to six months to go through a process of identifying a new

1 person, which would create an enormous amount of  
2 hardship on the three Parole Commissioners -- well,  
3 the remaining two Parole Commissioners that we  
4 have.

5 And I did send a letter to you after the last  
6 Cabinet meeting and am aware that the Nominating  
7 Commission, when they were doing all the interviews  
8 that they did for the vacancy that we filled last  
9 week, had requested or expressed that we go ahead  
10 and appoint out of that pool of a lot of applicants  
11 that they had and a lot of work they did to do the  
12 interviews, they had suggested that we make the two  
13 appointments. But we couldn't do it because we  
14 can't appoint until 90 days in advance of the  
15 vacancy.

16 So I would like to propose that we ask the  
17 Nominating Commission to go back and review their  
18 pool of applicants and submit to us three names of  
19 qualified potential commissioners and have us then  
20 make the appointment -- I guess the first time we  
21 could do it would be the October the 12th Cabinet  
22 meeting -- so that this vacancy would be filled  
23 upon Commissioner Dunphy's announced retirement on  
24 January the 4th and we have a smooth transitional  
25 process.

1 GOVERNOR CRIST: Is that a motion?

2 CFO SINK: I don't think I can make a motion.  
3 Robert, you're our expert here.

4 It's just a recommendation. It would be just  
5 our recommending --

6 GOVERNOR CRIST: Our request to the  
7 Commission.

8 CFO SINK: Our request to the Nominating  
9 Commission that they submit three qualified names  
10 for us to choose from.

11 GOVERNOR CRIST: Seasons reasonable to me.  
12 Any comment?

13 ATTORNEY GENERAL McCOLLUM: Certainly the fact  
14 that the vacancy is going to occur on the 4th of  
15 January would indicate we would have a period of  
16 time if we didn't do this that it would be open. I  
17 gather -- I haven't looked at it, but I gather that  
18 the authority is there for us to do this. Assuming  
19 that's the case, then it sounds like a reasonable  
20 proposal.

21 What do you think, Commissioner?

22 COMMISSIONER BRONSON: I'm perfectly willing  
23 to do that. I know we had some good candidates  
24 this last time, so I think considering that there  
25 would be almost four years left on the term that's

1 going to expire, it certainly would put us in a  
2 position to do that.

3 GOVERNOR CRIST: Sounds like a unanimous  
4 request to the Commission.

5 CFO SINK: Thank you, Governor.

6 GOVERNOR CRIST: Thank you, Members.  
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1 GOVERNOR CRIST: Division of Bond Finance, Ben  
2 Watkins. Good morning, Ben.

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

5 GOVERNOR CRIST: How are you, sir?

6 MR. WATKINS: Very well, thank you.

7 Item Number 1 is approval of the minutes of  
8 the June 8th meeting.

9 GOVERNOR CRIST: Is there a motion on the  
10 minutes?

11 COMMISSIONER BRONSON: So moved.

12 GOVERNOR CRIST: Is there a second?

13 MR. WATKINS: Item Number 2 is --

14 GOVERNOR CRIST: Is there a second?

15 CFO SINK: Second.

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

18 MR. WATKINS: Item Number 2 is a resolution  
19 authorizing the competitive sale of up to  
20 \$200 million in Public Education Capital Outlay  
21 Bonds for school construction.

22 GOVERNOR CRIST: Is there a motion?

23 CFO SINK: Move it.

24 COMMISSIONER BRONSON: Second.

25 GOVERNOR CRIST: Moved and seconded. Show

1 Item 2 approved without objection.

2 MR. WATKINS: Item Number 3 are resolutions --  
3 it's actually a mixed issue. It includes both a  
4 new money component as well as a refinancing  
5 component for debt service savings relative to the  
6 authorization of \$30,450,000 of Capital Outlay  
7 Bonds for school construction as well as a  
8 \$9 million refunding piece.

9 ATTORNEY GENERAL McCOLLUM: I move --

10 COMMISSIONER BRONSON: Motion for approval of  
11 Item 2.

12 ATTORNEY GENERAL McCOLLUM: Second, second.

13 GOVERNOR CRIST: Item 3, right, Commish?

14 COMMISSIONER BRONSON: Yes.

15 GOVERNOR CRIST: And a second by the General.  
16 Show it approved without objection.

17 MR. WATKINS: Item Number 4 are resolutions  
18 providing for the determination of a debt service  
19 reserve fund for the Lottery Revenue Refunding  
20 Bonds. This provides the flexibility to determine  
21 any debt service reserve requirement on an  
22 issue-by-issue basis.

23 ATTORNEY GENERAL McCOLLUM: I move Item 4.

24 CFO SINK: Second.

25 GOVERNOR CRIST: Moved and seconded. Show it

1 approved without objection.

2 MR. WATKINS: Item number 5 is a report of  
3 award on the competitive sale of approximately  
4 \$251 million of Turnpike Revenue Bonds. The bonds  
5 were sold at competitive sale and awarded to the  
6 low bidder at a true interest cost of approximately  
7 4.50 percent.

8 CFO SINK: Move it.

9 ATTORNEY GENERAL McCOLLUM: Second.

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

12 MR. WATKINS: Item Number 6 is a report of  
13 award, also a mixed issue, both a new money  
14 component for renovations of two dormitories at  
15 Florida A&M University as well as a refunding for  
16 debt service savings on outstanding indebtedness.  
17 The new money component bears interest at a true  
18 interest cost of approximately 5.07 percent. The  
19 refunding bears interest at a true interest cost of  
20 4.60 percent. The refunding generated gross debt  
21 service savings of approximately 1.6 million or  
22 \$1.1 million on a present value basis.

23 COMMISSIONER BRONSON: Motion for approval of  
24 Item 6.

25 ATTORNEY GENERAL McCOLLUM: Second.

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

3 MR. WATKINS: Item number 7 is a report of  
4 award on the competitive sale of \$31.3 million of  
5 Mandatory Student Fee Revenue Bonds for the  
6 construction of a new health center at Florida  
7 State University. The bonds were sold at  
8 competitive sale and awarded to the low bidder at a  
9 true interest cost rate of approximately  
10 4.06 percent.

11 ATTORNEY GENERAL McCOLLUM: I move Item 7.

12 COMMISSIONER BRONSON: Second.

13 GOVERNOR CRIST: Moved and seconded. Show it  
14 approved without objection.

15 MR. WATKINS: Item Number 8 is a report of  
16 award on the competitive sale of \$18.9 million in  
17 Dormitory Revenue Bonds for construction of a new  
18 dormitory at Florida State University. The bonds  
19 were sold at competitive sale and awarded to the  
20 low bidder at a true interest cost of approximately  
21 4.6 percent.

22 CFO SINK: Move it.

23 COMMISSIONER BRONSON: Second.

24 GOVERNOR CRIST: Moved and seconded. Show it  
25 approved without objection.

1           MR. WATKINS: And lastly, Item Number 9 is a  
2 report of award on the competitive sale of  
3 \$225 million in Water Pollution Control Revenue  
4 Bonds sold on behalf of the Water Pollution Control  
5 Financing Corporation for the State's Revolving  
6 Loan Fund Program, which provides for loans to  
7 local government for clean water projects. These  
8 bonds were also sold at competitive sale, and they  
9 were awarded to the low bidder at a true interest  
10 cost rate of approximately 3.27 percent.

11           ATTORNEY GENERAL McCOLLUM: Move Item --

12           CFO SINK: Move it.

13           ATTORNEY GENERAL McCOLLUM: I'll second it.

14           GOVERNOR CRIST: Moved and seconded. Show it  
15 approved without objection. Thank you, Ben.

16           CFO SINK: Governor?

17           GOVERNOR CRIST: CFO, of course.

18           CFO SINK: While Ben is still up there, I just  
19 wanted to make a couple of comments, because as we  
20 were going through the preparation for today's  
21 Cabinet meeting and we saw these numerous items of  
22 reports, it becomes kind of perfunctory for us to  
23 make these approvals. And I think it's -- I know  
24 you all agree. We have to step back once in a  
25 while and think about the bigger picture of what

1 we're talking about here.

