

STATE OF FLORIDA
OFFICE OF THE GOVERNOR AND CABINET

IN RE: CABINET AIDES MEETING

CABINET AIDES: KRISTIN OLSEN, CHAIR
ROB JOHNSON
ERIN SUMPTER
ROBERT TORNILLO
STEPHANIE LEEDS
JESSICA FIELD
BROOKE MCKNIGHT

DATE: JULY 27, 2016

TIME: 9:00 A.M. - 11:45 A.M.

LOCATION: CABINET MEETING ROOM
LOWER LEVEL, THE CAPITOL
TALLAHASSEE, FLORIDA

REPORTED BY: YVONNE LAFLAMME, FPR
COURT REPORTER and
NOTARY PUBLIC

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3 Florida Department of Law Enforcement

4 By Ron Draa

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5 Office of Financial Regulation
By Jamie Mongiovi

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7 Division of Bond Finance
By Ben Watkins

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8 State Board of Administration
By Dennis MacKee

20

9

10 Board of Trustees of the
Internal Improvement Trust Fund
By Renee Lewis

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12 Administration Commission
By Katie Cunningham

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P R O C E E D I N G S

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MS. OLSON: All right. Good morning,

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everybody. Today is July 27th. This is the

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Cabinet Aides meeting for August 2nd Cabinet

8

meeting.

9

Before we begin with the business items or the

10

appointment, is there any housekeeping issues?

11

It's on. Okay.

12

All right. The first item we have is

13

Appointment of the Executive Director for the

14

Department of Veteran Affairs. The Governor would

15

like to interview next week Glenn Sutfin.

16

(Phonetic.) If there is anybody else that would

17

like to schedule an interview for.

18

Any questions, comments on that? Okay.

19

MR. TORNILLO: So are you asking each office

20

to present a name?

21

MS. OLSON: If there's anybody else you would

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like the Governor to consider, I think now would be

23

the appropriate time.

24

MR. TORNILLO: Okay. If we have a name to

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submit, we'll probably do it by the end of the day.

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1 MS. OLSON: Okay.

2 MR. TORNILLO: Because I'm not prepared to give
3 you a name right now. I didn't know we were going
4 to do that. Thank you.

5 MS. OLSON: Okay. Sounds good.

6 First on the agenda is FDLE.

7 Good morning, Ron.

8 MR. DRAA: All right if I move this up? Good
9 morning. Can you hear okay?

10 MS. OLSON: Is the light on?

11 MR. DRAA: It is. I know we couldn't hear you
12 in the audience very well so I don't know if maybe
13 it's just not working.

14 The Florida Department of Law Enforcement will
15 have three agenda items.

16 First is the minutes from the March 2nd, 2016,
17 Cabinet meeting.

18 The next item is final adoption of rules; 10
19 sets of rules are ready for adoption 11A, 11B-14,
20 18, 20, 21, 27, 30, and 35 and then 11C-6 and
21 11D-8.

22 You'll see correspondence regarding the Joint
23 Administrative Procedures Committee Review and the
24 Department's response in your package for each
25 rule. I believe most of these issues can be worked

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1 out as technical revisions where the revised
2 language will be submitted as part of a future rule
3 package rather than halting this one.

4 In addition to last month, we held one public
5 hearing regarding 11D-8, the Implied Consent rule,
6 which was attended by one individual and his
7 comments are recorded in your package.

8 Overall, there are no changes to the rules that
9 we noticed at the March 2nd meeting in this
10 package, so the rules are exactly the same, and
11 while the package looks extensive, a majority of
12 the rules are clean up, changes to forms, and
13 changes regarding criminal justice standards and
14 training commission rules which are 11A and 11B.
15 I'm happy to summarize them real quickly.

16 11A-7 revises language to match statute
17 regarding public participation at commission
18 meetings.

19 11D-18 simplifies descriptions of the 16
20 regional training areas.

21 11B-20 involves form changes and simplifies
22 driving instructor training requirements and
23 enhances breath testing instructor training
24 requirements.

25 11B-21 reduces training school inspections by

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1 the Department of Biennial and requires the
2 schools to conduct and submit a self-inspection
3 report in the off years.

4 11B-27 implements language proposed by the
5 Penalties Guidelines Task Force to limit
6 recantation under the moral character rule to 10
7 days. It also revises discipline for committing
8 video voyeurism consistent with statute. It
9 deletes requirements for staff to issue a letter of
10 acknowledgement regarding terminations, and it
11 revises sexual harassment penalties to include
12 training with suspensions.

13 11B-30 clarifies the post-exam review time,
14 which is in line with practice and industry
15 standards.

16 And 11B-35 updates a list of instructor
17 training courses, requiring the end-of-course
18 exams, retires a number of inactive number of basic
19 training courses, extends the eligibility of some
20 crossover training programs and revises a list of
21 advanced and specialized training courses.

22 11C-6, which is in regard to our firearm
23 purchase program, revises the appeal program,
24 excuse me, revises the appeal period from 21 to 60
25 days.

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1 And 11D-8 clarifies the approval process for
2 solutions used to calibrate breath test
3 instruments.

4 I would be happy to answer your questions about
5 Item Number 2.

6 The third item is our third quarter performance
7 report and contracts over a hundred thousand
8 dollars.

9 Of course, as I'm presenting this report, we've
10 already completed the fiscal year, and the
11 Commissioner will present the entire year's
12 performance report at the September 20th Cabinet
13 meeting.

14 Three-quarters of the way through the year,
15 performance was strong. Six of our measures met or
16 exceeded standards, and the three measures that
17 were met as non-applicable were included in the
18 Commissioner's annual report.

19 We did see a drop in one measure, which was the
20 performance for the criminal history record check
21 responses within defined time frame measure,
22 compared to quarters one and two. This was due to
23 increased volume of firearm criminal background
24 checks during an extra busy peak season and recent
25 terrorist incidents. These events generally tend

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1 to significantly increase the number of people
2 purchasing firearms.

3 During the third quarter, the Department
4 received and processed more than 250,000 firearm
5 checks compared to the same period last year. This
6 increase affected our ability to respond to the
7 checks within our four-minute time frame standard.

8 I would be happy to answer any other questions
9 about Item Number 3.

10 MR. TORNILLO: Hey, Ron, since the labs are no
11 longer a part of this process, can you get you us
12 dates on turn-around times and stuff for the labs?

13 MR. DRAA: Well, we do have one measure related
14 to the labs, but in terms of standards, yeah, we
15 can get you a breakdown of where we are with the
16 individual standards for each discipline.

17 MR. TORNILLO: Thanks.

18 MR. DRAA: Okay. Thank you.

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2 OFFICE OF FINANCIAL REGULATION

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5 MS. OLSON: All right. Next up is Office of
6 Financial Regulation.

7 Good morning, Jamie.

8 MS. MONGIOVI: Good morning. Jamie Mongiovi
9 with the Office of Financial Regulation.

10 The Agency has six items on the agenda for the
11 August 2nd meeting of the Financial Services
12 Commission.

13 Agenda Item Number 1, the OFR respectfully
14 requests approval of the minutes of the March 29
15 and May 10 meetings.

16 Are there any questions on Agenda Item Number
17 1?

18 Agenda Item Number 2, the OFR respectfully
19 requests approval for final adoption of Rule
20 69U-140.002 Florida Administrative Code. This rule
21 provides application for international banking
22 corporations and international trust companies
23 seeking to establish offices in Florida.

24 Are there any questions on Agenda Item
25 Number 2?

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1 Agenda Item Number 3, the OFR respectfully
2 requests approval to publish notice of proposed
3 Rules 69B-40.0312, and 69V-0313 Florida
4 Administrative Code. The amendments will
5 streamline the application process for loan
6 originator licenses by accepting the
7 Uniform State Test component of the national test
8 and removing the Florida specific test requirement.
9 Florida will dedicate a certain number of the
10 currently required prelicense and continuing
11 education hours to Florida-specific material. This
12 will provide a cost savings of \$69 per test.
13 Applicants will still take the national test, which
14 includes the uniform state test section. The
15 applicant's knowledge of state-related content
16 based on the Federal Safe Act.

17 Also, part of agenda Item Number 3, the OFR
18 respectfully requests approval to publish notice of
19 proposed rule for Rule 69B-180.070, Florida
20 Administrative Code, to delete obsolete rule
21 language.

22 Are there any questions on Agenda Item
23 Number 3?

24 Agenda Item Number 4. The OFR respectfully
25 requests approval to publish notice of proposed

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1 Rule for several rules within the Division of
2 Securities. As a result of the Division Of
3 Securities rule reorganization that came before
4 Cabinet and was finalized on December, 2015, the
5 OFR now proposes to amend these rules in order to
6 update and correct references to various rules.

7 Also as a result of the rule reorganization,
8 the disciplinary guidelines in 69W.1000.001 Florida
9 Administrative Code will be amended to -- review
10 guidelines of repealed rules, add guidelines for
11 new rules and revise guidelines for the amended
12 rules.

13 Further proposed amendment to rule 69W-600.131
14 Florida Administrative Code will add a provision to
15 the list of prohibited business practices for
16 investment advisors and their associated persons.

17 Lastly, further proposed amendments to
18 69W-600.014 Florida Administrative Code will amend
19 recordkeeping requirements for investment advisors
20 and their associated persons.

21 Are there any questions on Agenda Item
22 Number 4?

23 Agenda Item Number 5, during Commissioner
24 Breakspear's leadership assessment on May 10, there
25 were specific requests made by the Financial

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1 Services Commission that the agency continue
2 exploring the issues of employee turnover and
3 retention. Their comments included a desire to see
4 specific plans regarding employee compensation,
5 training for managers, and revitalizing the
6 Agency's onboarding process.

7 At the August 2nd Cabinet meeting, the
8 Commissioner intends to provide an update on our
9 progress at this year and the Commissioner and
10 Deputy Commissioner intend to come back with
11 specific plans and a presentation that includes
12 details on all of those issues.

13 That concludes Agenda Item Number 5. Do you
14 have any questions? Okay.

15 Agenda Item Number 6 is the Agency's
16 legislative agenda. The Commissioner will review
17 the two items on our anticipated legislative agenda
18 for 2017. These include the modernization of
19 Florida's international banking chapter and a public
20 records exemption to protect personally identifying
21 information of the agency's non-sworn investigative
22 personnel and their families.

23 Are there any questions on Agenda Item
24 Number 6?

25 MS. LEEDS: Good morning, Jamie. There's

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1 nothing behind tab six; are you planning to give us
2 the legislative concepts, at least? I know you may
3 not have specific statutory, but at a minimum, are
4 you going to give us the concepts?

5 MS. MONGIOVI: Yes. So the Commissioner is
6 going to review those in detail at the meeting, so
7 there be more information provided; we just don't
8 have specific content that we provided with your
9 agenda.

10 MS. LEEDS: Okay. And during our briefing, I
11 know we talked about the Chapter 494 discussions
12 that are ongoing; will that also be incorporated or
13 is there room --

14 MS. MONGIOVI: At this time, as you know, we
15 have that in-person round table scheduled for the
16 end of August, so if that does at some point become
17 part of the Agency's legislative agenda, we would
18 come back and amend this and get an additional
19 acknowledgement at that time.

20 MS. LEEDS: Thank you.

21 MS. MONGIOVI: Absolutely.

22 That concludes the Agency's agenda. Are there
23 any other questions?

24 Okay, thank you.

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DIVISION OF BOND FINANCE
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3 MS. OLSON: All right. Next up we have
4 Division of Bond Finance.

5 Good morning, Ben.

6 MR. WATKINS: Good morning.

7 Item 1 is the minutes from the May 10th
meeting.

8 And then we have four reports of award on bonds
9 sales. The first -- well, three of them are
10 refundings; one of them is new money.

11 Item 2A is the report of award on \$239,250,000
12 of Lottery Revenue Refunding Bonds. The bonds were
13 sold a true interest cost of approximately 1.59
14 percent; that allows us to reduce the interest rate
15 on outstanding bonds from 4.93 percent to 1.58
16 percent which generates gross debt savings of 39.9
17 million, present value savings of 36.6 million, or
18 13-and-a-half percent of the the principal amount
19 of the refunding bonds.

20 Item 2B is a report of award on the competitive
21 sale of 147.6 million in PECO refunding bonds.
22 Those bonds were sold at a true interest cost of
23 2.48 percent, allowing us to reduce interest rate
24 on outstanding bonds from 5.02 percent to 2.48
25 percent, generating gross debt savings of 49

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1 million, present value savings of 37.9 million, or
2 23 percent of the principal amount of the refunded
3 bonds.

4
5 Item C is the report of award on the
6 competitive sale of \$92-and-a-half million
7 of write-away bonds. This is a new money bond for
8 write away acquisitions for DOT. The bonds were
9 awarded to the low bidder at a true interest cost
10 of 2.73 percent.

11 And lastly, the item 2D, is a report of award
12 on the competitive sale of \$218.8 million of
13 PECO refunding dollars. The bonds were sold at a
14 true interest cost of 2.31 percent, allowing us to
15 reduce interest rates on outstanding bonds of 4.78
16 percent to 2.31 percent, which will generate gross
17 debt service savings of 70.2 million, present value
18 savings of 55.2 million or 22.6 percent of the
19 principal amount of tell refunded bonds.

20 So just as an aside, we also sold a deal
21 yesterday, another refunding, lottery refunding
22 yesterday; \$211 million and savings were about 46
23 million. So it's just a way to say we continue to
24 lean into executing refundings and moving
25 aggressively to take advantage of historically low

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1 interest rates.

2 Of particular note, over the course of the
3 summer is federal reserve meets today. There's no
4 expectation that interest rates will move, but
5 Brexit was the surprise for the market,
6 which caused significant reduction in interest
7 rates, unanticipated. I would -- so the
8 strategists are prognosticating fed interest rates
9 moves, and so they're coalescing around one move
10 between now and the end of the year, but I would
11 remind you that they've been wrong for three years
12 running now.

13 So, our strategy is to take advantage of the
14
15 opportunities as they present themselves and take
16
17 advantage of the extraordinarily favorable market
18 conditions that exist, and I sound like a broken
19 record, but at some point that will change. And
20 "extraordinary" means only every now and then, but
21 "extraordinary" has been the ordinary for the last
22 three years, so we just keep rolling.

23 MR. JOHNSON: Is the discussion of negative
24 interest rates kind of isolated to the European
25 markets, or are we at risk here?

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1 DIRECTOR WATKINS: It's interesting you should
2 bring that up, and there's at least one strategist
3 who has been talking about it who has been right in
4 terms of the extended interest rates for a long
5 time, and his take on it is it's a global financial
6 market now.