2 Ben operates a division which is 14 people.  
3 It's not a lot of people. And every one of these  
4 items represents an enormous amount of work and  
5 thought and detail and heavy negotiation with the  
6 people who are going to provide this bond funding  
7 to our state.

8 So we went back, and just for this year,  
9 they've already done 25 bond issues totaling  
10 \$4.6 billion, of which 2.6 billion represents new  
11 money. The other \$2 billion -- I hope I'm right in  
12 my numbers -- are refunds. It's kind of like  
13 redoing your mortgage. You see that you're paying  
14 a certain amount for your mortgage payment, and you  
15 have the opportunity to refund it at a lower price  
16 to make additional savings for you. And we're  
17 talking billions instead of tens of thousands. But  
18 just those 12 refunding deals -- and there's a lot  
19 of calculation that goes into the decision-making  
20 process. They saved over \$200 million of our money  
21 which can be used for other purposes.

22 And we took full advantage, to the extent we  
23 could, of the Build America bonds, which was part  
24 of the incentive package from the federal  
25 government. That's another \$200 million.

1           And to have this work done by so few people, I  
2           just want to publicly thank you and acknowledge  
3           your team's hard work and also acknowledge that  
4           when we're rolling through these reports, a lot of  
5           these are new projects that are going to result in  
6           thousands of construction jobs for Floridians. And  
7           the faster we can get the moneys out and  
8           distributed to the local governments or the  
9           universities, the quicker the projects can be under  
10          way and the faster we can put these thousands of  
11          people to work.

12           So I just wanted to get up at kind of a bird's  
13          eye view and just, Ben, thank you for your  
14          leadership and particularly for the work of a very  
15          small department who, like everybody else, hasn't  
16          had a raise, operates with hand-me-down furniture  
17          from the SBA and lives in very modest quarters over  
18          there on Hermitage Boulevard. Thank you.

19           GOVERNOR CRIST: Very worthy comments.

20           ATTORNEY GENERAL McCOLLUM: May I follow up on  
21          that?

22           GOVERNOR CRIST: Please do.

23           ATTORNEY GENERAL McCOLLUM: Am I correct, Ben,  
24          that it's \$2 billion worth of savings that you had  
25          last fiscal year, something like that, or is it

1           refunds?

2           MR. WATKINS:   \$2 billion in refunding  
3           transactions and refunding bonds that we sold,  
4           which generated about 258 million in lower debt  
5           service payments over the terms of the loans.

6           GOVERNOR CRIST:  I think the CFO is right to  
7           point out that you do a lot of this work and come  
8           in here and spit it out, yet it's very significant.  
9           It's certainly hugely important to our state.  So  
10          we really do appreciate you, even though we don't  
11          say it very often, do we?  So you're great to bring  
12          it up this morning.

13          MR. WATKINS:  Thank you very much.  I  
14          appreciate it.  Really, the hard work goes to the  
15          people back in my office who make all of this  
16          happen.  I'm just the mouthpiece for all that.  
17          Thanks very much.

18          GOVERNOR CRIST:  We know better than that,  
19          Ben.  Thank you, sir, very much.

20          CFO SINK:  Well, and we should add too that  
21          there are some people out there who are leading  
22          Floridians to believe that we've blown through our  
23          bonding capacity.  And the facts of the matter are  
24          that we're sitting here still with a AAA bond  
25          rating, and Ben is keeping a very close eye on that



1           7 percent debt ratio level that had been set as a  
2           goal by the Legislature and by us as the overseer  
3           of Bond Finance. And we are in good financial  
4           position, and still I hope that you will confirm  
5           that we're very well regarded when the State of  
6           Florida gets to Wall Street.

7           MR. WATKINS: Yes, ma'am, we are.

8           GOVERNOR CRIST: Commissioner.

9           COMMISSIONER BRONSON: Governor, I wish that  
10          we could send people like Ben to Washington --

11          CFO SINK: Oh, yeah.

12          COMMISSIONER BRONSON: -- to talk to some of  
13          the people handling those issues up there. I've  
14          got to tell you, if you look at -- whether it's our  
15          finances here in the state or the work that our DEP  
16          and other agencies are doing, real work at real  
17          time, using common sense to help guide the way,  
18          along with some science and technology, the fact  
19          that the federal government wasted all that time to  
20          vote on an issue a week or so ago and let the two  
21          biggest offenders get off without any recognition,  
22          which is Freddie Mac and Fannie Mae, who have  
23          caused probably two of the biggest disasters on  
24          home mortgages in this country, it shows that what  
25          we're doing here to keep Florida -- to balance our

1 budget and keep Florida in a sound position.

2 I too would like to thank your office and many  
3 of the people who work for the State of Florida who  
4 helped us kind of rise above most states, probably  
5 most all states out there on some of those issues.

6 And it has been my privilege to work with you,  
7 Ben. I'll be going out of here pretty quick, so if  
8 I don't get a chance to say that before I leave, it  
9 has been a pleasure working with you.

10 MR. WATKINS: Thank you, sir. I really  
11 appreciate it. It sounds like a going-away party,  
12 but I'm hoping that's not the case.

13 GOVERNOR CRIST: Ben is doing well.  
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1                   GOVERNOR CRIST: Office of Insurance  
2 Regulation, Deputy Commissioner Belinda Miller.  
3 Good morning, Belinda.

4                   MS. MILLER: Good morning, Governor and  
5 Cabinet, or Financial Services Commission, I should  
6 say.

7                   The first item on the agenda is approval of  
8 the minutes for the Financial Services Commission  
9 for April the 13th, 2010; May the 11th, 2010; and  
10 June the 8th, 2010.

11                  COMMISSIONER BRONSON: Motion for approval of  
12 Item 1.

13                  ATTORNEY GENERAL McCOLLUM: Second.

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

16                  MS. MILLER: Thank you. Number 2 is a request  
17 for approval for adoption of amendments to the  
18 Proposed Rule 690-137.002, otherwise known as the  
19 Model Audit Rule. This is a national model rule  
20 that is consistent in the states and is actually  
21 required by the National Association of Insurance  
22 Commissioners for accreditation. And what it does  
23 is establish some specific standards for the  
24 independence of auditors who do audits for  
25 insurance companies.

1 ATTORNEY GENERAL McCOLLUM: Move Item 2.

2 COMMISSIONER BRONSON: Second.

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

5 MS. MILLER: Thank you. Item Number 3, this  
6 is a technical numbering change, a request for  
7 approval for adoption of amendments to Proposed  
8 Rule 690-167.024. This rule doesn't make any  
9 substantive changes. It just renumbers it because  
10 the statute changed.

11 CFO SINK: Move it.

12 ATTORNEY GENERAL McCOLLUM: Second.

13 GOVERNOR CRIST: Moved and seconded. Show it  
14 approved without objection.

15 MS. MILLER: Item Number 4 is a request for  
16 approval for publication of amendments to Proposed  
17 Rule 690-162.203, adoption of the 2001  
18 Commissioners Standard Ordinary Ultimate Mortality  
19 Tables for Determining Reserve Liabilities -- it  
20 should say for Ordinary Life Insurance. The rule  
21 is actually correct, but there's a typo in the  
22 title here. It's about ordinary life insurance.  
23 And this is being changed also to be consistent  
24 with the NAIC model, the National Association of  
25 Insurance Commissioners model.

1           The rule was changed back in 2007 to allow  
2           life insurance companies to use a new mortality  
3           table or an updated mortality table at that time to  
4           recognize that people are living a little bit  
5           longer. And this goes back and allows companies to  
6           use that table for policies that they issued prior  
7           to 2007 that are still in force.

8           GOVERNOR CRIST: Is there a motion on Item 4?

9           CFO SINK: Move it.

10          COMMISSIONER BRONSON: Second.

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

13          MS. MILLER: Thank you. Item 5 is related.  
14          It's a request for approval of publication of  
15          amendments to Proposed Rule 690-164.020, Valuation  
16          of Life Insurance Policies. And this permits --  
17          this also revises the requirement for these  
18          deficiency reserves for certain policies under  
19          certain conditions, and it goes along with the  
20          prior rule.

21          ATTORNEY GENERAL McCOLLUM: I move Item 5.

22          CFO SINK: Second.

23          GOVERNOR CRIST: Moved and seconded. Show it  
24          approved without objection.

25          MS. MILLER: Number 6 is also related. It's a

1 request for approval for publication of amendments  
2 to Proposed Rule 690-138.047, Description of  
3 Actuarial Memorandum. This amends our rule to meet  
4 the NAIC model regulations, to add another  
5 requirement to the disclosures that are filed by  
6 life insurers, and it incorporates the requirements  
7 of the rules that we just went through.

8 GOVERNOR CRIST: Is there a motion?

9 CFO SINK: Move it.

10 COMMISSIONER BRONSON: Second.

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

13 MS. MILLER: Thank you.

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1                   GOVERNOR CRIST: Department of Revenue, Lisa  
2 Echeverri. Good morning.

3                   MS. ECHEVERRI: Good morning. Item 1, we  
4 request approval of the minutes from the June 8th  
5 meeting.

6                   CFO SINK: Move it.

7                   ATTORNEY GENERAL McCOLLUM: Second.

8                   GOVERNOR CRIST: Moved and seconded. Show the  
9 minutes approved without objection.

10                  MS. ECHEVERRI: Item 2 requests approval to  
11 hold a rule hearing for notice of proposed rules.  
12 This is an amendment to Rule Chapter 12D-15 to  
13 reflect the repeal of the approved bidder list  
14 requirement in the statute.

15                  ATTORNEY GENERAL McCOLLUM: Move Item --

16                  CFO SINK: Move it.

17                  ATTORNEY GENERAL McCOLLUM: Second.

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

20                  MS. ECHEVERRI: Item 3 requests approval for  
21 final adoption of amendments to Rules 12A-13.004,  
22 12A-16.004, and 12-17.004. These rule amendments  
23 will update provisions on the Department's  
24 delegated authority for things like entering into  
25 stipulated payment agreements and settlement

1 authority to reflect more current position titles.

2 GOVERNOR CRIST: Is there a motion on Item 3?

3 COMMISSIONER BRONSON: Motion for approval of  
4 Item 3.

5 ATTORNEY GENERAL McCOLLUM: Second.

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

8 CFO SINK: Governor, can I ask Lisa a  
9 question, something that just popped into my mind?

10 GOVERNOR CRIST: Of course.

11 CFO SINK: What reaction are you getting --  
12 the amnesty program is now in effect; is that  
13 right?

14 MS. ECHEVERRI: That's correct.

15 CFO SINK: Would you just give us some flavor  
16 for what you're seeing in response to the amnesty  
17 program?

18 MS. ECHEVERRI: Sure. We've had -- the first  
19 full month, July, we have about \$12 million in  
20 collections so far for July. Our experience has  
21 always been that the majority of the money comes in  
22 in the last two weeks of the amnesty. This amnesty  
23 period runs for three months, from July 1st to  
24 September 30th, so we don't expect to see the bulk  
25 of the money come in. So 12 million really is on



1 target for where we thought we would be for the  
2 month of July.

3 We've had about 18,000 phone calls and about  
4 29,000 hits to our website. Our campaigns were  
5 scheduled to go out towards the end of July, so a  
6 lot of the activity that would be generated through  
7 our own promotion of the amnesty program would not  
8 even occur until August. So we're pretty pleased  
9 with where we are so far.

10 CFO SINK: Good. Thank you.

11 GOVERNOR CRIST: Great. Thank you, Lisa.

12 MS. ECHEVERRI: Thanks.

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1                   GOVERNOR CRIST: Department of Highway Safety  
2 and Motor Vehicles, Julie Jones. Good morning.

3                   MS. JONES: Good morning, Governor and Cabinet  
4 members.

5                   I have nine agenda items today for your  
6 consideration and approval.

7                   Item Number 1, we respectfully request  
8 approval for the minutes from the March 9, 2010  
9 Cabinet meeting.

10                  COMMISSIONER BRONSON: Motion for approval of  
11 Item 1.

12                  ATTORNEY GENERAL McCOLLUM: Second.

13                  GOVERNOR CRIST: Moved and seconded. Show the  
14 minutes approved without objection.

15                  MS. JONES: Item Number 2, we request approval  
16 for proposed rulemaking for Rule 15C-17, which  
17 relates to the electronic temporary plate transfer  
18 system. The purpose of this rule is to implement a  
19 secure electronic process to temporarily transfer  
20 license plates pursuant to some legislation that  
21 passed during the '09-10 session.

22                  The temporary plate transfer ensures that law  
23 enforcement has immediate real-time information.  
24 When that car leaves the lot, we know it's in the  
25 database, and if we stop that vehicle, we know who

1 the owner is and that the vehicle is properly  
2 titled.

3 There's also instances where a plate may need  
4 to be temporarily transferred pending the  
5 completion of a final sale, and that would be if  
6 you have financing that's pending or there's a  
7 question and we need to reconcile an out-of-state  
8 title.

9 GOVERNOR CRIST: Commish.

10 COMMISSIONER BRONSON: Julie, one of the  
11 things that had been brought up about this  
12 electronic transfer issue is whether or not the  
13 individuals either buying a used vehicle or in this  
14 transfer, some of the dealers charge a substantial  
15 rate above and beyond what the State is doing on  
16 this issue. And some of the concern was that the  
17 consumers be given the option of the few days it  
18 takes to do the typical transfer or the automatic  
19 transfer, because it was stated that they may find  
20 that they're paying a much higher rate to do this  
21 automatic electronic transfer than if they were to  
22 wait a few days.

23 In other words, they know when they leave the  
24 lot they have it under what you're asking for, but  
25 if they wait a few days and let the process be

1 done, it can save them a lot of money, and that --  
2 you know, there are consumer groups out there who  
3 are concerned whether the public is going to be  
4 made aware of this or get the automatic, say, \$100  
5 transfer fee.

6 MS. JONES: Yes, sir. Governor, if I may.

7 GOVERNOR CRIST: Sure.

8 MS. JONES: That issue is actually in my next  
9 rule. This one is fairly innocuous and does not  
10 speak to that issue. When I talk about the next  
11 rule, I would umbrella this rule in our proposal  
12 for the future to try to take care of the consumer  
13 issue. And so I'll talk through that issue in the  
14 next rule, if I may.

15 COMMISSIONER BRONSON: Okay. Thank you.

16 CFO SINK: Move approval of Item 2.

17 ATTORNEY GENERAL McCOLLUM: Second.

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

20 MS. JONES: Item Number 3, we respectfully  
21 request approval for proposed rulemaking for 15C-18  
22 that relates to electronic filing system, which  
23 I'll refer to as EFS. This is used by car dealers  
24 to license and title motor vehicles, so this is the  
25 area that I think you were talking about.

1           This system has been used since 1996, but it  
2           was governed by the Tax Collectors Service  
3           Corporation. The legislation that became effective  
4           July 1, 2010, transferred the oversight of this  
5           system to the Department and required that we  
6           promulgate rules.

7           So if you go to a car dealer and buy a new  
8           car, EFS would be used to either transfer the  
9           existing metal plate or give you a new metal plate  
10          before you walk off the lot. This rule defines the  
11          EFS system, the standards for participation,  
12          certification of service providers, and the system  
13          requirements for use.

14          So we took -- in the statute, it asks us to  
15          take the existing operating standards used by the  
16          service corp. and keep those in place until I could  
17          promulgate rules. The rules the Department are  
18          proposing go beyond the service corp. current  
19          recommendations.

20          When the Legislature originally considered the  
21          framework for both the electronic filing system in  
22          this rule and the electronic title -- the  
23          electronic transfer system that I talked about  
24          previously, they considered capping fees, and the  
25          Legislature chose not to. The thought was that the

1 market would regulate the cost through competition,  
2 and I think there has been some of that. We have  
3 had instances, though -- you're absolutely correct,  
4 Commissioner, that we've had exorbitant fees  
5 charged to an individual that were not disclosed.

6 Governor, because of comments at our first  
7 public meeting on this rule and because of input  
8 from you and your staff, we've been looking at how  
9 to regulate the fees in both these systems.