7 And so, historically things that were
8 happening globally didn't have an impact so much on
9 US and monetary policy, but his premise is that has
10 changed. And it absolutely that negative interest
11 rates in Japan -- that it's all about central banks
12 now, and the action that central banks are having
13 on the world markets.

14 So you have negative interest rates in Europe
15 and Japan, and to the extent they have a financial
16 system in China, action is being taken to depress
17 interest rates, And that money has got to flow
18 somewhere, right? And the notion is, his premise
19 is, that money is going to flow to US markets and
20 that's going to continue to serve to dampen any
21 upside rate movement, notwithstanding what the Fed
22 might do with short term rates. A long-winded
23 answer to a simple question.

24 MR. TORNILLO: Ben, can you tally up the
25 year-to-date refunding savings?

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1 DIRECTOR WATKINS: Yes, I will do that and
2 send it to you. I should do that as part of my
3 quarterly report and I'll get that to you.

4 Item 3. Resolutions authorizing the issuance
5 and competitive sale -- authorizing the issuance of
6 285 million. So this is the amount of bonding
7 that's included in the '16/'17 Appropriations Act,
8 and so what we're doing is asking for authorization
9 for the entire amount and then we'll peel that off
10 in pieces; as Department of Education needs the
11 money to pay bills, we'll execute to put money in
12 the bank.

13 So it's like a realtime delivery system of
14 cash; rather than borrowing the whole amount and
15 have it sit there and pay three and invest it, one;
16 we break it into pieces and borrow it as needed.
17 So it's the authorization for the full amount, 285
18 million, and the sale of 52 million of that amount,
19 which is the estimated cash needs for the next 12
20 months to fund those projects.

21 MR. JOHNSON: Ben, what was the previous
22 fiscal year allocation from the Legislature, do you
23 remember?

24 DIRECTOR WATKINS: On PECO?

25 MR. JOHNSON: Yes.

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1 DIRECTOR WATKINS: We haven't done PECO bonds
2 probably in five years now. So this is the first
3 piece of financing since I've -- probably 2008,
4 2009, something like that.

5 In any case, we had been -- we had been out of
6 the market in terms of new money bond issuance, so
7 this is the first piece of financing embedded in
8 the Appropriations Act.

9 Item 4 are resolutions authorizing the
10 issuance and competitive sale of \$25 million of
11 University of South Florida Parking Facility
12 Refunding Bonds for debt service savings.

13 Item 5 is a resolution authorizing the issuance
14 and competitive sale of \$23 million of University
15 of Florida Dormitory Revenue Refunding Bonds for
16 debt service savings.

17 Item 6 is a resolution authorizing the
18 feasance redemption of FSU Housing Facility Bonds.
19 This is a small piece of debt that they want to pay
20 off. It's like \$950,000, and they just want to pay
21 it off early.

22 And then, lastly, is a report back to the
23 Governor and Cabinet, at their request, regarding a
24 report on university direct support organization
25 debt.

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1 So I've given you guys drafts of the report.
2 We're still mining out numbers and refining that,
3 and we'll finalize that, and I'll distribute that
4 in final form either latter part of this week or
5 first part of next week, but I don't expect the
6 information in it to change substantively.

7 Anything? Okay. Thank you.

8 MS. OLSON: Thanks, Ben.

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STATE BOARD OF ADMINISTRATION

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6 MS. OLSON: Next up is State Board of

7 Administration.

8 MR. MACKEE: Good morning.

9 Item Number 1 on our agenda is request

10 Approval of the minutes from the March 29th and May

11 10th Cabinet meetings.

12 Item Number 2 is request approval of a fiscal

13 sufficiency of an amount not exceeding \$52 million

14 State of Florida Full Faith and Credit State Board

15 of Education PECO Bonds. No questions?

16 Item Number 3, request approval of the fiscal

17 sufficiency of an amount not exceeding 25 million,

18 State of Florida Board of Governors University of

19 South Florida Parking Facility Refunding Bonds.

20 This goes with one of Ben's items.

21 Item Number 4, request approval of a fiscal

22 sufficiency of an amount not exceeding 23 million,

23 State of Florida Board of Governors University of

24 Florida Dormitory Revenue Refunding Bonds.

25

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1 Item Number 5 is request approval of a
2 resolution of the State Board of Administration of
3 Florida making the fiscal determination in
4 connection with the issuance of an amount not
5 exceeding 10.5 million Florida Housing Finance
6 Corporation multimortgage revenue notes. This is
7 for the Trinity Towers East project.

8 Item Number 6, request approval of a
9 resolution of the State of Florida, State Board of
10 Administration of Florida, making the fiscal
11 determination in connection with the issuance of an
12 amount not exceeding 6.4 million Florida Housing
13 Finance Corporation Multi-Family Mortgage Revenue
14 Bonds for the Mary Eaves project.

15 Bring your attention to Item Number 7, which
16 is typically or historically been protecting the
17 Florida's Investment Act report. Based on new
18 requirements passed during the last legislative
19 session, the report is now going to include in
20 addition to the Iran and Sudan issues, the anti-BDS
21 Israel requirements placed on the State Board of
22 Administration, as well as efforts notifying
23 companies, doing business in Northern Ireland of
24 the State Board of Administration of the McBride
25 principles.

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1 Going over that report, there have been a few
2 companies added to the Sudan list; one removed, one
3 company add to the continuing examination list, and
4 three companies removed for Sudan.

5 In Iran, three companies were added to the
6 scrutinized list. None were removed. None were
7 added to the continuing examination list and none
8 were removed from that list as well.

9 For Northern Ireland, we have begun a letter
10 writing campaign, and w e expect that to be
11 completed within the quarter. As far as the
12 anti-BDS Israel efforts, we have identified seven
13 private companies to be placed on the prohibited
14 list, and we have several companies on the
15 continuing examination list.

16 Any questions?

17 Item Number 8 is request approval of a draft
18 letter to the Joint Legislative Auditing
19 Committee, affirming the SBA trustees have reviewed
20 and approved the Florida Prime summary reports and
21 actions taken, if any.

22 Item Number 9 is request approval of a draft
23 letter to the Joint Legislative Auditing Committee
24 for annual certification of legal compliance and
25 best investment practices for the Legal Government

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1 Surplus Funds Trust Fund, now known as Florida
2 Prime, as required by Florida law.

3 Item Number 10 is request approval of the
4 investment policy statement for the local
5 government surplus funds trust fund. As required
6 by law, we review this annually.

7 Item Number 11 is request approval to file for
8 notice of amendments to rule 19-11.002 Florida
9 Administrative Code. And I'm going to combine Item
10 Number 12, which is approval to file for noticed
11 rule, Rule 19-11.014. These are to address the new
12 benefit, the in line-of-duty death benefit for
13 special risk members in the investment plan. We
14 needed to make some changes to the rule and
15 incorporate the new form into the rule as well.

16 If there are no questions, Item Number 13 is
17 the quarterly update that Mr. Williams will be
18 providing to the Cabinet, and he is going to be
19 meeting with each of your offices individually this
20 afternoon to provide performance numbers and answer
21 any additional questions you may have.

22 MS. OLSON: Thank you.

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2 BOARD OF TRUSTEES

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5 MS. OLSON: All right. Next up we have the

6 Board of Trustees agenda.

7 MS. LEWIS: Good morning. I am Renee Lewis

8 with the Department of Environmental Protection.

9 There are 11 items on the Board of Trustees'
10 Agenda. Item Number 1 is the minutes from the.

11 March 29, April 26, and May 10 Cabinet meeting.

12 Item Number 2 is consideration of an
13 application from Atwater Investment Corporation for
14 a modification of an existing five-year sovereign
15 submerged land lease to combine four existing
16 leases into one lease, and to increase the
17 preempted area from 24,400 square feet to
18 approximately 160,400 square feet, for a proposed
19 58 slip commercial docking facility located
20 in St. Lucy County. The proposed project was
21 noticed to property owners within 500 feet, and no
22 objections were received.

23 We have the applicant Mr. Clive Dom (phonetic)
24 of Atwater Investment Corporation, and his agent
25 Dana Small, if there are any questions on the

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1 project; otherwise, the Department recommends
2 approval.

3 Item Number 3 is request for approval of an
4 exchange agreement, in which the Board of Trustees
5 will convey a 4.25 acre parcel of state-owned
6 conservation land in exchange for a approximately
7 19.23 acre parcel of land from the Florida
8 Community Services Corporation of Walton County.
9 This exchanges value for value with the utility
10 paying 395,500 in a cash boot to be deposited in
11 the Florida Forever Trust Fund. The proposed
12 exchange request was recommended for approval by
13 the Acquisition and Restoration Council on June 17,
14 2016. The Department recommends approval.

15 Item Number 4 is in accordance with the
16 Cabinet Governance Guidelines and approved on
17 March 10, 2015. The Department of Environmental
18 Protection is submitting its third quarter
19 performance accountability measures. And if I can
20 just highlight those measures that change since the
21 second quarter.

22 Measurement Number 1, the percentage of land
23 management reviews conducted within the statutory
24 timeframe; our goal was one hundred percent and we
25 did complete 12 of 12 reviews, scoring five.

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1 Item Number 10, the percent of submerged land
2 leases and compliance. Again, our goal was one
3 hundred percent and a 130 of 136 were inspected and
4 found to be in compliance, which is a four, and in
5 the second quarter we had scored a three on that
6 measurement, so the Department recommends approval.

7 And Items 5 through 7 will be presented by
8 Mr. Kal Knickerbocker with the Department of
9 Agriculture and Consumer Services Division of
10 Aquaculture.

11 Thank you.

12 MR. KNICKERBOCKER: Good morning. This morning
13 the Department has 3 items.

14 The first one is Skipper Bay Aquaculture Use
15 Zone. The Department is requesting authorization
16 from the Board of Trustees to establish an
17 aquaculture use zone in Skipper Bay, covering
18 approximately 28 acres of near shore water in
19 Wakulla County. The aquaculture use zone will be
20 comprised of 16 one-and-a-half-acre parcels.

21 Additionally, the Department is requesting
22 authorization to execute these leases for the
23 purpose of water culture of native shellfish. If
24 approved, the Department intends to issue lease
25 sites through random selection process, which was

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1 determined as the preferred method by the Wakulla
2 County Board of County Commissioners at a public
3 workshop with the commissioners and the proposed
4 industry down there in Wakulla County on May 2nd,
5 2016.

6 The Department will advertise a date range for
7 accepting applications, allowing one application
8 per person, or entity, but not both. Once the
9 application window is closed, staff will use a
10 random number generator to assign an order of
11 selection to the applicants with preference given
12 to Wakulla County residents, applicants that could
13 not currently hold a lease, applicants who possess
14 a saltwater license or who can provide proof of
15 completion of a shellfish training course.

16 The 16 applicants that rate highest, based on
17 the random number assignments and preferences will
18 be notified and informed of an open meeting to be
19 held by the Department in Wakulla County where
20 those 16 applicants will select their preferred
21 lease parcels in the order of rank.

22 Are there any questions on Skipper Bay?

23 Okay, I'll move on to Item Number 2 for us.

24 This is the Woodford Brevard County lease.

25 Steven Woodford has requested a new five-acre

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1 aquaculture bottom lease in the Indian River in
2 Brevard County, in order to expand his current clam
3 aquaculture business.

4 This site is located within the Indian river
5 Malabar to Vero Beach Aquatic Preserve
6 approximately three and a half miles north of
7 Sebastian inlet.

8 Mr. Woodford is an active leaseholder in the
9 aquaculture lease zone, just west of this proposed
10 site, where he cultivates clams in deeper water
11 situation. The activity does not pose any hazards
12 to navigation and no objections were received as a
13 result of noticing the application to the public.

14 Are there any questions on the Woodford item?
15 Very good.

16 The last item that we have is the Dowe
17 Alligator Harbor aquaculture use zone water column
18 lease modification. Guy Dowe, III, has requested a
19 water column modification to his current
20 one-and-a-half acre bottom lease in Alligator
21 Harbor aquaculture use zone in Franklin County, as
22 Mr. Dowe plans to use the off-bottom culture
23 methods for oyster production. The Alligator
24 Harbor Aquaculture Use Zone is comprised of 46
25 one-and-a-half acre parcels, of which 31 have

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1 already received Board of Trustee approval to
2 modify to use the water column.

3 In addition to the request for this
4 modification, the Department is requesting
5 delegated authority to grant water column
6 modifications to the remaining 14 bottom leases,
7 upon receiving those applications and determining
8 they meet all of the rule and statutory
9 requirements.

10 Are there any question on this item? Very
11 good. Thank you.

12 I will turn it over to John Browne with the
13 Florida Forest Service.

14 MR. BROWNE: Good morning, everyone. We have
15 four Rural and Family Land Conservation Easements
16 today for your review. The first is Fussell Farms
17 -- Fussell Farms and Old Town Creek. The request
18 is for consideration of an option agreement to
19 require 384-acre perpetual easements over lands
20 lying within the Fussell Farms Old Tune Creek
21 project of the Rural and Family Lands program;
22 designation of DACS as the monitoring agency.

23 It's in Hardee County. The consideration for
24 this easement is \$791,808; that is 51.6 percent of
25 the fee value. I know that question had been asked

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1 a couple of times, so we're right at almost half.

2 If approved, this will be the 25th perpetual
3 conservation easement proposed for acquisition with
4 a total of approximately 18,762 acres preserved
5 under the Rural and Family Lands Program. This
6 project was ranked in tier one of the 2015 Rural
7 and Family Lands -- on the 2015 Rural and Family
8 Lands Acquisition List. Fussell Farms property is
9 a cow-calf operation, like I said, on the 493
10 acres. Approximately, 80 head of crossbred
11 commercial cattles.

12 The current owners purchased the company in
13 1995 and have made improvements to the pasture and
14 cattle operation. It's one of the many
15 agricultural operations in the area which is under
16 threat of being acquired by the phosphate industry
17 to mine the minerals. This easement protects this
18 project from being mined. The property's adjacent
19 to Old Town Creek Water Shed Florida Forever
20 Project and is in close proximity to Lake Wells
21 Ridge, Avon Park and other privately and publically
22 managed conservation lands. The easement for the
23 Fussells is typical.

24 Any questions about that one?

25 Going on to Item Number 9, Easement Number 2,

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1 Candy Bar Ranch.

2 The request for an option agreement to acquire
3 834 acres of perpetual conservation easement over
4 lands lying within the Candy Bar Ranch Project of
5 Florida -- Florida Department of Agricultural and
6 Consumer Services, Florida Forest Service.