10 Initial discussion with the certified service  
11 providers that run both these programs has been  
12 very positive.

13 At this point, I'm exploring my rulemaking  
14 authority. I'm not convinced that I can actually  
15 do this, but I would like to bring solutions back  
16 the next time I come before this Cabinet in  
17 November with a final rule with options I think  
18 that the Department can bring to you, and also, if  
19 it means proposed legislation, what that would  
20 mean, and certainly, Commissioner, working with the  
21 consumer groups that have weighed in on this. I  
22 think their input, additional input is very  
23 important.

24 In the interim, though -- and this is based on  
25 some discussions we've had with General McCollum's

1 office. We have modified the proposed rule and ask  
2 that you consider this modification for us to go  
3 forward. And it would require car dealers to  
4 disclose all fees in a line item and then also make  
5 it clear that this service is optional. So I think  
6 that takes the first big step not to capping the  
7 fee, but certainly to making sure that it's  
8 transparent, the process is transparent.

9 GOVERNOR CRIST: General.

10 ATTORNEY GENERAL McCOLLUM: I have had that --  
11 we have had that discussion, Julie. And I think  
12 that since this is a notice as well, and there's  
13 plenty of time for discussion and more detail on  
14 things later, I think it's very appropriate that we  
15 approve this, and I would move Item 3.

16 GOVERNOR CRIST: Why not cap it?

17 MS. JONES: Well, first of all, I think I  
18 don't have the authority to cap it. I think I  
19 would have to go back to the Legislature. But I am  
20 going to go to the Joint Administrative Procedures  
21 Commission and ask if I have authority. If I do,  
22 then I would go back to the vendors and to the  
23 consumer advocate folks to try to figure out what  
24 those caps would be.

25 In 2009, a cap that was in the service corp

1 standards and was in the statute was removed by the  
2 Legislature, and that's what leads me to believe  
3 that I think it's going to take legislative action  
4 and not the Department. But we're going to explore  
5 all those options and bring something back to you  
6 that's solid.

7 COMMISSIONER BRONSON: Governor, if I might.

8 GOVERNOR CRIST: Yes, please.

9 COMMISSIONER BRONSON: And that's fine. I  
10 think that the fact that if it's made transparent  
11 where the buyer, instead of being in a buyer beware  
12 situation, or the old standard where what the buyer  
13 doesn't know doesn't hurt him ideology, I think if  
14 it's made transparent where that figure comes out,  
15 they know exactly what's being charged in this  
16 situation, and they have the option of either doing  
17 it quick or take your time and do it a few days  
18 slower, I don't think anybody has been arrested  
19 that I know of because their paper process was  
20 being done through the system.

21 So, you know, \$50 here, \$100 there may not  
22 sound like a lot to some, but it sounds like a lot  
23 to people trying to get their first car, especially  
24 if they're paying for it, and those issues. So as  
25 long as it's transparent, I'm fine. People can



1 make their decision. If they go to different  
2 dealers and one dealer is at 50 and another one is  
3 at 100, it might make the deal for them. Who  
4 knows.

5 GOVERNOR CRIST: Thank you.

6 COMMISSIONER BRONSON: So without putting a  
7 cap on it, I think just making sure that it's in  
8 the clear and people know what they're doing and  
9 it's transparent.

10 GOVERNOR CRIST: CFO.

11 CFO SINK: Let me clarify. What you're saying  
12 is that you're going to explore the -- in the  
13 intervening time between now and November, you're  
14 going to explore all the options. You're going to  
15 explore caps, you're going to explore what you have  
16 the authority to do legislatively or not, and then  
17 you're going to come back here to this Cabinet in  
18 November with a recommendation after the hearings  
19 have been heard; is that correct?

20 MS. JONES: Correct. To clarify, CFO, we had  
21 a rule that we gave to staff, a proposal that we've  
22 workshopped thus far. We added yesterday the  
23 additional language to disclose fees, so that is  
24 now a part of the rule if you tell me to move  
25 forward. So the transparency part will be part of

1 the proposed rule.

2 What I will explore is my options. If I can  
3 -- in this interim workshop process, if I can put  
4 caps in, I will bring those back to you. If it  
5 takes legislation, I will report back on that.

6 CFO SINK: Okay. Thank you.

7 GOVERNOR CRIST: There's a motion?

8 ATTORNEY GENERAL McCOLLUM: Yes, I had a  
9 motion.

10 GOVERNOR CRIST: Is there a second?

11 CFO SINK: Second.

12 COMMISSIONER BRONSON: Second.

13 GOVERNOR CRIST: Moved and seconded. Show it  
14 approved without objection.

15 MS. JONES: We respectfully request approval  
16 for proposed rulemaking for 15-1.012, which relates  
17 to the Department's delegation of authority. This  
18 rule has not been updated since 1998. The proposed  
19 changes provide the Department with operating  
20 authority comparable to other Cabinet agencies,  
21 while maintaining transparency through reporting  
22 requirements.

23 COMMISSIONER BRONSON: Motion for approval of  
24 Item 4.

25 ATTORNEY GENERAL McCOLLUM: Second.

1           GOVERNOR CRIST: Show it approved without  
2           objection.

3           MS. JONES: Item 5, we request approval for  
4           proposed rulemaking for 15A-12, which relates to  
5           the Florida Rider Training Program. The Florida  
6           Rider Training Program rule sets standards for the  
7           Motorcycle Safety Education Program, including  
8           approving course curriculum and certifying  
9           instructors.

10           This program has been in place for 15 years,  
11           and we have used a contract with vendors to  
12           prescribe operating conditions and requirements.  
13           The Joint Administrative Procedures Committee,  
14           JAPC, has requested that we codify parts of the  
15           contract in rule so that it is in a rule, and this  
16           also gives us greater enforcement authority over  
17           these vendors.

18           GOVERNOR CRIST: Is there a motion on Item 5?

19           COMMISSIONER BRONSON: Motion for approval of  
20           Item 5.

21           ATTORNEY GENERAL McCOLLUM: Second.

22           GOVERNOR CRIST: Moved and seconded. Show it  
23           approved without objection.

24           MS. JONES: Item Number 6, we respectfully  
25           request approval for final adoption of Rule 15A-11,

1           which relates to commercial driving schools. This  
2           rule, also requested by JAPC, codifies what has  
3           been in the past required in the Department's  
4           contracts with commercial driving schools. It also  
5           adds requirements to protect consumers attending  
6           these schools. Typically these would be first-time  
7           drivers, which are our teenagers.

8           The changes include requiring fingerprints and  
9           background checks for driving school employees,  
10          prohibiting customer solicitation at driver's  
11          license offices, and allowing the Department to  
12          suspend or revoke driving school licenses for  
13          violation of the requirements of this rule.

14          CFO SINK: Move it.

15          ATTORNEY GENERAL McCOLLUM: Second.

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

18          MS. JONES: To eliminate redundancy, I would  
19          like to discuss Items Number 7 and 8 together.  
20          These are my third quarter and annual performance  
21          reports. And I'll be asking for two separate  
22          motions after I present the reports.

23          The past fiscal year presented many challenges  
24          for the Department, but I have a tremendous staff.  
25          They are dedicated. They are Johnny on the spot,

1 and they have been there to meet every challenge,  
2 and quite frankly, have created additional  
3 opportunities to serve our citizens.

4 The good news is, Florida has recorded a  
5 record low crash fatality rate for 2009 at 1.3  
6 fatalities per 100 million miles traveled. This  
7 represents a 14 percent decrease from the previous  
8 year. We attribute this to the passage of the  
9 primary seat belt law, numerous education campaigns  
10 that both the Department and DOT do simultaneously,  
11 as well as -- and I think the biggest increase is  
12 associated with strategic enforcement, and that's  
13 by the Department and all its law enforcement  
14 partners.

15 Operational gains include 60 new troopers.  
16 We've hired 60 new troopers. We're trying keep  
17 ahead of the game there, keeping troopers on the  
18 highway. We've increased the number of driver's  
19 license locations. We now offer driver's license  
20 services in 123 tax collector offices in addition  
21 to 80 state offices.

22 And lastly, we have been pushing really hard  
23 our process for emergency contact information. We  
24 now have over 3 million records in our system that  
25 keep our citizens informed and keep information for

1 us to be able to contact them in cases of  
2 emergency. That's 20 percent of all our driver's  
3 licenses now are in the emergency contact system.

4 Unfortunately, this year the patrol suffered  
5 an in-line-of-duty death with the loss of Trooper  
6 Patrick Ambroise. Trooper Ambroise was a graduate  
7 of the Patrol's 111th recruit class and assigned to  
8 Troop K on the Turnpike. He was 35 years old at  
9 the time of his death. And I think this is a very  
10 sobering reminder of the service and sometimes  
11 ultimate sacrifice that our troopers make in  
12 keeping our roadways safe. He is survived by his  
13 wife, Roberta, two young daughters, his mother, and  
14 five siblings. And I can't tell you how much,  
15 Governor, it meant that you were able to be there  
16 to support the family at the funeral. It was  
17 outstanding.

18 In terms of our performance report, one of our  
19 most challenging performance measures last year was  
20 driver's license wait times. This particular  
21 measure is influenced by two primary factors, and I  
22 call them people and process, my staffing, and then  
23 the process associated with the Real ID Act.

24 The number of customers served and wait times  
25 was not optimal because of revenue shortfalls last

1 year that created a large number of vacancies. And  
2 we have been very aggressively filling these  
3 vacancies. Since our last report, we've filled 35  
4 positions around the state and have a little over  
5 200 applications for another 30 that we're going to  
6 get filled very quickly.

7 We've strategically focused our efforts on  
8 wait time where wait times are abnormal. This is  
9 usually in very urban, very high population areas.  
10 We've relocated existing staff. We've temporarily  
11 assigned subject matter experts where we have  
12 concentrations of a particular problem that can  
13 create wait times. We've opened offices earlier,  
14 and we've kept offices open much later. In Miami,  
15 we've seen an 8 percent increase in customers  
16 served in one week due to this effort. We'll  
17 continue to relocate resources until all our  
18 vacancies are filled.

19 GOVERNOR CRIST: Julie, could you say that  
20 again? What about Miami?

21 MS. JONES: Eight percent increase in  
22 customers served in one week due to this effort.  
23 And I'll tell you, the first week that we started  
24 opening offices earlier, between 7:00 and 7:30, we  
25 served before 8:00 that first week 550 people just

1 by opening the office a little bit earlier, using  
2 existing staff, working smarter. And in the first  
3 week that we started this initiative in Dade  
4 County, we served 21,000 people, got Real ID  
5 compliant licenses for 21,000 people. The next  
6 week it was 22,000. And so we've seen -- using  
7 this approach to try to move existing resources and  
8 subject matter experts has been very successful.

9 GOVERNOR CRIST: What was the first week you  
10 did that?

11 MS. JONES: I'm into week three now, so this  
12 would be -- last week was week two.

13 GOVERNOR CRIST: Thank you very much for doing  
14 that. I appreciate it. I had a conversation with  
15 Julie. I was hearing from a lot of people in Dade  
16 County that they were having to wait an awful long  
17 time. And I said, "There's got to be a way to try  
18 to make this more convenient for folks," and she  
19 was able to get it done, so thank you very much.

20 MS. JONES: Thank you, sir.

21 CFO SINK: I'll bet you could open up at six  
22 o'clock in the morning. People get out on the road  
23 early down there and have long commutes to work, so  
24 keep an eye -- seriously, keep an eye on that.

25 MS. JONES: It's a very difficult area because



1           it's complex transactions. And we've also put --  
2           purchased benches, awnings, misting systems. So  
3           where we do have people that have to wait and they  
4           can't get in, we're working very hard to keep  
5           people comfortable while they're waiting too. But  
6           the idea is to get the wait time down.

7           ATTORNEY GENERAL McCOLLUM: Colonel, may I  
8           raise one thing with you? I did renew my driver's  
9           license this summer, and I went through this  
10          process. And one of the things that came back to  
11          me is that it's apparent you still have a lot of  
12          folks who don't know the documents they need to  
13          bring in the first time. So part of the reason --  
14          I think I'm right -- that the waits are what they  
15          are is that you have people having to come back two  
16          or three times because they don't know with Real  
17          ID, or they don't realize before they come in the  
18          first time. They don't read -- you send them the  
19          information, but they don't read it. Am I not  
20          right about that?

21          MS. JONES: Yes, sir.

22          ATTORNEY GENERAL McCOLLUM: There are a lot of  
23          returns?

24          MS. JONES: Yes, sir, you are. And that part  
25          of this strategically focusing our efforts also is

1 putting those subject matter experts outside if  
2 there's a line queued or inside at a desk reviewing  
3 everything that you've got so you don't wait in  
4 line. So we pre-screen them and can send you home  
5 for extra documents so you don't wait for 15, 20  
6 minutes, half an hour, and then step up and say,  
7 "What do you mean, I need my certified birth  
8 certificate?" Yes, sir.

9 ATTORNEY GENERAL McCOLLUM: Thank you.

10 MS. JONES: Real ID. I think we've  
11 acknowledged that there's a long-term benefit to  
12 our citizens with Real ID, but the required  
13 additional documentation to prove who you are, this  
14 is what has proved problematic. So I've talked  
15 about the people part. This is the process part.

16 We have spent a lot of time with Homeland  
17 Security, and we have successfully petitioned for  
18 exceptions to try to get more documentation into  
19 the system in order to streamline this process.  
20 And we've already got an okay to create exceptions  
21 for people that were born -- or are 75 years or  
22 older. But we've asked to be able to use a  
23 military ID for proof of Social Security.

24 And I might add, we are the first state to ask  
25 for exceptions and to push for additional

1 flexibility in order to get our folks compliant,  
2 but not be hidebound by process. We've asked for  
3 the use of an expired passport as one of two  
4 proofs. You can use your passport, but you can't  
5 use an expired passport, so we've asked for an  
6 exception to use an expired passport as one of the  
7 two proofs of identification.

8 We've also asked to be able to delegate the  
9 exceptions process to our tax collectors. We have  
10 elected officials that should be able to -- instead  
11 of bouncing this stuff back and creating a wait to  
12 ask the Department in Tallahassee, the tax  
13 collectors, who are our partners, should be able to  
14 do these exceptions.

15 Use of a birth certificate from a hospital, so  
16 it doesn't have to be a certified document from the  
17 county, a certified birth certificate from a  
18 hospital should be able -- we should be able to  
19 use, and then wedding certificates issued by  
20 churches rather than the county's document. If  
21 your church gave you a wedding certificate, we  
22 should be able to use that for proof again toward  
23 the idea of dealing with some women that have  
24 multiple marriages. We have got a tentative okay.  
25 These are not in place in every county, and we're

1           waiting for the official. We have implemented many  
2           of these in Miami, though, in a test just to make  
3           sure that we understand the use of the documents.

4           But we continue to get improvement in this  
5           measure. And I think both the Department's  
6           efforts, efforts with introducing our relationship  
7           with our tax collectors, and then our ongoing work  
8           with Homeland Security, they've been very, very  
9           positive. But it's a bureaucracy. It's  
10          Washington. So we're working very hard to make  
11          this easier for our citizens.

12          I might add, 1.9 million Real ID certified  
13          credentials have been issued since January, so  
14          there are a lot of people that are getting through  
15          the process. And we're working as hard as we can  
16          to get those folks that are missing documentation  
17          either exceptions or getting them temporary  
18          licenses until they can find their documentation.

19          So I respectfully request approval of Item 7,  
20          which is the Department's third quarter report.

21          CFO SINK: Move it.

22          GOVERNOR CRIST: Is there a motion on Item 7?

23          COMMISSIONER BRONSON: Second.

24          GOVERNOR CRIST: Moved and seconded. Show it  
25          approved without objection.

1 MS. JONES: And then additionally, I request  
2 approval of Item 8, the Department's annual report.

3 ATTORNEY GENERAL McCOLLUM: I move it.

4 COMMISSIONER BRONSON: Second.

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

7 ATTORNEY GENERAL McCOLLUM: Colonel Jones,  
8 before you go, my understanding is that you did get  
9 an E-Verify hit on somebody when you went to check  
10 in your agency that was discovered to actually be  
11 illegal or not; is that correct?