7 This property is owned by Jimmy and Susan
8 Lanier, and we're asking that Florida Forest
9 Service be designated as the monitoring agency for
10 the easement. The consideration for this property
11 is \$1,665,000 and that's 52.4 percent of the fee
12 value of this property.

13 If approved, this will be the 26th perpetual
14 conservation easement proposed for acquisition with
15 a total of approximately 19,596 acres preserved
16 under Rural and Family Lands Program. Candy Bar
17 Ranch project is ranked Number 1 on the 2015
18 priority list for Rural and Family Lands.

19 Approximately 70 percent of this ranch is in
20 varying degrees of natural condition. The property
21 is with the Myakka Ranch in the Florida Forever
22 Project which encompasses and is adjacent to
23 multiple city, county and state privately managed
24 conservation lands. It's also located in close
25 proximity to Pete's River State Forest.

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1 Due to its extensive connectivity to other
2 conservation lands, as well as the property's
3 mostly natural condition, has ranked it very high
4 for natural resource benefits.

5 Again, this easement is typical, nothing
6 outstanding. Any questions on that one?

7 Item Number 10 consideration of an option
8 agreement to acquire a 1,966 acre perpetual
9 conservation easement over lands lying over the
10 Lamb Family Project. Florida Department of
11 Agricultural and Consumer Services Rural and Family
12 Lands Protection Program from Raymond and Annette
13 Lamb; a designation of Florida Forest Service as
14 the monitoring agency.

15 If approved, the consideration for this
16 project is \$1,075,000; 47.5 percent of fee value.
17 If approved, this will be the 27th perpetual
18 conservation easement proposed for acquisition with
19 a total of approximately 21,562 acres preserved
20 under the program. The Lamb family property
21 includes approximately 2,612 acres in Dixie County,
22 and with approval of this acquisition the entire
23 property will be protected by easement.

24 Previously, we came to the trustees with a
25 620-acre easement over the Lamb family. That was

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1 approved, so combine a hundred percent of this
2 project would be acquired.

3 The Lambs practice silviculture, as well as
4 manage commercial cattle operation, and they also
5 have a Florida Cracker Cattle operation. Property
6 is located adjacent to Bailey Brothers conservation
7 easement, jointly managed by the Suwannee River
8 Water Management District, and a private entity,
9 and it is two miles south of Suwannee River
10 Management District's Mallory Swamp.

11 Suwannee River Water Management District has
12 rated the Lamb family project as very high on
13 hydrological resource benefits scale. And again,
14 this is a typical easement.

15 Item Number 11 Ox Creek Ranch. Consideration
16 of an option agreement to acquire 752 perpetual
17 conservation easement over lands lying within the
18 Ox Creek Ranch Project of the Rural and Family
19 Lands Protection Program from Doris M. Lyle as the
20 trustee; and number two, designation of DACS as the
21 monitoring agency. Consideration for this
22 1,082,880; 40 percent of fee value. If approved,
23 this will be the 28th perpetual conservation
24 easement proposed for acquisition with a total of
25 approximately 22,314 acres preserved under the

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1 Rural and Family Lands program.

2 This Ox Creek Project is ranked in tier one of
3 the rural and -- 2015 Rural and Family Lands
4 Acquisition List. The Ox Creek property consists
5 of 759 acres in Indian River County, just south of
6 Fellsmere Road near Fellsmere.

7 The entire project will be protected under
8 this easement with a seven-acre cut-out excluded
9 for family home. The Lyle family purchased the
10 property in 1984 with the goal of achieving a
11 sustainable cattle operation. The family raises
12 commercial Angus, Florida Cracker and Longhorn
13 Cattle with approximately 150 cows, bulls and
14 calves.

15 The property is located less than a mile west
16 of large marshes and lakes at the southern extent
17 of the upper St. Johns River. It is also
18 surrounded by multiple large tracts of conservation
19 land. This easement is typical. And just as a
20 point of information, we recently closed our new
21 project application process. We've got 56 new
22 projects that we're evaluating combined with
23 existing projects. We'll wind up with 122 projects
24 on our acquisition list and the selection committee
25 meets September 8th this year to rank those

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1 projects, so we've got a lot going on.

2 Any questions? Thank you.

3 MS. OLSON: And that concludes the agenda for
4 the Board of Trustees. Thank you.

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1 *****

2 ADMINISTRATION COMMISSION

3 *****

4 MS. OLSON: And lastly, we have the
5 Administration Commissioner.

6 Good morning, Mark.

7 MR. KRUSE: Good morning. We have three items
8 today.

9 Item 1 is a request for approval of the
10
11 Minutes of the April 26 and May 10, 2016 meetings.

12 Item 2 is consideration of a petition for
13 appeal of the Alachua County Board of County
14 Commissioners approval of the Alachua County
15 Sheriff budget for fiscal year 2015-16.

16 Katie Cunningham, the Public Safety
17 Coordinator from the Governor's Office will address
18 this item.

19 MS. CUNNINGHAM: Good morning, everyone. Nice
20 to see you again. My name is Katie Cunningham and
21 I'm the Policy Coordinator in the Governor's Office
22 of Policy and Budget.

23 As you know, Section 39.49 Florida Statutes
24 authorizes a sheriff to appeal the budget approved
25 by the County, if in any way it differs from the

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1 budget the sheriff requested.

2 In review the petition, the Administration
3 Commission must consider whether the Board amended
4 an expenditure at the sub object code level;
5 whether the Board's action was arbitrary and
6 capricious, or whether the Board's action
7 unreasonably impaired the ability of the Sheriff to
8 fulfill his or her constitutional and statutory
9 obligations.

10 After review, the Administration Commission is
11 authorized to approve the County's budget, to
12 approve the budget proposed by the Sheriff, or to
13 amend or modify the budget approved by the County.
14 I think, as Mark mentioned, we have two appeals
15 today.

16 The first one we'll address is the Alachua
17 County Appeal. In October, 2015, Alachua County
18 Sheriff, Sadie Darnell, filed a petition appealing
19 her law enforcement personnel services budget. The
20 budget approved by the County was \$936,125 less
21 than her requested amount.

22 The Sheriff alleges that the County's decision to
23 recuse this budget was arbitrary and capricious,
24 and she further asserts that the reduction was made
25 at the sub object level.

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1 The County maintains that the reduction was
2 not arbitrary and capricious, but was made after
3 extensive discussion and debate, and the County
4 further contends that they reduce the Sheriff's
5 budget at the object level, not the sub object
6 level.

7 In accordance with statute, a budget panel
8 hearing was conducted on July 14th. Each party
9 provided testimony on the dispute, and they've also
10 provided follow-up information that was requested
11 by staff.

12 Staff has used these materials and the
13 testimony provided to prepare a report of findings
14 and recommendations. This report has been provided
15 to each Cabinet office and to all of the parties.

16 In sum, staff found that the County did not
17 amend the Sheriff's budget at the sub object level,
18 nor did the County's action unreasonably impair the
19 Sheriff's ability to fulfill her constitutional and
20 statutory obligations. However, staff found that
21 the County's budget action was arbitrary and
22 capricious.

23 As such, staff recommends the Administration
24 Commission to direct the Board to allocate \$543,911
25 to the Sheriff's law enforcement personnel services

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1 budget, and this total represents the difference
2 between the \$936,125 reduction already taken by the
3 County, and the \$392,214 loss in revenue incurred
4 due to the reduced school board contract relating
5 to school resource officers.

6 We have several speakers. They will be
7 limiting their remarks to roughly 20 minutes per
8 side, and I believe Sheriff Darnell is on tap to
9 speak first.

10 SHERIFF DARNELL: Good morning, members of the
11 panel. I'm Sheriff Sadie Darnell, and I represent
12 the dedicated men and women of the Alachua County
13 Sheriff's Office; some of whom are here today and
14 who have helped us prepare our position.

15 First, I want to thank you for your very
16 comprehensive, detailed, reasonable, filled with
17 clarity response and recommendation to the
18 Administration Commission. I can tell and we all
19 commented on the way up here today of how much time
20 and energy that you put into this process.

21 As I go through the presentation -- let me get
22 oriented here. This is a reminder of where we were
23 back on July 14th from the standpoint of the amount
24 of money that has been at issue. Our position was
25 that this amount was arrived at, at the line item

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1 portion, and you-all have made the recommendation
2 that you did not agree, and I respectfully
3 understand your position and I understand the logic
4 that was used in your position; however, had you
5 been sitting in the meeting in which we went
6 through as part of the budget discussion, you would
7 have seen more clearly what occurred.

8 But I still maintain that the reduction was
9 made at the program level and as it was pointed out
10 last time, at every budget discussion except for
11 one, the Board discussed the school resource
12 program over and over and identified that as how
13 they reached the amount of money to which they
14 came.

15 Again, the issue is under appeal. I'm going to
16 skip down the last two bullets.

17 The Board cannot direct a Sheriff to eliminate
18 programs. In doing so, the Board violates the
19 independence of the constitutional office of the
20 sheriff. This was an abuse of power for the Board
21 to decide what programs -- specifically, the
22 existing positions -- the school resource deputies
23 existing positions within that program. They
24 decided to eliminate those positions.

25 Now, the example that was used in your

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1 response or in your recommendation gave the example
2 of looking at a proposal, a new unit; a new use of
3 request for funding. Let me point out to you that
4 there's a distinction between putting forward a new
5 proposal, a new idea for a unit and looking at an
6 existing program, existing positions, and existing
7 deputies that have been in place for over a decade.
8 I believe there is a distinct difference in that
9 regard.

10 I'm going to skip through this.

11 Again, the Florida Supreme Court decision,
12 Weisenfeld versus Dierks speaks to it may not
13 reduce at the program expenditure level; this
14 discretion belongs to the Sheriff.

15 I definitely agree with your recommendation
16 that it was arbitrary and capricious, which has
17 been our belief all along. I do want to stress in
18 this presentation today that the reinstatement of
19 these deputies is needed.

20 The deputies are currently working
21 understaffed, and due to the understaffing, many
22 are having to work overtime, which leads to already
23 a very stressful job and additional fatigue. I
24 changed a recent procedure that we did. Due to the
25 current climate in the country and the State of

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1 Florida, I mandate that we have back-ups to be sent
2 to all calls for service.

3 That's for the protection of our deputies and
4 has add to the cost and the stressing of resources.
5 I ask you to consider that there has been an
6 impediment to the operation of my office, based
7 upon this reduction in staffing. This reduction in
8 staffing is significant. I want to provide some
9 additional information to stress this point.

10 I did not present this last time, but we took
11 a look at the impact to the staffing levels based
12 upon those positions; those existing positions that
13 were eliminated. This pie chart shows that 14
14 percent of the total patrol staffing was impacted
15 within the law enforcement budget.

16 What this means is there are times during the
17 day -- we use a term called Code 4. What Code 4
18 means is there are no patrol units to send as back-
19 ups. There are no patrol units to send to a call,
20 so those calls have to stack up. What that does is
21 impede the operation and responsibility of my
22 office because we don't send a deputy, because we
23 don't have a deputy to send, or putting deputies
24 and citizens at risk because we're not able to
25 respond in an adequate manner.

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1 To further demonstrate this, I asked one of my
2 command staff to give me an example, and he said
3 during a recent holiday -- which happened to be
4 over the 4th of July -- our communications center,
5 for which I'm responsible, utilized the status
6 "Code 4" nine times. Patrol units were on
7 emergency traffic six times during that same
8 period, and that Code 4 is almost a daily
9 occurrence.

10 Again, this shows that this office's
11 responsibilities has been impeded. In addition to
12 that, as you may imagine, the law enforcement is a
13 dynamic profession and having the staffing and
14 having a proper and adequate work force is always a
15 challenge. It is even more so when you look at the
16 types of injuries and situations that we have to
17 deal with that other businesses may do, but we
18 additionally have more frequent incidents of
19 injuries.

20 We have situations where deputies are involved
21 in what you call a "category one" incident. These
22 are where there's a line-of-duty shooting or
23 line-of-duty significant injury and they were app
24 placed on administrative leave until that
25 investigation is complete. I have five people in

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1 that category: One on military employment; 11, as
2 you can see, on light duty; one on administrative
3 suspension; and one on administrative leave; one
4 restricted duty; and one who is seriously ill and
5 is on Family Medical Leave.

6 Getting back to the point of the actions of
7 the Board being unreasonable. In your own
8 response, you show that our budget is healthy. The
9 unrestricted fund balance is healthy; the reserves
10 are healthy and have been for many, many years;
11 that I'm sure factored into your decision regarding
12 it being capricious and arbitrary.

13 One of the most egregious components, and
14 Lieutenant Cutler, I need you to come up to help
15 with the video portion of this. One of the most
16 egregious components of this issue has been the
17 action of some members of the board, from a moral
18 and principal-based perspective, have taken actions
19 using the budget basically as leverage; holding the
20 budget hostage from the standpoint of properly
21 funding law enforcement and doing it in such a
22 vindictive and punitive way.

23 You'll hear comments made where they withhold
24 money, and raises from deputies' budgets, because
25 they're enforcing the law.

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1 (Thereupon, excerpt of meeting was played.)

2 SHERIFF DARNELL: Did you hear that?

3 "We do have leverage. The leverage is the
4 budget."

5 In this day in age, when the most responsible
6 governments are supporting law enforcement and
7 especially public safety, they are sending
8 messages, they are sending cookies, they're sending
9 resolutions regarding upholding and supporting the
10 people who abide by the law and respect the law.

11 I ask you to send a clear message that this is
12 unacceptable: This mindset; these actions of
13 holding the budget hostage. Withholding raises
14 from law enforcement is unacceptable. It is
15 unethical. Use whatever language you choose, but
16 send a clear message not only to our County
17 Commission in Alachua County but so that other
18 county commissioners and leaders within our
19 communities recognize that this is an appropriate.

20 May I answer any questions?

21 MR. FAY: Sheriff Darnell, thank you again for
22 being here.

23 I just want to provide a little point of
24 clarification. You reference our recommendations
25 based on the information you have. Just keep in

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1 mind that the EOG is making that recommendation and
2 putting it forward to this body, so we
3 independently provide that information to our
4 principals to make a decision.

5 So it's a fine distinction, but it's an
6 important one in that the principals do have the
7 ability to approve and modify. They have the
8 ability to change what's in front of them regarding
9 that recommendation.