12 MS. JONES: Yes, sir. We have been using  
13 E-Verify consistently. We had some computer  
14 issues. We kicked it off about a week ago, and  
15 every person that is offered employment, we run  
16 their credentialing, their information through  
17 E-Verify. And this past week we had our first  
18 tentative nonconfirmation, and that means they may  
19 or may not be authorized to work in the United  
20 States.

21 What this means is that the individual's  
22 Social Security information or information that  
23 they supplied in their employment application did  
24 not match records in Homeland Security or the  
25 Social Security Administration. So we contacted

1 the employee, and they have eight working days to  
2 verify that it was a transcribed number or if it  
3 was a mistake in the paperwork. If not, they will  
4 be denied employment based on this, if it indeed  
5 was falsification.

6 ATTORNEY GENERAL McCOLLUM: I just wanted to  
7 bring it up because we had discussed E-Verify and  
8 approved it for all the Cabinet agencies, and I  
9 thought it was interesting you had that experience  
10 at the beginning of your use of that. So hopefully  
11 it works through the process the right way, and  
12 maybe the next time up here you'll tell us the end  
13 of that saga. Thank you.

14 MS. JONES: Thank you, sir.

15 My last item is Item 9. We respectfully  
16 request approval for the Department's performance  
17 contract for fiscal year 2010-2011. There are no  
18 changes from last year's performance contract.

19 CFO SINK: Move it.

20 COMMISSIONER BRONSON: Second.

21 GOVERNOR CRIST: Moved and seconded. Show it  
22 approved without objection.

23 Julie, thank you very much.

24 MS. JONES: Thank you, sir.

25 GOVERNOR CRIST: Appreciate it.

1                   GOVERNOR CRIST: Board of Trustees, Secretary  
2 Sole.

3                   MR. SOLE: Governor and Cabinet members, good  
4 morning. This will be my last --

5                   GOVERNOR CRIST: Good morning.

6                   CFO SINK: Good morning.

7                   MR. SOLE: -- presentation.

8                   GOVERNOR CRIST: Let me interrupt, Secretary.  
9 I called you last week to --

10                  MR. SOLE: Yes, sir.

11                  GOVERNOR CRIST: -- thank you for your service  
12 to the people of Florida, and I want to reissue  
13 that thank-you, because your work as the secretary  
14 of the Department has been exceptional and  
15 extraordinary. Particularly in the wake of the oil  
16 spill in the Gulf of Mexico, you have been a  
17 tireless public servant, and all of us in Florida  
18 owe you a great debt of gratitude for your service,  
19 for your integrity, for your long hours of work,  
20 and your good soul -- no pun intended.

21                  But seriously, thank you very, very, very much  
22 for all that you've done for Florida. We will miss  
23 you after September 10th. I believe that's the  
24 day.

25                  MR. SOLE: Yes, sir.

1                   GOVERNOR CRIST: But God bless you, Mike, and  
2 thank you very much.

3                   MR. SOLE: Thank you, Governor.

4                   (Applause.)

5                   MR. SOLE: I will tell you, Governor, your  
6 leadership has really been a beacon for all of us.  
7 This Cabinet's leadership has been tremendous. It  
8 really has been a privilege to serve you, this  
9 Cabinet, and the people of Florida, and I really  
10 mean that from the bottom of my heart. It has  
11 been -- the pastor this morning mentioned a gift.  
12 It has been a gift, and I'm grateful for all of  
13 your support and efforts for Florida.

14                   I will tell you also that I am very confident  
15 in your selection of the interim secretary. Mimi  
16 Drew is here with us. She has been somebody --  
17 (applause) -- that I have just tremendously relied  
18 on in running this agency. Her 30 years of  
19 experience in Florida is I think something that you  
20 can count on. I think she will do the people of  
21 Florida and this Cabinet very well in the next  
22 months ahead.

23                   Also, I do want to take a moment to thank  
24 Katie Flanigan also. She has been our Cabinet  
25 director and has kept me on task, and she has done



1 a tremendous job for me and you as well behind the  
2 scenes in many cases. She's heading off into the  
3 world of education. I congratulate her and thank  
4 her for all of her efforts as well.

5 So with that, I'm going to move on to Item  
6 Number 1.

7 CFO SINK: If we're moving to Item --  
8 Governor, I don't think whether Mike would want  
9 this, but I would certainly like for us to take a  
10 photograph of the Cabinet with Mike maybe at the  
11 end of his presentation.

12 GOVERNOR CRIST: I think that's a great idea.

13 MR. SOLE: It would be my honor. Thank you  
14 very much.

15 Item Number 1, submittal of the minutes from  
16 the May 25, 2010 Cabinet meeting.

17 ATTORNEY GENERAL McCOLLUM: I move Item 1.

18 COMMISSIONER BRONSON: Second.

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

21 MR. SOLE: Thank you, sir. Item Number 2,  
22 this is a request for Naples Sailing and Yacht Club  
23 to modify its existing private docking facility in  
24 Naples Bay. This is for a five-year sovereign  
25 submerged lands lease. Currently the facility has

1           some 82 slips. It's going to expand that to modify  
2           it to 95 slips.

3           This is also -- a requirement as part of the  
4           permit is also for an easement to provide for a  
5           proposed navigational channel. This channel is an  
6           important part of the application. It's actually a  
7           requirement to ensure the navigability of the area.  
8           This is something that historically the agency has  
9           had to require.

10           The consideration is \$52,567.

11           There have been objections raised by folks.  
12           There's been letters in support and an objection to  
13           this property or this project. The objections  
14           primarily were related to the navigational issues,  
15           and it's something that we actually modified this  
16           application through a previous denial of this  
17           proposal to improve its navigability. We worked  
18           with the Coast Guard. The Coast Guard supports  
19           this project in its current state, and the  
20           Department recommends approval.

21           CFO SINK: Move it.

22           COMMISSIONER BRONSON: Second.

23           GOVERNOR CRIST: Moved and seconded. Show it  
24           approved without objection.

25           MR. SOLE: Item 3, I respectfully request that

1 this item be withdrawn.

2 CFO SINK: Move it.

3 ATTORNEY GENERAL McCOLLUM: Second.

4 GOVERNOR CRIST: Show it withdrawn without  
5 objection.

6 MR. SOLE: Thank you. Item 4, this is  
7 hopefully my last update on Deepwater Horizon, and  
8 it's primarily my last update because of where we  
9 are in the process. We're very fortunate that --  
10 it's been some 26 days since oil has gotten into  
11 the Gulf of Mexico as a result of capping this  
12 project. I do want to update you on a handful of  
13 issues real quick just so you're aware.

14 Right now they're on their last 100 feet of  
15 ground before they have intercept. They're  
16 anticipating intercept of the Macando well. This  
17 is the formal killing of the well, and they should  
18 hopefully get there and have an intercept, if  
19 things go well, by Thursday of this week.  
20 Obviously, we have some weather in the Gulf of  
21 Mexico that they're keeping an eye on that may  
22 delay it. Hopefully it will not.

23 I know you're also very familiar with the  
24 Static Kill operation. That was successful over  
25 the weekend. They were able to cement the well

1 from the top. They've done their hydrostatic  
2 pressure test, and it has shown to hold, so we do  
3 have successful well kill from the top. But they  
4 are going to continue with that relief well from  
5 the bottom just to make doubly sure that we'll  
6 never see anything else from this well again.

7 In light of the fact that it has been 26 days,  
8 it's interesting to show you the latest  
9 trajectories. There's nothing on the map. They  
10 really cannot find any appreciable amount of oil on  
11 the surface of the Gulf of Mexico that is of any  
12 skimmable quantities. Twenty-five days, and 26  
13 days now, and quite a bit of skimming and efforts  
14 have been taken prior to recover that oil, and we  
15 finally get to the point where we don't have any  
16 significant oil on top of the Gulf of Mexico. And  
17 as a result, we really don't have any new shoreline  
18 impacts. So we really are moving from a response  
19 phase to a recovery phase in this effort.

20 A lot of the discussion has been, "Where has  
21 the oil gone?" And I want to share something that  
22 the administration put together with NOAA and the  
23 Department of Interior. And this is from their  
24 Joint Advisory Group, which is a group of  
25 scientists that took quite a bit of time to look at

1           the fate and transport of the oil and the  
2           activities.

3           And it's worth noting that roughly a third of  
4           the oil has been recovered, whether it was through  
5           skimming, burning, or direct recovery from the  
6           well. It's also noted that about 16 percent of  
7           this has been naturally dispersed. And that's not  
8           with the use of dispersants, but that's just what  
9           naturally happens. A quarter of it has been lost  
10          through volatilization or evaporation. I know  
11          we've talked about that. And the residual amount  
12          is roughly 26 percent, and this residual amount is  
13          the amount of oil that has hit our shorelines, that  
14          has potentially still been left in the water  
15          column -- and there is some, without question, oil  
16          still in the water column, and we'll talk about  
17          that in a little bit -- but product that has  
18          actually made it to our shores and is still in the  
19          process of being recovered.

20          It's also worth noting that the Joint Advisory  
21          Group has identified basically the total amount of  
22          oil discharged is roughly 4.9 million barrels of  
23          oil. That's roughly a little over 205 million  
24          gallons of oil, so quite a bit of oil.

25          Well, I do want to point out that while we

1 don't see any significant recoverable amount of  
2 oil, we still continue to get impacts in Florida.  
3 Luckily, these impacts are largely limited to tar  
4 ball impacts, and they range from just a handful of  
5 tar balls to, as you can see on this slide,  
6 numerous tar balls being deposited on some of our  
7 beaches. I will tell you that over the last  
8 several weeks that the amount of oil seems to have  
9 diminished and continues to diminish, but I do  
10 expect that this will be something that we'll see  
11 for several months ahead as we continue to recover.

12 At the same time, the cleanup efforts are  
13 still fairly robust. There's a little over 1,400  
14 people in Florida currently working on removing  
15 these tar balls from our beaches. You can see that  
16 it's numerous methods, beach cleaning equipment  
17 such as the beach cleaner you see in this slide, as  
18 well as individual manpower, simply scooping it up  
19 and depositing it.

20 We do get appreciable amounts recovered on a  
21 daily basis, and we're talking to the tune of up to  
22 8- to 10,000 pounds of oil are still recovered  
23 every day off our beaches as they recover this oil.  
24 But again, it does seem to be diminishing, showing  
25 again that road to recovery.

1           And I do want to talk a little bit about the  
2           future. One of the things that we continue to do  
3           is have to base and establish our natural resource  
4           damage assessment. You can see all these dots  
5           around the State of Florida. These are all  
6           sampling locations where we have established a  
7           verifiable issue that we don't have impacts, and  
8           now we'll be going back and doing additional  
9           sampling to demonstrate where we have had impacts.

10           And as part of the natural resource damage  
11           assessment effort, we'll look at the loss of  
12           service to our resources -- and that will be  
13           something that we'll need to develop a claim on --  
14           the impacts to our beaches and the habitat impacts,  
15           impacts to our dunes. While oil has not gotten up  
16           into our dunes, because of the response activities,  
17           we've had some impacts to our dunes that we're  
18           going to have to document.

19           Seagrass beds, impacts to our bays. We've  
20           been very fortunate, Governor, that much of this  
21           oil has largely only impacted our beaches and has  
22           not gotten into the bays as a result of the robust  
23           skimming effort that was finally developed to keep  
24           it out of our bays.

25           And obviously, we'll also have to look at the

1 wildlife impacts. There have been several impacts  
2 to wildlife that have been documented in Florida.  
3 Some 405 birds have been recovered. So these are  
4 things that we will be looking at in the long term  
5 to develop our natural resource damage assessment.

6 We continue to monitor and have recon go  
7 through our beaches. Again, we are diminishing the  
8 amount of work on our waters because we're not  
9 seeing any appreciable amount of oil. The same  
10 goes towards our aerial reconnaissance. We've  
11 moved from two-a-day aerial reconnaissance now to  
12 one just because there's not significant oil or  
13 there isn't any observable oil.

14 And we continue to work through the branch  
15 offices. We have four branches still in effect in  
16 the State of Florida working with the Coast Guard  
17 and BP. And they still do have skimmers on station  
18 and available just in case of the unexpected. We  
19 still want to be ready in Florida.

20 Finally, one of the most significant things  
21 that have been going on since we last briefed is  
22 the removal of boom. As you recall our discussion  
23 at the last Cabinet meeting, there is a concern  
24 about boom having an adverse impact, especially due  
25 to storms. And we deployed some 800,000 feet of



1 boom in the State of Florida to protect it. I'm  
2 very happy to say that we're down to 73,000 feet of  
3 boom, and I hope by the end of this week there will  
4 be no boom in the State of Florida, in light of the  
5 fact that there is no identifiable risk from oil.

6 Water sampling efforts continue, and I will  
7 tell you our water quality has been good. Other  
8 than an event in June when we had the heavy oil in,  
9 Governor, that you and I saw, we had light elevated  
10 or detectable levels of hydrocarbons, and even in  
11 those cases, they didn't exceed any of the EPA  
12 public health thresholds. Since that time, our  
13 water quality has been largely nondetect for any of  
14 the petroleum hydrocarbons.

15 The same holds true for our air quality. Our  
16 air has been fantastic, and we've had no observable  
17 impacts associated with Deepwater Horizon on our  
18 air.

19 We talk about the subsurface plume. I just  
20 want to show this very busy slide to point out that  
21 NOAA is still out there looking. In fact, I've  
22 heard that the Weatherbird out of USF has been also  
23 remobilized to go out and continue to look for any  
24 potential subsurface plume. And again, this is oil  
25 that's in our water column. And I shouldn't say

1           our water column. It's in the water column far  
2           offshore, and it has largely been around the well  
3           site. We haven't seen any significant movement of  
4           that oil closer to our shores. While it's affected  
5           by currents, the other effect of it being in the  
6           ocean there is that it also is being subjected to  
7           that microbial degradation where the bacteria are  
8           eating it as well. So we don't seem to see a lot  
9           of movement of that oil.

10           And I do want to point out that NOAA and our  
11           Fish and Wildlife Conservation Commission has done  
12           a tremendous job in trying to sample fish to  
13           demonstrate that our fisheries are ready to get  
14           back open. I'm hoping for some activity this week,  
15           to see additional openings of the federal fishing  
16           grounds. A reminder, last Saturday we opened the  
17           state fishing grounds to fin fish operations.

18           So again, you continue to see this recovery  
19           now going on where things are beginning to restore,  
20           and we hope to hear something about this today.

21           We continue to operate off some of the funding  
22           that has been provided. As a reminder, BP provided  
23           us two block grants of 25 million to continue our  
24           operations and then another 25 million. This is  
25           paying for some of the boom that we deployed in the

1 State of Florida, as well as paying for the State's  
2 activities associated with our reconnaissance.  
3 Hopefully that will continue to fund our complete  
4 activities, and we're doing that accounting as we  
5 speak.

6 In addition, we had the \$25 million grant for  
7 tourism and \$8 million for natural resource damage  
8 assessment. I know we talked about the 10 million  
9 for the Florida Institute of Oceanography, and more  
10 recently, they provided 7 million to the Northwest  
11 Florida Travel Council. And I know we're still  
12 continuing to seek additional funding from BP for  
13 that issue.

14 Claims continue to be processed by BP in the  
15 private. It still has not been turned over yet to  
16 Mr. Feinberg. Hopefully -- we keep hearing two  
17 weeks from now that will happen. We've heard that  
18 several times. But to date, there are 37,000  
19 claims that have been submitted, and over  
20 61 million has been paid out to private citizens in  
21 the State of Florida.

22 The same holds true for our local governments.  
23 A little over 8.5 million has been paid to our  
24 local governments.