10 So just so you understand, that's not a
11 collaborative decision that's been made.

12 SHERIFF DARNELL: Thank you. I appreciate that
13 clarification. This is a relatively new process.
14 I don't want to be back here next year. I'm hoping
15 not to be back here next year. I hope the message
16 to be sent is a strong one and I trust that it's
17 going to be an appropriate one.

18 Just to recap, I ask you to consider that
19 when -- to reconsider the sub object code
20 overreach -- the overreach into the sub object
21 code. Because when you talk about programs, you're
22 talking about the sub object code and I do -- I
23 disagree with the example, although I do understand
24 the example.

25 When you're proposing a new program using

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1 estimated costs and associated costs with
2 that new program, it needs to be considered, but
3 there is a distinction when we're talking about an
4 existing program that is being targeted and being
5 cut, and that is where the Board of County
6 Commission overstepped and overreached their
7 authority, so I can you to reconsider that point.

8 And then, also, that there has been an
9 impediment of me being able to do the
10 responsibilities of my office because of the
11 reduced staffing. That was not my choice and that
12 was not something that I ever would have
13 considered. In fact, I made it very clear
14 through all of the meetings that I intended to move
15 those existing positions back to the road in
16 various capacities. And we've seen that it was
17 needed then and needed even more so now.

18 And again, I ask you to look at the vindictive
19 and punitive measures of how some members of our
20 Commission approach this issue; this very important
21 and responsible issue of utilizing taxpayer monies
22 for items that is needed for public safety, and to
23 consider that we're different than other counties
24 in that right now and for the last couple of years
25 we've been doing well, and so, there's no

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1 justifiable reason to reduce the budget. There is
2 funding for these positions and they are needed for
3 the good of our community.

4 Thank you.

5 MR. TORNILLO: Sheriff, thank you for coming.
6 You know, because this process has taken so long --
7 I know you filed your appeal in October and here we
8 are almost a year later there about -- what time
9 crunch are you going to be under to spend this
10 money?

11 Can you help me again understand how fast you
12 have to use this and what implications for moving
13 forward for next year? I'm just trying to
14 understand, no matter how much settlement --
15 whether it's this or more or less -- how is that
16 spending happening?

17 SHERIFF DARNELL: That's a great question, and
18 to your first point, this has been a very
19 cumbersome and lengthy process and it is not a
20 level playing field. It is not fair from the
21 standpoint of the sheriffs especially. It benefits
22 the County, and you're more likely to see examples
23 of this sort of leveraging, in a negative way and
24 in an inappropriate way if the process is not
25 fixed. And I'll be happy to participate that and

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1 Patty Justice, my CFO; we're both happy to make
2 recommendations and participate as be a part of
3 solving this issue.

4 To your next point, yes, the fiscal is almost
5 at its end. We have two months left. Whatever
6 amount is decided upon, we have plans for that.
7 Because of our staffing shortages in part created
8 by the elimination of those positions, we're on
9 projected payroll deficit. So the money would
10 first be placed towards that payroll deficit, and
11 then we've got some unexpected payouts having to do
12 with people leaving, retiring, that we just found
13 out about.

14 The money would go to any sort of liability
15 that we have on the books first. We would like to
16 hire. We could hire up to five people, but if we
17 don't have some commitment, some strong indication
18 that the funding will be provided for next year,
19 that's a moot point. It's not fair to those
20 individuals, and it's not fair to the process and
21 the people we involve in hiring people.

22 So I ask you, again, to send a clear message
23 that this -- because of the nature of how this was
24 done, that the funds need to be in the budget for
25 next year. If short of not being able to hire

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1 people, we have looked at buying cars, but because
2 of the short time period and having to get them on
3 the lot by the end of September, that's not do-able
4 and does not appear.

5 But I just recently made some purchases for
6 ballistic rifle plates and ballistic helmets that
7 will withstand rifle rounds. That has become a
8 need across the nation, and so some of the money
9 that comes out of this resolution could be used for
10 those and that could be done very quickly.

11 MR. FAY: Sheriff Darnell, can you explain --
12 and I apologize for my ignorance -- but explain
13 what a "Code 4" really means to our analysis of the
14 Sheriff's Office not being able to fulfill their
15 duties? I'm a little confused.

16 If a call comes into the call center and
17 there's no deputy available at that time to respond
18 to it, is that what you're saying?

19 SHERIFF DARNELL: That's exactly right, and
20 that has been exacerbated by the reduction of
21 positions; the reduction of deputies. That was not
22 my doing and that was the doing of the Board of
23 County Commission.

24 That gets into the deployment decisions. That
25 gets into what I consider to be the sub object code

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1 level of where personnel are placed. Those
2 personnel that were the funding for which were
3 eliminated, they were in the School Resource
4 Program.

5 I made it clear during the budget process that
6 I intended and needed them to be put back on the
7 road. What the Code 4 demonstrates is, it
8 demonstrates that we have too many occasions, too
9 many occurrences where there is not a deputy
10 available to send, to send to a call.

11 Alachua County is 1,100 square miles, so if we
12 have a deputy available in Hawthorne, to try to
13 send them to Newberry, which will take them 40, 45
14 minutes at any given time is not going to serve our
15 citizens well. If I could put and have those
16 positions for, which the funding was taken away, we
17 would have a more adequate staffing.

18 Then, you add on top of that, that the normal
19 loss of individuals due to injuries or illnesses or
20 administrative matters is a component that I factor
21 in every year, and so this unexpected,
22 unanticipated elimination of up to 12 existing
23 positions hurt us. It hurt my ability to serve our
24 community and to be able to provide adequate back
25 up and staffing response to calls. That's why that

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1 example of Code 4 was utilized, to try and bring
2 that home, because I recognized after the last
3 presentation I didn't show as much as I could have
4 or should have, from the standpoint of my authority
5 and responsibilities, being able to be placed and
6 served in our community.

7 The elimination of that funding eliminated up
8 to 12 bodies, and that has hurt our ability to
9 serve our community.

10 MR. FAY: And one more quick follow-up.

11 When you had these resource officers at the
12 school, the original 12, are those officers made
13 available to respond to anything outside of the
14 school? So if there was a criminal act down the
15 street, are they able to leave the school facility
16 to respond to those?

17 SHERIFF DARNELL: Yes, sir. That's another
18 good point. When they're in the school, their
19 primary function according to the contract with the
20 school board is to be on the school campus, but
21 they also included in that contract, is that they
22 also patrol the area around the schools. They
23 serve as a force multiplier in that area.

24 So if there is an emergency they could be
25 pulled away to answer calls. Again, their primary

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1 contractual obligation to be on that campus, but if
2 they were there and they could respond when and if
3 necessary.

4 And we have the unexpected things come up all
5 the time in Alachua County. We have I-75 that goes
6 through our county. Just yesterday, we had another
7 major crash on I-75. That took 16 personnel, over
8 five hours, to manage that, and that equates to
9 hundreds of thousands of people who are traveling
10 on I-75, being stalled in traffic, diverted from
11 their schedule and a place to go. That happens on
12 a regular basis.

13 So that again goes back to my point that as
14 Sheriff, when I submit my budget, I submit a budget
15 that I believe is reasonable and necessary for the
16 operation of my duties. When they started the day
17 after I started my budget -- I submitted it on June
18 1st -- on June 2nd they started talking about how
19 they were going to eliminate those positions.

20 This is not what I find acceptable, which is
21 why I filed the appeal. That's why we need those
22 deputies. We needed them then and we need them
23 now.

24 MR. FAY: Thank you.

25 SHERIFF DARNELL: Any other questions? All

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1 right. Thank you for your time.

2 MS. FIELDS: Can I request a question of Katie
3 quick? Can you just -- what's the Administration
4 Commission's authority to allocate or make
5 directions for allocations outside of the budget
6 year that's being appealed?

7 MS. CUNNINGHAM: I don't know the answer to
8 that. I know last year -- I wasn't in this role
9 last year. I know last year, there was some
10 discussion about Liberty County's appeal about
11 perhaps looking at a three-year plan for some other
12 vehicle needs, but I don't know the legal authority
13 for the Commission's -- what the legal authority
14 for the Commission to do that or not do that.

15 MR. JOHNSON: Yeah, I think you can't encumber
16 funds that will appropriated in the next fiscal
17 year, but you could footnote a recommendation with,
18 you know, a strong advisement, if you will. But I
19 don't believe the Commission has the ability to
20 encumber future funds.

21 MS. CUNNINGHAM: Alachua County Attorney
22 Michelle Lieberman will be speaking next.

23 MS. LIEBERMAN: Good morning. I wanted to
24 briefly go over our response in the appeal. I
25 wanted to thank the staff so far. We appreciated

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1 the regarding the issue on the objects of object
2 code level. I have -- I will focus more on the
3 "arbitrary and capricious" since that was -- seemed
4 to be the primary issue with the staff's report.
5 However, I do have information in here regarding
6 the object, sub object level, and the other prong
7 about adequately funding the Sheriff's Office; if
8 there are any questions or if anybody wants to go
9 over those issues again.

10 So, we pointed out, of course, the three things
11 that the Commission is looking at: Was the Board's
12 action to not completely fund the Sheriff's Office
13 arbitrary and capricious.

14 An action is arbitrary if it's not supported by
15 fact or logic; that was the definition that's
16 provided. And it's capricious if it was taken
17 without thought or reason.

18 The opposite of arbitrary and capricious is
19 logical and reasonable, and that's the way that the
20 Board went about making its decision in the FY-16
21 budget year as it relates to the Sheriff's Office.

22 First of all, of course, the Sheriff provides
23 budget information at the sub object code level.
24 That's a recent statutory change that occurred in,
25 the reason was so that local governments had the

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1 ability make reasonable amendments, because without
2 information it was arbitrary. It was, We're just
3 going to cut 500,000 from your personnel services
4 line in law enforcement.

5 Why?

6 Well, we can't afford it.

7 But we don't know what we're impacting. So
8 this was put in there in 2011 so that we could
9 review issues at the program level, to make sure
10 we're being reasonable when we make decisions in
11 funding at the object level.

12 So in 2013, I want to go back to talk about the
13 history of these positions. So in 2013, the
14 sheriff shifted resources from patrol to schools
15 and reaction to the tragedy at Sandy Hook. There
16 were 12 positions. The Sheriff assured the Board
17 when that shift was made that the shift in
18 resources did not negatively impact safety to the
19 public; that was 12 less that were in patrol.

20 In 2014, the Sheriff eliminated more than 20
21 positions -- 11 of them were sworn officers -- to
22 implement a step plan that resulted in an average
23 compensation increase to her staff of over the 8
24 percent that year. 11 positions. That was 11 more
25 sworn officers that were not patrolling the

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1 streets, bringing the number to 23, that were not
2 patrolling the streets as of 2014. Again, the
3 Sheriff's Office assured the Board that this
4 reduction in officers on the heels of the prior
5 shift of resources did not negatively impact safety
6 to the public.

7 In 2015, during the FY '15 budget cycle, the
8 Board asked the Sheriff again if the shifting of
9 resources in 2013 and the reduction of officers in
10 2014 had negatively impacted public safety; that is
11 23 less officers in patrol, and again, the Sheriff
12 said to the Board that there was no negative impact
13 on public; that she had received no complaints and
14 had actually received compliments.

15 This is the information that is before the
16 board in FY '16. The Sheriff's certified budget
17 that was submitted in June of 2015 did not identify
18 any need for additional resources in patrol. It
19 contained the same number of officers on patrol,
20 patrolling the streets of Alachua County, as it did
21 in '15 and '14. It did not say we need more
22 officers on patrol.

23 It was not until after the school board chose
24 to contract with municipalities for school resource
25 officers that she then informed the Board that

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1 additional resources were needed in patrol. That
2 was two months later that this need arose.

3 The tentative millage had already been set in
4 July and that tentative millage was a raise in
5 taxes that required a super majority vote to
6 support what was being funded; a super majority
7 vote to raise taxes to support the budget that she
8 had already requested, and that shift in resources
9 was an additional .0404 mills on top of the taxes,
10 the raise in taxes that the Board had already voted
11 on.

12 Staff recommendation regarding arbitrary and
13 capricious. Discuss total numbers of officers
14 certified. So I want to point out a couple of
15 things with regard to that.

16 First of all, the number of officers certified,
17 there was a total, but you have to look at what was
18 certified as necessary for patrol, which in FY '13,
19 '14, '15, and as of June of 2015 was one number.
20 Two months later, in August of 2015, there was a
21 need for 12 more.

22 It was reasonable and logical for the Board to
23 be of the opinion, based on all of those factors,
24 for the Board to be at the opinion that additional
25 patrol officers were not necessary for public

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1 safety or for the reasonable and necessary
2 operation of the Sheriff's Office.

3 The information that was stated to you today,
4 the Board has never heard that information about
5 calls holding and the desperate need for staff on
6 the street. None of that was heard until well
7 after this decision, the school board's decision.

8 The tentative millage had already been set for
9 both the general fund and law enforcement MSTU. It
10 was reasonable and logical for the Board of County
11 Commissioners to decide not to go and re-trim; not
12 to go and send all new trim notices to citizens
13 saying, We have raised our tax to a super majority
14 level but now we want to raise them more.

15 It was reasonable and logical to decide once
16 they have already voted to raise that, not to raise
17 it more. And again, the .0404 increase was the
18 shift of the officers from Juvenile Resource Bureau
19 to patrol. And this may not be the exact part to
20 put this in but I want to mention the external and
21 internal comparisons that were put in the report.

22 First of all, the internal comparison, they're
23 frankly apples to oranges, and the reason that is,
24 because there are so many factors that have to go
25 in to the Board's consideration of how they fund

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1 all of the constitutional officers and the
2 departments. They have to take in the
3 extraordinary expenses.

4 Over the course of this time, we have a
5 Property Appraiser and a Tax Collector -- excuse
6 me. A Property Appraiser and a Supervisor of
7 Elections with space needs issues. The Board heard
8 that. The Board bought a building to place them
9 in. There were extraordinary expenses for both of
10 those constitutional officers having to move to
11 those locations and expand -- no furniture, other
12 needs. And we also had in 2016, we had a
13 Supervisor of Elections who had to comply with
14 state law and hundreds of thousands of dollars in
15 new voting equipment. So looking at those
16 percentages is frankly apples to oranges.

17 What should be remembered is from 2009 to 2015,
18 the Board increased its own budget by .09 percent a
19 year -- .09 percent. We increased .52 percent in
20 all of that time, so keep that in mind when you're
21 looking at those internal comparisons. And it's
22 reasonable and logical to balance the extraordinary
23 needs and general needs of all funds and all
24 constitutional officers in balancing the budget and
25 in prioritizing what those needs are between all of

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1 those competing interests. That's reasonable and
2 logical to do.

3 The external comparisons, frankly, we've told
4 you that the Board looked at crime statistics in
5 making this decision. They looked at officer
6 ratios in making this decision. And when you look
7 at the external comparisons, we are funding the
8 Alachua County Sheriff's Office 20 million dollars
9 above the average of the comparison counties, and
10 when you look at the statistics that go into that,
11 we are at average or below average on all of those
12 statistics.

13 The only reason we're below average on the
14 officer-to-citizen -- citizen-to-officer-square-
15 mile ratio is we had one county in that mix who had
16 10 officers per square mile; everybody else was
17 three. So it became 4.4. We're at four. We're
18 actually higher than four of the five comparison
19 counties, so we're funding at \$20 million more,
20 average, for a department that has less crime
21 issues and a higher ratio to citizens.

22 So those were all, you know, within the
23 discussion of the Board, and it's reasonable and
24 logical to look at those statistics to ensure that
25 we're adequately funding, and whether there are

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1 other priority needs to balance the budget for all
2 constitutionalists.

3 Little discussion of the 392,214 reduction.
4 That was another basis for staff's recommendation.
5 First of all, it was discussed and it was rejected.
6 In fact, the Board made a motion. There was a
7 motion by one of our Commissioners, Commissioner
8 Chestnut. That was discussed that they would
9 discuss the reduction. We took a 10-minute break.
10 Came back, motion made. There was some discussion
11 on the Board by that motion and the Sheriff then
12 stood up, and we said, "That's correct, right?"

13 There was a question -- we don't want to
14 paraphrase for the Sheriff -- that's correct --
15 accept that, and the answer was, "No, I will accept
16 no reduction in my certified budget." The
17 discussion went on from there. It was
18 rejected.

19 For any of you who have watched any number of
20 Alachua County Commission meetings, every day is
21 like Ground Hog Day in Alachua County. We discuss
22 things to death. We discuss things multiple times
23 for hours at a time. We start board meetings at 9
24 a.m. and go till 9 p.m. We deliberate and we
25 discuss.

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1 You saw snippets of conversations in our
2 appeal documents, but I will tell you, those
3 conversations took hours. The deliberations on
4 these issues took hours. More than one option was
5 provided, and the issue was discussed and debated
6 extensively. We continue to subsidize the school
7 board's duty to provide security and safety to its
8 students at an 80 percent level instead of a 70
9 percent level. Yes, they reduced it by 392,214,
10 but remember, we were flipping over 70 percent of
11 the bill to begin with.

12 We went ahead and gave the sheriff over
13 \$200,000 in enhancements because of the savings
14 that were realized in the Board's budget from the
15 change in service. And remember there was \$182,926
16 added that's accounted for some of that 936,000
17 that was never accounted for to begin with.

18 The unrelated comment of a County
19 Commissioner. And the staff report did find it was
20 unrelated, but the opinion of one is not the
21 opinion of three or more, and it takes three or
22 more to make a decision. The options presented
23 were presented by staff, not by the Board. Staff
24 came to the Board and said there's a reduction in
25 services; provided a methodology and discussed it

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1 extensively with the Board. There was no comment
2 at any time during this discussion of anything
3 other than the school board circumstances. There
4 was no evidence that this was the basis for this
5 year or any prior year for any decision the board
6 was making.

7 The prior years' discussions, we had two
8 years' worth of discussions on school resource
9 deputy program and the fact that we were funding
10 over \$2 million of 2.8 million dollar expense, and
11 that we just couldn't afford to keep doing that
12 anymore; to the point we had joint meeting with the
13 school board.

14 The issue on reducing funding for the resource
15 program, I couldn't tell you what would have
16 occurred if they had to make that change, but it's
17 very possible the board would have reduced funding
18 for that regardless in law enforcement for that,
19 because the Board simply couldn't keep footing that
20 much of the bill for the school board.

21 So the board reached its decision on the level
22 appropriation, the Sheriff's Office law enforcement
23 personnel services object code, based on the
24 Sheriff, did forgot identify a need for resources
25 and patrol for 13, 14, and 15. The Sheriff did not

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1 address a need for additional resources in patrol
2 for June '15 at the time of submitting the FY
3 certified budget. The schools decision in August
4 of 2015 insured the same officer presence in the
5 schools but this was simply through the use of
6 municipalities instead of the Sheriff's Office.

7 Remember, these schools were in the
8 municipalities that the Sheriff's Office was no
9 longer in. To the extent that the Sheriff's Office
10 may have provided some kind of call for service out
11 of those schools, these are municipality
12 jurisdictions. Maybe back up, maybe they still
13 provide back up, but these were schools in
14 municipalities.

15 The Board already had set the tentative
16 millage rate for the law enforcement municipal
17 services taxing unit, which tentative millage rate
18 required a super majority vote to raise taxes, and
19 the shift in resources required an additional .0404
20 mills to increase the MSTU budget. And this was
21 the second time in three years that the Board had
22 to raise taxes by a super majority level to support
23 the increased demands of the Sheriff's Office. And
24 frankly, that is with the increase that comes from
25 the increase in value. We still had to raise taxes

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1 by a super majority, two out of three years, to
2 support the increased spending. And the sheriff
3 provided assurances on multiple occasions that the
4 shifting of resources in 2013 and elimination of
5 resources in 2014 had not negatively impacted
6 public safety.

7 FDLE crime data supported crime continues
8 downward in Alachua County, and that Alachua County
9 has the third highest ratio of sworn officers per
10 capita. So based on all of that, there is no other
11 than the reason and the basis behind the Board's
12 decision was both reasonable and logical.

13 I'm not going to go through all of the
14 information the sub object level, other than to say
15 that, this is a basis for us to be reasonable in
16 our decision-making process. We appropriate at the
17 object level. We submit the money to the Sheriff's
18 Office at the object code level. When it goes, it
19 says "law enforcement personal services" or "law
20 enforcement operating" and it is remitted to the
21 Sheriff in that way.

22 And so, this just pointed that out. We
23 operated within our statutory authority to consider
24 information found in the sub object code level as a
25 means of reasonably determining funding at the

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1 object code level.

2 And of course, adequate funding, you know, the
3 staff report found there was adequate funding. I
4 would say look at the comparisons and the
5 comparisons to the statistic and how much money
6 we're providing. Clearly there is adequate funding
7 for the Sheriff's Office. And based on all of the
8 things I said prior, all of those things were
9 considered.

10 There was a discussion about offers. We did
11 meet again. We called a special meeting because it
12 was clear that there was a hope that we would do
13 that. And the Commissioners were on vacation. We
14 got them together and we did discuss. We did make
15 an offer. I provided both our offer letter and the
16 response letter from the Sheriff's Office to Katie.

17 Katie, I hope that was forwarded on.

18 The 156,021 that was offered, frankly,
19 represents everything the Sheriff asked for. The
20 936,125 is what was requested. The 156,021 represents
21 two months of that, because there are two months
22 left in the fiscal year. The fact that there was
23 unexpected overtime or unexpected retirements,
24 those are the types of issues, that if the money is
25 not in the personal services line, that the Sheriff

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1 comes to the board for a budget amendment and says,
2 "I have money over here and I need to put it in
3 personal services because I have these unexpected
4 expenses."

5 The things that were noted were all issues
6 related to recent things, not at the beginning of
7 this budget appropriation. We did condition that
8 on two specific issues which we believe are
9 important to avoid being here in the future.
10 Mainly, the transfer of budgetary funds between
11 object codes, because frankly, part of the reason
12 we are here today is because in FY-'15 the personal
13 services budget was over spent by more than
14 \$171,000. Some of that came from forfeiture to
15 cover the bill, but \$154,000 of that came from
16 capital funds.

17 The Board appropriated money for capital needs
18 and the Sheriff's Office, without Board approval,
19 took capital money, and put it in recurring
20 personnel expenses, and that was exacerbated when
21 we got to 2016. And frankly, that's where the
22 186,000 increase comes from that was unaccounted
23 for; the 186, where did that additional come from.
24 It's the transfer of one-time capital money without
25 board approval to recurring funds, and the statute

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1 is very clear that cannot occur.

2 The Sheriff responded saying \$300,000 was
3 necessary to cure budgetary shortfall from recent
4 events, payouts from retirements and overtime. It
5 also required that we fund an additional 636,210 in
6 law enforcement personnel services for FY '17 on
7 top of the certified budget and refusal to
8 separately account for the MSTU funds, and a
9 refusal to follow board policy on Florida Statute;
10 sections to the repeated practice of transferring
11 money between capital debt service, personal
12 services and operating, by spending money on things
13 not certified, as necessary for in her budget when
14 she provides it to the Board.

15 So in summary, we adequately funded. There's
16 no evidence to support the providing of the money.
17 She can't transfer it and that's the point.

18 You provide this money to her, to the
19 Sheriff's Office, and they've got to spend it.
20 They can't transfer it. The statutes are clear.
21 There's only two months left. They are adequately
22 funded. You've got no violation of law in that
23 they were adequately funded. Providing them over a
24 half-million dollars for two months, they can't
25 spend it and it's not needed. There are six vacant

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1 positions right now.

2 And I'm happy to answer any questions.

3 MR. TORNILLO: Can I get a copy of your
4 presentation, please?

5 MS. LIEBERMAN: I'm sorry?

6 MR. TORNILLO: Can I get a copy of your
7 presentation?

8 MS. LIEBERMAN: Ms. Cunningham said she would
9 send it to you.

10 MR. FAY: Thanks for being here, Michelle.

11 Can you elaborate a little bit on this idea
12 that if the decision was made as a logical and
13 reasonable decision, that from your commentary --
14 and I know you can't speak for the entire
15 Commission -- you were unaware of the fact that the
16 Sheriff is dealing with some of these issues, where
17 they are in a position to not respond to calls
18 because their resources are allocated on other
19 things. Does that change your analysis at all as
20 far as them fulfilling their legal objection? Or
21 do you feel because of the comparison -- I know
22 they're apples and oranges like you said -- but in
23 comparison they have sufficient resources.

24 MS. LIEBERMAN: You kind of lost me in that
25 whole...

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1 MR. FAY: The question is, you made a comment
2 that you were unaware of any of that. So you've
3 obviously had discussions or the Commission has had
4 discussions regarding their resources, and today
5 the information that's in front of us states that
6 at times they are extremely limited in their
7 ability to respond to those calls. And so, if the
8 is that the decision was not arbitrary and
9 capricious, and it was a logical and reasonable
10 decision, do you believe there's still an analysis
11 to be made that they can sufficiently fulfill their
12 legal duties?

13 MS. LIEBERMAN: First of all, I think that any
14 question, if there is an issue and that issue needs
15 to be raised, it's an FY-'17 issue. To come and
16 say, "I now am asking for these patrol officers
17 because here's what we are facing here's what we've
18 shown in the last couple of months. We're now
19 adding back-up for officer safety; here's the
20 increased needs for all of these things that have
21 recently happened." That's an FY-'17 issue.

22 The fact is that there are two competing
23 things here. In June of 2015, we had enough patrol
24 officers on the street. We're fine, we're not
25 impacting public safety with these 23 less

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1 positions; we're good.

2 In August 2015, it was, "Whoa. Things are
3 bad. We need to move these back."

4 It can't be both. It can't be both. So
5 either we were misinformed for all of those years
6 that eliminating 23 positions really did impact
7 public safety, but they didn't want to let us know
8 that, or the fact is that they were not necessary
9 for public safety, as we've been being told, and
10 circumstances changed at some point, but that's an
11 FY-'17 issue.

12 And again, those resources, they're in
13 municipalities. Those officers -- there's no net
14 loss there of that function. Those functions are
15 being performed by other municipal officer in those
16 schools.

17 MR. FAY: Yeah, I appreciate you can only make
18 the decision on the information you have at the
19 time.

20 Okay, thank you.

21 MS. FIELDS: I have a question for Shelly.

22 You expressed in your presentation that the
23 Board had some concerns on the Sheriff's force, the
24 size of the force; especially compared to the other
25 counties that you brought up.

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1 Did the County ever express that concern to
2 the Sheriff and ask her to make an analysis of her
3 force and propose any reductions in her force?

4 MS. LIEBERMAN: No. Reductions had been made:
5 The 23 officers on the street, but 11 sworn
6 positions had been eliminated in 2014. And by the
7 way, the Board continued to fund those, so we
8 continued to fund positions that are no longer
9 there. What that money was used for is at the sub
10 object level so that was for her determination.

11 We've not asked for any kind of review of
12 reductions. Frankly, I don't think we would come
13 back with anything that said that those should be
14 reduced.

15 We look at statistics just as you look at
16 statistics. We look at the FDLE data; the per
17 capita information was before the Board. Now, we
18 have the per-square-mile information that's on
19 here, and I think that it's clear that we are not
20 arbitrarily funding the Sheriff's Office. We are
21 funding the Sheriff's Office to the tune of over
22 \$70 million, which is 20 million over average for
23 comparative counties. We are truly funding the
24 Sheriff's Office, and, you know, beyond what our
25 peers do.

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1 MS. FIELDS: So a follow-up to that. So, for
2 the other constitutional officers, I'm trying to
3 understand how you set your budget for those
4 offices.

5 Do you ask them, "Supervisor of Elections, you
6 tell me what personnel you need or do not need."

7 If you see that a reduction or you see that
8 her budget is large compared so some other capable
9 budgets, do you ask her, since it's her statutory
10 authority to make those determinations, do you ask
11 her for proposals for those reductions?

12 THE WITNESS: Yes. For example, because we
13 simply can't fund everybody's desires. We can't.
14 We have to prioritize those and where we can find
15 the resources to do that. So, for the Supervisor
16 of Elections, the Sheriff's Office, and I'm missing
17 one. The Tax Collector and the Property Appraiser
18 go through DOR and their budgets go to them.

19 We have the ability to make objections, and we
20 have, and changes have resulted. One of which was
21 you didn't start from your, in FY-'16, you didn't
22 start from your FY-'15 -- like we asked everybody
23 to do -- and so you didn't find raises within your
24 own budget -- like we ask everybody to do. And we
25 talked to DOR about some of the numbers in the

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1 budget and that was resolved between DOR and the
2 Property Appraiser. They found other cuts to make
3 to make it work.

4 The Clerk, the Tax Collector -- the Clerk, the
5 Supervisor of Elections and Sheriff, they come to
6 us first. So yes, we asked all constitutionals in
7 FY-'16 to start from FY-'15. We will pay for your
8 FRS. We will pay for your insurance increase, but
9 find raises, find the ability to increase your
10 personal services line by decreasing expenses, and
11 that's what other all of the other constitutionals
12 did and the Sheriff's Office did not.