25 And I continue to encourage folks to continue

1 to monitor our activities on our website. And with  
2 that, I'll be glad to take any questions.

3 ATTORNEY GENERAL McCOLLUM: I have --

4 GOVERNOR CRIST: General.

5 ATTORNEY GENERAL McCOLLUM: I have one.

6 MR. SOLE: Sure.

7 ATTORNEY GENERAL McCOLLUM: On the claims  
8 issues for the State, Mike, do you anticipate the  
9 portion of it you that may have under your shop or  
10 your watch as being ready for submission at any  
11 time in the near future, or is this a months-away  
12 process from your perspective?

13 MR. SOLE: General, I think it's more of a  
14 months-away process. Our activities, the cost that  
15 it has taken us to respond, I think we have  
16 adequate money based upon the money that they gave  
17 to the State of Florida, Governor, that  
18 \$50 million, to deal with our response costs, and  
19 we're anticipating that it should be sufficient to  
20 fund not only DEP, but all the state agencies and  
21 our response costs.

22 What is not part of that process, though, are  
23 the impact costs, whether it's the natural resource  
24 damage assessment or our revenue loss, things of  
25 that nature. I know we've talked with Lisa

1 Echeverri on calculating what loss to state revenue  
2 existed as a result of this impact. And that will  
3 have to be a supplemental claim, and I do think  
4 that will take months.

5 ATTORNEY GENERAL McCOLLUM: All right. Thank  
6 you.

7 GOVERNOR CRIST: Yes, Commissioner.

8 COMMISSIONER BRONSON: Governor and Cabinet  
9 members, there was a report out, and I've got to  
10 get the details, and I don't know what news  
11 network, that was supposedly showing a shrimper  
12 with badly contaminated shrimp. It was  
13 unfortunate. I've got to find out more about it,  
14 exactly how much national coverage it was on and  
15 whether this is some manufactured situation or  
16 whether it was a bona fide report that could have  
17 great impacts on any fisheries within the Gulf of  
18 Mexico.

19 And if it was a very pin-pointed area, and if  
20 that person was out shrimping in areas that were  
21 closed to make a point for themselves or their  
22 industry, I can tell you what they did to the  
23 industry was terrible, because the impact is that  
24 anything in the Gulf of Mexico is potentially  
25 damaged, and that's not true. Everybody in the

1 scientific world knows where the problem is. We've  
2 had no food in Florida found with any substantial,  
3 much less any minor problems with oil whatsoever.

4 But it was a very chilling report, to my  
5 understanding, showing shrimp covered in oil. I  
6 suspect that there's a little skulduggery going on  
7 there. And if you don't think there's people out  
8 there trying to milk system, like we always have in  
9 any disaster -- you know, where there's a disaster,  
10 there's profit to be made. I think that has been  
11 stated a few times.

12 So we're going to follow through with that.  
13 We have -- just so this Cabinet knows, we have had  
14 no incidence of contaminated food supply in  
15 Florida. And I hope that the national media will  
16 be very selectively reporting those issues and  
17 where it came from so that they don't paint the  
18 whole Gulf of Mexico as having a problem, as has  
19 been done, unfortunately, in some cases early on.

20 We have worked very well with DEP, our  
21 emergency management system, along with Fish and  
22 Wildlife. We've been coordinating this whole  
23 effort to make sure we're accurate in our  
24 assessments and that the food supply is being  
25 protected and the public is being protected. So I

1           just want everybody to know we've had no problem  
2           with Florida seafood whatsoever.

3           GOVERNOR CRIST: Thank you, Commissioner.

4           CFO SINK: Hear, hear.

5           MR. SOLE: I just want to echo something the  
6           Commissioner pointed out, because I saw that very  
7           same piece, and I do find it unfortunate, because  
8           Florida's waters have been very beneficial, and we  
9           have not seen any impacts, especially to both our  
10          shellfish and our fin fish. And we've been very  
11          responsive to dealing with closing it as a  
12          protective and precautionary measure and not  
13          opening these waters until such time as we are  
14          absolutely sure.

15          You know, Governor, this goes back to your  
16          point, the need to ensure that we have additional  
17          funding from BP to help promote and market those  
18          facts that exist on Florida seafood, our beaches,  
19          where we have very clean beaches, and we should  
20          welcome people back to Florida.

21          And I just echo the Commissioner's points and,  
22          Governor, your efforts to try to get that  
23          additional funding, because the message is often  
24          being mired, unfortunately, by some of the media in  
25          identifying exactly where these impacts are

1 compared to what's happening in Florida. So thank  
2 you for all your efforts.

3 GOVERNOR CRIST: Of course. Thank you. Why  
4 don't we have a picture, Secretary.

5 MR. SOLE: Yes, sir.

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1                   GOVERNOR CRIST: State Board of  
2 Administration, Ash Williams. Good morning, Ash.

3                   MR. WILLIAMS: Good morning, Governor and  
4 Trustees.

5                   First, an update on the Fund. As of last  
6 night's close, the Florida Retirement System Trust  
7 Fund had \$115.8 billion in it. Calendar  
8 year-to-date, up 442. That's 104 basis points  
9 ahead of target.

10                  Item 1, request approval of the 8 June 2010  
11 meeting minutes.

12                  ATTORNEY GENERAL McCOLLUM: Move it.

13                  CFO SINK: Second.

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

16                  MR. WILLIAMS: Thank you. Item 2, request  
17 approval of a fiscal sufficiency not to exceed  
18 \$200 million, State of Florida, full faith and  
19 credit, State Board of Education Public Education  
20 Capital Outlay Bonds, 2008.

21                  CFO SINK: Move it.

22                  ATTORNEY GENERAL McCOLLUM: Second.

23                  GOVERNOR CRIST: Moved and seconded. Show  
24 Item 2 approved without objection.

25                  MR. WILLIAMS: Thank you. Item 3, another

1 fiscal sufficiency. Request approval of an amount  
2 not exceeding \$30,450,000 State of Florida, full  
3 faith, Board of Education Capital Outlay Bonds,  
4 2010 Series A.

5 ATTORNEY GENERAL McCOLLUM: I move Item 3.

6 CFO SINK: Second.

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

9 MR. WILLIAMS: Thank you. Item 4, request  
10 approval of a fiscal sufficiency of an amount not  
11 exceeding \$9 million State of Florida, full faith  
12 and credit, State Board of Education Capital Outlay  
13 Refunding Bonds, 2010, series to be determined.

14 CFO SINK: Move it.

15 ATTORNEY GENERAL McCOLLUM: Second.

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

18 MR. WILLIAMS: Thank you. Item 5, request  
19 reappointment -- request approval of reappointment  
20 of Dr. Randy Dumm as chair of the Florida  
21 Commission on Hurricane Loss Projection  
22 Methodology.

23 ATTORNEY GENERAL McCOLLUM: I move Item 5.

24 CFO SINK: Second.

25 GOVERNOR CRIST: Moved and seconded. Show it

1 approved without objection.

2 MR. WILLIAMS: Thank you. Item 6, request  
3 permission to file for adoption seven amended rules  
4 for the Local Government Surplus Funds Trust Fund,  
5 also known as Florida PRIME, pursuant to Chapter  
6 218.409, Florida Statutes. These essentially  
7 achieve compliance with new SEC guidelines relating  
8 to 2a-7-like funds, accomplish a certain cleanup in  
9 existing rules, and comply with statutory changes.

10 CFO SINK: Move it.

11 ATTORNEY GENERAL McCOLLUM: Second.

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

14 MR. WILLIAMS: Thank you.

15 GOVERNOR CRIST: Thank you. We are adjourned.

16 (Proceedings concluded at 10:21 a.m.)  
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CERTIFICATE OF REPORTER

STATE OF FLORIDA:

COUNTY OF LEON:

I, MARY ALLEN NEEL, Registered Professional Reporter, do hereby certify that the foregoing proceedings were taken before me at the time and place therein designated; that my shorthand notes were thereafter translated under my supervision; and the foregoing pages numbered 1 through 27 are a true and correct record of the aforesaid proceedings.

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

DATED THIS 2nd day of September, 2010.

---

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