13 So we do ask them to do that. The Sheriff's
14 Office did reallocate over 400,000 in FY-'16 that
15 was reduced from operating and other areas in law
16 enforcement and added into personal services, and
17 we were okay with that because we thought that was
18 finding the money; what we can asked them to do was
19 find the money so we could increase personnel
20 services, but there was still the additional 186
21 that was in there that I pointed out last time.

22 So we do ask for them to find the money.

23 MS. MCKNIGHT: I have a question for Katie,
24 and it's regarding the offer; the counter offer
25 that was put forward by the Commission on July

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1 21st.

2 What are we to do? I mean, they've already
3 submitted their budgets for fiscal '16-'17. This
4 process is not a fast one, and so the counter-offer
5 that's been made by the County, basically in
6 concept, I think, agrees with the number that the
7 Sheriff has suggested she would need to fulfill her
8 constitutional duties.

9 What do we do, though, when there are only two
10 months left? I mean, how are we to look at that
11 picture? Are we not to supposed -- I mean, the
12 whole appeal is for the fiscal and we're left for
13 two months, so how does that work?

14 MS. CUNNINGHAM: I think the question was
15 asked of the Sheriff earlier, as to how she would
16 spend if it was this sum that was decided by the
17 Commission or a different sum, and how would they
18 use those monies, and she answered that.

19 Now, the Commission has -- there's pretty free
20 reign for the Commission to amend or modify the
21 budget that the County approved. So whether it's
22 this recommendation, whether it's a different
23 figure, whether you direct it into a certain
24 personnel budget, whether it's directed generally
25 to the Sheriff's budget, those are sort of caveats

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1 that I think the Commission can make when they make
2 a decision in awarding nor not awarding any sums to
3 the Sheriff.

4 MS. McKNIGHT: It's inappropriate for the
5 Commission to only look forward based on today's
6 date when the petition was filed for an entire
7 fiscal year?

8 MS. CUNNINGHAM: I think when you're looking
9 at the appeal -- you want to use the legal standard
10 in determining, okay, was it made at the sub object
11 level; was it arbitrary and capricious; you have to
12 look at that within the confines of the fiscal
13 year, absolutely, I would say so.

14 But then, when it comes, when the Commission
15 needs to decide on an amount to be funded. I think
16 it is fair for the Commission to consider the
17 totality of the circumstances, where we are in the
18 fiscal year, possibly what are the Sheriff's
19 current needs that have occurred during this fiscal
20 year and how that might have changed. I think
21 using that totality, that's fair for the Commission
22 to look at.

23 MS. McKNIGHT: Thank you.

24 MR. FAY: So quick follow-up, Katie.

25 Maybe this is a question for the Commission.

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1 Can they enter into an agreement that would bind a
2 future budget? I guess that would be probably not;
3 that the Commission would still have to vote to
4 approve a final budget.

5 MS. LIEBERMAN: Legally, and we can't bind
6 future boards either. So making multi-year
7 agreement is aspirational, but we can't bind a
8 future board because it could be two or three
9 different commissioners sitting there two years
10 from now.

11 So each one has to be taken individually and
12 voted on individually and utilized in the public
13 process.

14 MR. FAY: So even if you said, "We acknowledge
15 the hundred-twenty-something this year to fulfill
16 the 112" and went on to the next year, you would
17 note -- there would be no way to bind the
18 Commission. They would still review what's in
19 front of them and vote on the budget for the
20 Sheriff's Office, and if there's a disagreement, it
21 would be back in this appeal process?

22 MS. LIEBERMAN: Correct. And actually, at
23 this point in time, we have just set the tentative
24 millage for FY-'17 that has to occur in July. So
25 we have already set the tentative millage for both

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1 the general fund and the MSTU fund, and so, any
2 monies that come out for FY-'16 will be taken out
3 of reserves and then have to be recouped from
4 reserves, as well as adding an additional expense
5 on the FY-'17. So we have already set the millage.

6 We have to out how to basically -- so now
7 you're talking about two year's worth that would
8 have to essentially have to come out of reserves,
9 because the millage has already been set for '17.

10 MR. FAY: And can you think of what would be
11 deemed as fair, because to Brooke's question, we're
12 sort of acknowledging what's in front of us -- a
13 very small timeline of funding. The process itself
14 then would only allow for the sheriffs to try and
15 recover whatever they could at the time this appeal
16 made it to our desk.

17 Is there a fair way for the commissions and
18 the sheriffs to not just meet in the middle but to
19 come up with some sort of process and agreement
20 that allows, you know, to avoid this happening
21 every year?

22 MS. LIEBERMAN: To avoid happening every year,
23 I'm not sure. That's probably a much bigger
24 picture than I can address.

25 MR. FAY: I guess the heart of my question is

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1 acknowledgement that -- you have to balance the
2 safety of Alachua County and your budget
3 constraints, but the offer that's on the table --
4 there's some acknowledgement that additional funds
5 would be helpful, and it's in a small timeline. So
6 if that analysis is being made, it seems to me
7 going into next fiscal year -- I don't know what
8 that number would be -- but there has to be some
9 discussions between the parties so get to some
10 ground where they feel they could sufficiently
11 satisfy their constitutional and statutory role,
12 but the Commission is not overstraining their
13 budget to get there.

14 MS. LIEBERMAN: And there are 10 positions
15 proposed at the FY '17 budget at base level by the
16 Sheriff's Office for patrol. The Board is
17 reviewing that. You know, frankly, I don't know
18 whether the funds are there for all 10 positions,
19 but they are put in there and they are being
20 considered in this process. We have to go through
21 the rest of the budgeting process and public
22 hearing process.

23 MR. FAY: And I acknowledge that the
24 Commission has to finalize that and you can't speak
25 to that. It just seems like to me from what we've

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1 heard from both sides, that both sides agree the
2 safety and the best interest of the people in
3 Alachua County are the top priority, and you're
4 limited by your budget constraints. And the
5 sheriff is limited by the current resources. She
6 has to try and fulfill that role, and neither of
7 them seem to be satisfied. You know, that's how we
8 ended up here.

9 So, if there's a way to understand that going
10 into next budget cycle, there's a dialogue that
11 won't lead us to the same scenario that we have
12 here, because it's almost impossible for us to make
13 an analysis on what would be appropriate for a
14 two-month period, since all of this time has
15 passed.

16 MS. LIEBERMAN: I will tell you that we have
17 already, in advance of the August 2nd date, have
18 gone ahead and scheduled a special meeting for
19 August 1st. The first day everybody is back
20 from vacation, so we managed to get everybody in
21 for a special meeting, which we are doing that
22 afternoon at 1:00. So there will be some more
23 discussion on that front then. We may not see you
24 on the 2nd, and we may see you on the 2nd. I guess
25 that depends on how that meeting goes on August

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1 1st.

2 So we are still discussing, and to the extent
3 that you've got all five of them there to talk
4 about next fiscal year, certainly they can do that.

5 MR. FAY: And we always like to encourage the
6 residents of Alachua County to come on up to Leon
7 County and see us anytime, so thank you.

8 SHERIFF DARNELL: If I could clarify some of
9 the statements, please.

10 There's been a lot of ancillary information
11 that has been brought forward, and I just want to
12 bring us back to why we're here. And why we're
13 here is the Alachua County Sheriff's Office has
14 been harmed. We have been harmed because of the
15 process of a budget appeal is so lengthy and
16 cumbersome.

17 The money that should have been in the budget,
18 my opinion, of almost a million dollars, has gone
19 unfunded toward positions and we're now at the last
20 two months of the year.

21 How do we make that whole? There's no way to
22 recoup, but where did that money go. The County
23 has that money. They spent it on other things.

24 The clarification from the standpoint of.

25 Ms. Lierberman your man makes the point that

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1 according to a survey that they've done that we're
2 over \$20 million, based upon an average of whatever
3 survey they've done. The law enforcement budget is
4 only 26 million, and the use of FDLE per capita
5 information was never intended for deployment
6 purposes. You can ask Commissioner Swearingen from
7 that standpoint. That's just a point in time,
8 piece of information, but it's never been intended
9 to use for deployment purposes and the County does
10 bring that up way too often.

11 I would also refute that they haven't had to
12 raise taxes in order to increase my budget every
13 single year. My budget for law enforcement in 2008
14 compared to 2016 is only \$40,000 more. Now, that's
15 got to scream that there has not been a huge amount
16 of increase in the law enforcement budget;
17 especially when you factor in health care costs and
18 retirements, FRS increases.

19 The point, is that the County cut funding for
20 almost 12 positions. Those positions were intended
21 to be deployed elsewhere. That is my decision.
22 That is my decision based upon my 38 years of law
23 enforcement experience.

24 They have reduced my force in that amount and
25 it has harmed us. Part of the negotiation or the

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1 amount that's been offered is the two months worth
2 of funding. Well, that speaks to, yeah, you
3 divided the 900 by 12 and that's what you come up
4 with. It doesn't address the need that has been
5 created by their actions to have overtime staffing
6 to full the need so our deputies can respond to
7 calls at an adequate level, barely adequate level.

8 But the money has to be more than the 156,000
9 because they have created a situation and we have
10 had to have overtime in order to be able to
11 properly staff the deputies in the field.

12 So I just want to make sure we stay focused on
13 what the intent is here, and the process does work
14 against me. And I again ask you to making a strong
15 impression, by whatever words you want to or by
16 whatever means you want to, that these positions
17 are in the certified budget currently and the
18 certified budget request. It is something that the
19 Board has been considering at the same time while
20 they've already funded over 30 positions in their
21 own budget while they're waiting to see what the
22 outcome of this appeal is for my 10 positions that
23 I have requested in the certified budget.

24 MR. JOHNSON: Sheriff, if I could? What's the
25 unfunded deficit created by the overtime currently

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1 or projected? Obviously, this whole process has
2 created now a deficit. What is that number
3 currently?

4 SHERIFF DARNELL: It's over 300,000; under
5 500,000. But it is something that whatever the
6 outcome is, those funds would be applied first to
7 that deficit before we could even think about
8 hiring anybody, and we can't think about hiring
9 anybody until we know about next year.

10 And I have to point out that the current
11 commission, current sitting Commission will be
12 deciding on the certified fiscal budget year ending
13 '17, so the people who are part of this ongoing
14 process will be making that decision.

15 So I think we all have recognized this is an
16 onerous process and it's something we don't want to
17 repeat, and I hope that there is recognition that
18 our community is being harmed by this indecision
19 and this lack of funding when there's plenty of
20 money.

21 Going into fiscal year '16, I figured this
22 first budget time was going to be a cake-walk,
23 because it was the first time, in years, new
24 revenue was coming into the county. New revenue
25 did come in to the County, 2 percent into the

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1 general revenue fund.

2 Our Board of County Commissioners created a
3 MSTU method of taxation to gain additional revenue.
4 Less than 10 percent of the general fund is used
5 for law enforcement. Less than 10 percent of the
6 general fund is used for law enforcement. So there
7 is money there; it's where they choose to fund and
8 what projects they choose to fund out of the
9 general fund. We're looking at an increase of this
10 next year of probably 4 to 5 percent of increase
11 in revenue, so there is money.

12 MR. JOHNSON: Sheriff, let me ask you this.
13 If there's a deficit of about \$300,000 for the
14 overtime that is accruing right now as we speak,
15 the County offered 156, which is the two months;
16 that kind of shows me that if that offer is on the
17 table, that offer would be good going forward. And
18 that, to me, would signal that even though they
19 haven't spoken yet, officially, that they were
20 going to fund that personnel services to the tune
21 of 936 for the next fiscal year. That's the road
22 map that we look at. That's logic to me.

23 Now, obviously, we have a \$300,000 deficit,
24 which is money that's owed, which is money that's
25 got to be paid from somewhere.

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1 So this is to the County and the Sheriff. You
2 have a deficit on the table that's got to get paid
3 from somewhere, but there's a willingness from the
4 County for the two months to fund those positions,
5 right? Correct? The 156, right.

6 MS. LIEBERMAN: Right, was two months of worth
7 of the 960 or whatever it was.

8 MR. JOHNSON: And that's to fund those
9 deputies?

10 SHERIFF DARNELL: Yes.

11 MR. JOHNSON: Okay. So, to me, we are really
12 -- there's some other devil in the details here:
13 Shifting money from here to there, there's some
14 questions from the County Commission on what you're
15 doing with that. Okay, I think all of that can get
16 hopefully worked out. I don't think we're too far
17 off, because we have to address the \$300,000.

18 And this is for Michelle. Michelle, has the
19 County spoken to -- obviously, the Sheriff has to
20 deploy deputies in an overtime manner to get to
21 that deficit. Has there been any discussion from
22 the County relating in how to address that overtime
23 deficit that's accruing right now?

24 MS. LIEBERMAN: Frankly, we were not aware of
25 the impending deficit until after July 14th, and if

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1 the Board were to offer the 156, which is two
2 months worth of the salaries, clearly there's still
3 hundreds of thousands of shortfall, and that's a
4 concern.

5 MR. JOHNSON: It's a concern for everybody.

6 MS. LIEBERMAN: That's a concern that those
7 are not being planned for a full year.

8 MR. JOHNSON: And look, from where we sit
9 you've got to understand the way we look at.
10 Obviously, with a budget appeal going on, it's
11 contentious. There's not a lot of positive, fluid
12 conversation going on, so it doesn't surprise me
13 that you may not know that's accruing right now,
14 but that's not going to stop it from going forward
15 going.

16 So it's our job to eliminate that equation for
17 that thing from the equation. So yeah, that's out
18 there. Now you know. And by having this public
19 meeting now, we're getting that conversation out
20 there, so now you know, I guess.

21 MS. LIEBERMAN: Staff suggested at the last
22 board meeting knowing that was the case after
23 finding that out on the 14th. Staff made a staff
24 recommendation for, I believe, 338,000 to be put
25 into law enforcement, but the reduction in the jail

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1 services of the enhancements of the 108. So it was
2 an offset total of 252,000, but it boosted --
3 because they weren't necessary in the jail line,
4 because the year before there was a million dollars
5 in lapsed salaries.

6 So we knew there was room in the jail line.
7 That was a -- 108 in the general fund would offset
8 some of the 46 percent addition from the general
9 fund -- because of how we fund -- into the law
10 enforcement personnel services and would have
11 gotten out of that deficit. So we did make that
12 recommendation for a net impact of 252,000, and the
13 368,000 would have gone directly into law
14 enforcement personnel services. The board voted
15 not to accept staff's recommendation on that amount
16 and went with the two months; felt that the two
17 months of personnel services was a logical, you
18 know, a logical number, as far as what the appeal
19 was about.

20 MR. JOHNSON: Sure. And it's helpful that
21 they came to the conclusion that the two months in
22 funding that, because that's one part of the issue,
23 you know. Then you've got the unfunded portion of
24 the overtime that's owed to those people. They
25 earned it, they worked for it, so you guys have to

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1 figure out a way to pay that -- you and the
2 Sheriff.

3 And, you know, it seems to me that just on the
4 surface, the Sheriff would be satisfied with, you
5 know, the annual funding of the 936, as long as we
6 can clear up the overtime issue. I mean, I don't
7 think we're that far off.

8 Am I missing something?

9 SHERIFF DARNELL: I don't disagree with you.
10 Are there any other questions?

11 Thank you.

12 MR. JOHNSON: Thank you both.

13 MS. CUNNINGHAM: Okay, the next item relates
14 to the Liberty County Sheriff Budget Appeal.

15 In October, 2015, Sheriff Finch filed a
16 petition, appealing his approved budget, which is
17 \$282,060 under his requested amount of county
18 funds. Sheriff Finch alleges that because the
19 budget approved by the Liberty County Board of
20 County Commissioners does not give them sufficient
21 county funds for necessary vehicles, positions and
22 leave pay-outs. He cannot safely operate and
23 provide law enforcement services.

24 He further alleges that the budget poses a
25 threat to the health, safety and well-being of his

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1 staff.

2 The County argues that the Sheriff does not
3 have standing, essentially, to file an appeal
4 because when outside funding sources are taken into
5 account, the Board appropriated the amount
6 requested by the Sheriff. The County also argues
7 that the appeal should be denied because the
8 Board's adopted budget was not arbitrary and
9 capricious.

10 In accordance with Statute, a budget panel
11 hearing was conducted on July 14th. Each party
12 provided testimony on the dispute and also provided
13 follow-up information that was requested by staff.
14 We've used this material and the testimony provided
15 to prepare a report of findings and
16 recommendations, and this has been provided to both
17 the Cabinet Aides and to each party.

18 In sum, staff found that the Sheriff does have
19 standing to file an appeal. Additionally, staff
20 found that while the County's action was not
21 arbitrary and capricious, it did unreasonably
22 impair the ability of the Sheriff to fulfill his
23 constitutional and statutory obligations.

24 As such, staff recommends the Administration
25 Commission direct the Board to allocate an

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1 additional \$140,363 to the Sheriff. Now, this
2 total represents \$100,000 for the purchase of at
3 least four patrol vehicles, \$30,000 to hire one
4 full-time OPS bailiff for their courthouse, and
5 \$10,363 to pay a former employee's accrued
6 compensatory and annual leave.

7 We have several speakers. They will try and
8 limit their remarks to 20 minutes per side. I
9 believe Sheriff Nick Finch, Major Brian Langston,
10 Captain Lee Keith, and finally, Finance Director
11 Hugh Black, are here to speak on behalf of the
12 Sheriff and they will speak first.

13 SHERIFF FINCH: Good morning. Thank you once
14 again. In an effort to save time, I'm going to do
15 most of the talking. There's not going to be a
16 whole lot of talking, except for, thank you for the
17 hard work you've done so far. I'm thrilled you
18 found it -- you agreed that it's hard for me to
19 provide the services that I need with the money
20 that I've got.

21 One thing I did find out this week is the
22 county did -- every year the county gets over
23 \$600,000 in county funds in the ad valorem and for
24 the Forestry Service and stuff. Every year, the
25 Sheriff's Office has gotten about \$42,000 of that

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1 money. This year we got zero, so if you subtract
2 42,000 that we should've got from what the proposal
3 was, that cuts me down to a hundred thousand
4 dollars. We currently have \$60,000 in unpaid
5 liabilities in back -- in bills that haven't been
6 paid and payroll. So if you add that together, you
7 know, that leaves me about \$42,000 to buy vehicles
8 and...

9 MR. JOHNSON: Sheriff, so where does that
10 \$42,000 that you say you didn't get, what was the
11 explanation for that? Was there a public
12 explanation for that?

13 SHERIFF FINCH: No explanation whatsoever.

14 MR. JOHNSON: And how do you usually deploy
15 those funds?

16 SHERIFF FINCH: Typically, in years past, they
17 get a portion of that money. I guess there's some
18 restrictions, and I don't know what the
19 restrictions are, honestly, but there's some
20 restrictions that it can only go for law
21 enforcement. So the School Board typically gave us
22 20, 24,000; the County usually matched that, which
23 was about 40 or \$42,000. This year, we got none of
24 it, and there was no explanation as to why we
25 didn't get any of it -- and that's not budgeted

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1 money. That's in addition to what we would have
2 budgeted for last year; that's \$42,000 less.

3 And I'm just trying to explain, that the
4 140,000 is not, in my opinion, I appreciate it but
5 I don't think it's going to be sufficient for me to
6 make a settlement at this point. We still have the
7 comp time that wasn't addressed at all.

8 Once again, I appreciate the board's
9 consideration, but at some point, this comp time is
10 going to have to be addressed, and that's sitting
11 at \$57,000 right now. So if I were to just zero
12 out the bills and the payroll that we're deficient,
13 which is 60,000, and comp time, which is 60,000,
14 that's 120, and then add the \$42,000 we were
15 shorted, we're well past the 140,000 that was
16 proposed.

17 So, I think at this point, moving forward, I
18 like that the board has realized that my base
19 budget is 1,622,876, and as long as the County
20 approves that as the base budget next year, I think
21 we can work with that. I've asked for a five
22 percent reserve for contingency next year, because
23 of what happened this year when I asked for it and
24 they said, "Well, you haven't asked for a reserve,"
25 so I've asked for that.

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1 So really, if you add the 42 that I didn't
2 get, the five percent reserve for contingency, and
3 1,622,876, we're sitting at about 1.77; we're
4 sitting at what my budget should be.

5 Now, I understand the reserve for contingency
6 is reserve for contingency, and if I didn't have to
7 spend that money, I wouldn't spend that money. So
8 again, as you said, I don't think we're far off but
9 we've got to resolve the issues of this year as
10 well.

11 So that's kind of where we're at. I
12 appreciate your hard work. It looks good. But the
13 140, I don't think is going to get us to where we
14 need to be this year.

15 So, if y' all have any questions, I'm happy to
16 answer them.

17 Thank you very much.

18 MS. CUNNINGHAM: Alachua County Attorney,
19 Robin Meyers, I think is going to speak next on
20 behalf -- I'm sorry, Liberty.

21 MR. MEYERS: Good morning. I want to tell
22 y'all a little personal story here. When I got
23 this report, y'all took me back somewhere, where I
24 hadn't been in 25 years, and that's to the 9th
25 grade.

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1 In the 9th grade, at Liberty County High
2 School, I got introduced to a guy by the name of
3 Mark Twain. I knew him as Huckleberry Finn and Tom
4 Sawyer, but Sonia Camps, who wound up being a
5 Teacher of the Year for the State of Florida,
6 showed us he was more than that. He was a
7 political commentator.

8 And he told me, and I've used this saying to
9 guide myself through my legal profession, because
10 in my profession, believe it or not, the truth is
11 hard to find. There's three types of misstatement.
12 There's a lie, there's a dang lie and there's a
13 statistics. And I'm not here to address any lies
14 or dang lies, but I do want to talk about the
15 statistics that are found in your report.

16 First, before I go to that report, I would be
17 remiss if I didn't correct a misstatement by
18 Sheriff Finch. The PILT money, the payment in lieu
19 of taxes, I think we discussed what that money is.
20 It comes from the federal government, because
21 52 percent of our county is owned by the Federal
22 Government and the Federal Government doesn't like
23 it when you tax them. So they pay us a penance on
24 the value of their property, and it does come up to
25 324,000; comes for secure rural schools.

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1 Now, what does that mean? That means two
2 things: Some of that money goes to the school
3 system. They in turn give some of that money to
4 the Sheriff for school resource officers and the
5 like.

6 Some of that money come to the county with the
7 caveat that the Feds are famous for: The money
8 must be spent in the National Forest to improve
9 roads and bridges. We can't give that money to the
10 Sheriff. We can't give that money to anybody.
11 It's got to be spent on road and bridge projects
12 within the National Forest. We just spent \$80,000
13 last week fixing a bridge that basically goes
14 nowhere, because we have to spend this money for
15 road and bridge projects. So we do not get
16 \$600,000 that we can spend. We get 324,000 that is
17 already spent for us by the Feds.

18 Now, the money that he says he did not get
19 from this year, the money was allocated to Search
20 and Rescue. The money come from the Federal
21 Government. They ask we provide it to a very
22 specific group of people. Sometimes it's the
23 sheriff; it could be firefighting that occurs
24 within the National Forest. We have 526,000 acres
25 of National Forest.

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1 Apalachicola National Forest is the second
2 largest national forest in the country. Any time
3 there is a drowning on Apalachicola River that runs
4 for 108 miles from Lake Seminole to the Gulf of
5 Mexico, we will send out our Search and Rescue team
6 to assist in recovery. Any time there's a lost
7 hunter, hiker, camper, et cetera, we send out
8 Search and Rescue. And we work very well with the
9 surrounding Search and Rescue teams in Gulf and
10 Franklin Counties, and that money was sent to
11 Search and Rescue. That's where the money went.
12 It's not in the coffers of the Board of County
13 Commission.

14 Now, with that being said, let me start with
15 discussing your report here. First off, let me say
16 that -- address some concerns that members of the
17 commission here have brought up. How can we make
18 sure that the monies y'all ask the board, whether
19 it's Liberty or Alachua County, is spent in a
20 fashion that y'all think it should be spent;
21 whether it be to buy patrol cars, fund positions,
22 fund security at the courthouse. And the short
23 answer is we can't.

24 Chapter 30.53 Florida Statutes, and I'm going
25 to read it to you, says, "The independence of the

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1 sheriff shall be preserved, concerning the purchase
2 of supplies, selection of personnel, the hiring and
3 firing and setting of salaries of such personnel."

4 We cannot tell the Sheriff. The word "shall"
5 in the legal profession is pretty telling. We
6 cannot tell the Sheriff what supplies to purchase.
7 We can tell him all day long; we have zero teeth to
8 enforce it. We cannot tell him who to hire. Y'all
9 can tell us to give him \$30,000 to hire courtroom
10 personnel; there is zero enforcement of that if one
11 is not hired. Y'all can tell him to buy four cars;
12 zero enforcement mechanism.

13 And so, as an attorney I'm being asked to tell
14 my client, Board of County Commission, to enter
15 into an agreement whereby there is zero enforcement
16 mechanism that their consideration is thought to.
17 That's a very difficult position to be in, for an
18 attorney to be in.

19 Number 2. In your report, you compare Liberty
20 County to various counties surrounding us. At some
21 point, there's no way to do it other than to
22 compare us to other counties. And there's a chart,
23 page 6 of your recommendation lays out Liberty,
24 Calhoun, Franklin, Gilchrist, Lafayette, Union
25 Counties.

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1 Now, you will look. On the population of
2 Liberty County, y'all have as 7,524. That's not
3 exactly correct, but we'll go with it. You look
4 next at Calhoun County. Calhoun County, actually,
5 when you include the latest numbers, Calhoun County
6 has almost double the population we have.

7 The budget that was actually provided to the
8 Sheriff this year including the outside funding
9 sources, was closer to 1.6 million. They get a
10 hundred thousand dollars a year with double the
11 population and 350 miles of dirt roads to patrol.
12 You look at another telling feature is we can only
13 give what we have to give, and I think we went over
14 this before and so I won't beat a dead horse.
15 Liberty County has our millage rates maxed out. We
16 have our special assessments maxed out. We cannot
17 afford to fund the fire departments, so before
18 being put before the voters in November is a
19 special half-cent sales tax assessment to go
20 towards firefighting services because the County
21 Commission does not have money to fund firefighters
22 or volunteer firefighting services. Right now we
23 fund volunteer fire departments at about \$1500 a
24 year. It's slightly inadequate.

25 Our people are being taxed at the highest

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1 millage rate allowable by law, 10 mills. The total
2 value of our property is \$870 million. Of that
3 \$870 million, \$400 million of it is Government, 273
4 million of it is agricultural; 18 million of it is
5 institutional. That leaves us taxing \$110 million
6 worth of property to gather our funding source.
7 They don't make any more land.

8 And I want to show you something here. We're
9 not from Alachua County and we've got to go a
10 little low tech here. This is Liberty County. All
11 right? Where I was born and raised. See the green
12 on the bottom? That's Apalachicola National
13 Forest. This is the city of Bristol; it's got the
14 highest population density in the County. This is,
15 for lack of a better term, I call it the City of
16 Hosford, and has the second largest population.

17 This white area is private agricultural
18 timberland. Not only can the Sheriff not patrol
19 that area, he's prohibited by law from going on it,
20 unless he has probable cause to believe a crime
21 occurred.

22 So in your report, you say we have 850 square
23 miles. None of this is under the jurisdiction of
24 the Sheriff. Can't go on it unless a crime occurs
25 and I call him to my place. Every bit of that land

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1 is leased to private leaseholders.

2 This green area is residential. That's where
3 the population is of Liberty County, so while we
4 have 850 square miles, we have significantly less
5 than that, that requires services of the Sheriff.

6 Also, in your report, you say that the Sheriff
7 is solely responsible for the patrolling of the
8 850 square miles. I told you that Apalachicola
9 National Forest is the second largest national
10 forest in the country, behind the grasslands of
11 North Dakota. We also have the second largest law
12 enforcement agency dedicated to wildlife and wild
13 lands conservation, behind California. The Florida
14 Fish and Wildlife Commission is the second largest
15 law enforcement agency in the country when it comes
16 to enforcement of game violations.

17 Now, we talked about logic and reason. I can
18 tell you every road in green, where it goes and
19 where the roads that come off of it, and I can tell
20 you because I've been in it my whole life. But you
21 can't hit a golf club without hitting a game
22 warden. I wish there was less of them, but folks,
23 you don't have the largest forest in the nation and
24 not have it swarming with law enforcement officers
25 from the fish and game department. They patrol

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1 that. Not only do you have that, you have Federal
2 US Forest Service law enforcement that live in
3 Liberty County and work in that forest. I know
4 them by name.

5 So the idea that the Sheriff has this huge
6 area to patrol with no help is just not supported
7 by the facts. Also, we must compare ourselves to
8 the other counties. We would love to fund him at
9 the level of Franklin County. After all, Franklin
10 County has only 1,000 more people than we do. They
11 also have 51 miles of Gulf of Mexico frontage that
12 we don't. Franklin County's tax rate is
13 \$2.7 billion. Their millage rate is 6 mills. They
14 collect \$10,676,000 in ad valorem taxes: Five
15 times what we collect. They have the ability to
16 pay their share of that. They have the ability to
17 increase the taxation on their citizens to increase
18 as budget. We do not. We cannot increase the
19 taxation.

20 Now, the other side is to cut revenues or cut
21 spending. That's what we had tried to do. We have
22 tried to cut spending as much as possible in all
23 other areas. If you look next at Lafayette County
24 -- and if I'm saying that wrong, I apologize --
25 they only have \$88 million worth of government

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1 property. We have 400 million worth of exempt.
2 They collect 2.4 million; we collect 2.1. We're
3 close to them. We're nowhere close to Calhoun.
4 They also have an additional \$3 million worth of
5 single family properties that they're able to tax.

6 Gilchrist County has a total taxable base of
7 1.4 million. They collect \$365 million worth of
8 taxable single family properties. We cannot be
9 compared to the other counties because of our
10 unique position of having over half of our county
11 owned by the Federal Government, and as you can
12 tell by the white, the other half-owned by private
13 timber companies. Those private timber companies
14 get the Ag exemption, the Green Bud Ag exemption;
15 their taxes are pennies on the dollar.

16 Our ability to raise the taxation on our
17 citizens are limited, because most of our citizens
18 are born in Liberty County, built a house when
19 they're 20, and die in the same house. So the Save
20 Our Homes Act precludes above three percent
21 assessment per year in the value of the property.
22 So I literally, in example, my family home is on
23 40 acres of land. My father pays \$43 a year in
24 taxes, because he built it in 1955. I bought a
25 house in 2006, smaller than a house on a half-acre

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1 piece of property in the county and I pay \$1,800 a
2 year. They're getting all they can from me, but we
3 can't get any more than we are getting from our
4 citizens. That's the law of unintended
5 consequences: The Legislature passed the bills and
6 we have to live with them.

7 Now, let's talk about the courthouse bailiff.
8 Y'all mentioned that in your report. You have the
9 courthouse security comparison. You have us listed
10 as two circuit judges, one county judge, and have
11 us as .5 security per judge with one courtroom.

12 That, ladies and gentlemen, is inaccurate. We
13 do not have two circuit judges. We have zero
14 circuit judges. Our circuit judges come from
15 Gadsden County. Gadsden County has two circuit
16 judges: Barbara Hobbs, who does the criminal;
17 Frank Allman does the civil. We borrow them to
18 take care of ours. They come one day a month for
19 criminal felony court; two days a month for civil.
20 If there's any emergency hearings that need to come
21 up for civil injunctions, et cetera, our county
22 judge tries to handle that as best as he can.

23 So we do not have -- if you add up the number
24 of days, 20 working days, we have court about
25 25 percent of that time. So we have .25 available

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1 circuit judge, not two circuit judges.

2 I'm not sure what the second bailiff would do.
3 We don't have enough court days to make one
4 bailiff. We don't have enough work for the one
5 bailiff we have; where are we going to put the
6 other bailiff?

7 The other -- perhaps more importantly than
8 that -- I think it's her keys. Perhaps more
9 importantly than that is, how do we make him hire
10 that bailiff? And if law enforcement is the issue,
11 why are we going to spend \$30,000 on a bailiff that
12 can only protect a handful of people in the
13 courthouse when we can take \$30,000 and hire a
14 deputy that could protect everybody in the county?
15 That doesn't seem to me to be the best use of
16 limited resources we have. If he cannot adequately
17 provide for the county, let's give him a deputy,
18 not give him a bailiff.

19 Now, the leave. We cannot agree to a
20 proposition that tells us to pay a particular
21 person's leave time when the Sheriff has failed to
22 pay left his employ. We have pending two cases,
23 two lawsuits in circuit court involving the
24 Sheriff's failure to pay employees when he left,
25 despite having the money to do so. Y'all saw the

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1 last time we turned in a check of \$10,500 that the
2 Sheriff didn't spend. That man sitting right there
3 is owed \$7500 in leave time from the Sheriff even
4 though the Sheriff had the money to do it.

5 We cannot force him to take the money we give
6 him and pay leave out. Can't do it. The statute
7 won't let us. And to be perfectly honest with you,
8 I don't trust that he will, because that man
9 sitting right there, left the Sheriff's Office to
10 go to work for the County, is owed \$7,500 in leave
11 and has not been paid a penny. Instead of paying
12 him leave, he gave the money back to the county and
13 told us to pay him. I don't trust that Sheppard
14 will get paid his leave. No other way to put it.
15 We're in circuit court right now on that case where
16 the County and the Sheriff are being sued to get
17 him his money being owed.

18 Now, also, in your report -- I'm going to find
19 that dog when I get out of here -- there's an
20 application that shows the fiscal year general
21 revenue has maintained a positive balance of
22 \$3,128,000, 2.9 million and 2.5 million. That is
23 the epitome of statistics.

24 What we have in Liberty County is not the best
25 system, and believe me, I'm trying to talk them out

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1 of changing it. However, Chapter 29.011 allows the
2 county to consolidate all funds into one fund for
3 the purposes of the county, because it's easier to
4 see.

5 Now, this figure is all the revenues that we
6 have listed. It doesn't break down what is
7 restricted funds and what is actually available to
8 spend. Restricted funds can only be spent on very
9 specific things. Road bridge can only be spent on
10 roads and bridges. Secure Rural Schools Funding
11 can only be spend on forest, roads and bridges.
12 That's included in this number. When you take out
13 the things that we cannot spend, except on those
14 very specific things, you have a totally different
15 picture. What you're left with there we have \$1.1
16 million in the bank right now.

17 We still have to make one requisition to every
18 constitutional officer. One-twelfth of their
19 annual budget. After we make that one-twelfth
20 requisition, we'll be left with about \$800,000.
21 With that \$800,000, we've got to pay the light
22 bill, the water bill, and the salaries for the
23 people that work for the county for the rest of the
24 year. We are required by statute to maintain in
25 reserve two months, which is \$1.86 million. Y'all

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1 accurately reflected that.

2 We currently have \$800,000. I don't know
3 where the money is coming from. I really don't
4 understand where -- \$140,000 is peanuts compared to
5 the Alachua County situation, but it's all
6 relative. Einstein had it right: It's all
7 relative. \$140,000 will pay seven county positions
8 at the rate that we pay our employees.

9 That money, if you've noticed, going down
10 every year by about \$500,000, \$400,000 is because
11 FRS increases every year. Tomorrow, we're meeting
12 with Capital Health Plan because they're raising
13 their rates, and the County tries to absorb those
14 rates because their employees haven't had a raise
15 in years.

16 I don't know where we're going to get the
17 money. The Sheriff said 140 is not enough; that's
18 the conundrum we're in. 140 is too much for us,
19 but I don't know if 240 is good enough. 340. The
20 proposed budget we have from the Sheriff for the
21 next year is \$1.9. So I would hate to say it, but
22 if that's what he's looking for we're all going to
23 become good friends, because it is illegal for the
24 Board of County Commission to pass a deficit
25 budget. Y'all know this, working for the state.

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1 You can't pass a deficit budget.

2 If you do approve expenditures that are above
3 and beyond what's contained in your budget, guess
4 who has to pay for it? The Board of County
5 Commissioners are personally liable for any
6 expenditure that is made above and beyond and the
7 budget approved.

8 Clerk of the Court or the Comptroller is
9 personally liable for any warrant they sign that is
10 above and beyond those that are supported by the
11 budget. 129.007 and 129.08 are the Statutes that
12 reference the statement I just made.

13 What we have here is a choice that the County
14 has had to make. Asking the Sheriff to provide his
15 services, we have more than one man in our county.
16 We have to look out for all of the citizens. We
17 have to provide water. We have to provide solid
18 waste. We have to provide all of the things to our
19 citizens, including law enforcement.

20 We have the lowest crime rate in the state.
21 We have the highest employment rate in the state.
22 We have very small centers of population. All
23 we're asking him to do is to spend the money
24 wisely. And so, we will meet with him. We will
25 discuss with him. We've got a meeting tomorrow

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1 night with the Board Of County Commission. I'm
2 going to bring forth to them your recommendation.
3 We got it in the middle of the afternoon yesterday,
4 so I didn't have a chance to go over it. And after
5 I have a chance to round them all up, I'll go over
6 it. If we can reach some kind of resolution,
7 obviously, we will.

8 The predicament we're in is, I'm asking them
9 to give money without any assurance that it is
10 going to be spent the way we all think it should.
11 I'll take any questions you may have.

12 MR. FEY: Can you speak a little bit to you
13 said there's zero accountability for, I guess, if
14 there was \$30,000 that was slated to go to the
15 Sheriff's Office, I guess my concern would be that
16 any sort of allocation that's made, the knowledge
17 of what that was spent on would be open to the
18 public and the Cabinet would know that information,
19 and therefore, if a budget appeal came forward in
20 the future or if it was an object category. Do you
21 think there's any oversight whatsoever?

22 MR. MEYERS: In theory, there is. In theory,
23 you as the Commission would tell any sheriff,
24 "We're going to give you this money to spend on
25 this purpose. If you don't spend it the way we're

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1 telling you to, we're not giving you any more
2 money." I suppose you could say that.

3 What is the actual teeth to it? You have now
4 prejudged any future appeal, saying, "We told you
5 to spend it this way last year and you didn't do
6 it." And so now I believe the Sheriff would have
7 the argument that y'all have overstepped your
8 bounds in his constitutional of how to run his
9 Sheriff's Department, which 30.53 says no one can
10 do.

11 So that's my fear, is you would think that in
12 every other aspect, you could say, "If you misspend
13 it," which we do as a board, "We're going to give
14 you this money. If you misspend it, we're not
15 going to give you any more." With the Sheriff, we
16 can't dictate how he spends it. I don't think you
17 can dictate how he spends it. I don't think the
18 Governor can dictate how he spends it, and I think
19 it was made that way by statute so that county
20 commissioners and other branches of government do
21 not encroach on the executive powers of the
22 sheriff. So the short answer is faith is the only
23 thing we have.

24 MR. FEY: Do you think the requirement to be
25 an object category would be a limitation?

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1 MR. MEYERS: I will tell you this and I think
2 I said it the last time, we have had multiple
3 meetings about the -- this is my first year of
4 going through with them how it's adopted. I've met
5 with every constitutional officer, Mr. Hugh Black,
6 the finance officer with the Sheriff, I speak with
7 him several times a week.

8 We're going to try our best to eliminate the
9 vagaries that are in our budget. Just like, on
10 paper it looks like we have 2.2 million, and when
11 you break it out, we don't. That's not right.

12 We should have it laid out to where if anybody
13 wants to look at it can see. We are working to
14 resolve that issue. I think that's part of the
15 problem is a miscommunication. When the sheriff
16 sees 2.2 million on the bank balance, he thinks we
17 have 2.2. And that's a fair assumption; factually,
18 not accurate, and we're going to try to resolve
19 those issues.

20 We contacted the Department of Financial
21 Services to get some help, so we're doing it on the
22 sub object code level and try to clean that up.
23 We're aware of our deficiencies in that department.

24 MR. FEY: And I'm sure in your years of
25 practicing law, you've never done a statement with

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1 a dog barking over you, and you did a very good
2 job, so thank you.

3 MR. MEYERS: I'm not sure what that is.

4 MR. JOHNSON: It's a test.

5 MS. McKNIGHT: I have one follow-up and I
6 think Katie maybe even can speak to.

7 Of the settlement of the 300,000, from what
8 the sheriff said he was going to spend the funding
9 on, did that align with what he did spend his
10 funding on?

11 MS. CUNNINGHAM: To the best we can tell, it
12 did. We asked him to provide a listing of what he
13 purchased. The settlement funds totalled \$300,000;
14 109 of that was slated to essentially bring his
15 budget from that year up to the same point as the
16 prior fiscal year, so the remaining 191 was spent.
17 It was directed to be spent on cars and on
18 equipment, and that is, in fact, what he spent
19 those -- I think it was four patrol vehicles, one
20 truck for the sheriff, and then a whole host of
21 items: Bulletproof vests, tasers, firearms, those
22 kinds of things, and we can provide that. I think
23 we have provided it, but it's buried.

24 MS. McKNIGHT: So it did align. So we can't
25 hold him to that, he committed to that and that's

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1 what he spent it on, is your understanding?

2 MS. CUNNINGHAM: Correct. And I would point
3 out, too, if I think outside of the Cabinet making
4 a recommendation, if the parties entered
5 voluntarily into a settlement agreement, I think
6 last year that didn't occur. There was no written
7 document that articulated what the settlement was,
8 but I think now with Mr. Meyers involved, I think
9 that would probably be a more advisable situation,
10 to enter into a settlement agreement that is a
11 binding document; then there's a legal process
12 there that if it's not adhered to, it can be used,
13 perhaps.

14 MR. MEYERS: One of the things that the
15 Commission seems to favor maybe -- and I'm going to
16 make a personal opinion here -- we have two months
17 left in the budget, so even if you say give him a
18 million dollars, spending a million dollars in two
19 months in difficult.

20 I'm not sure how to speed this up, but looking
21 forward, if we could have these hearings within the
22 first six months of the fiscal year; that way if he
23 does get more money, it could go to the citizens of
24 the county. I'm not sure how to do that. Y'all
25 have a lot more pull than me, but we're here

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1 arguing about money at the end of the budget year
2 and it does nobody any good. If we could enforce
3 once he files the appeal and we know what the
4 budget is going to be October 1st; if we can have
5 some rule changes where he has to file his appeal
6 and we can get heard by Christmas, then any monies
7 he gets can actually go to the people, which is
8 where it needs to be. That's my oratory there.

9 As far as the making an agreement. The last
10 2, 3, 4 years, one of the things that the sheriff
11 brought up was it was his understanding that he
12 would agree to the money last year, and we would
13 agree to provide him so many cars per year. In
14 private business, that's an awesome deal, but when
15 it comes to budgetary concerns, you can only spend
16 this year's money this year, and if you spend this
17 year's money next year, we get in a little bit of
18 trouble. So we can't allocate future resources
19 until we have an approved budget.

20 Even though it makes perfect sense and it's
21 logical and it's rational, it's not legal, so
22 sometimes the law is not rational.

23 Any more questions? Thank you for your time.

24 SHERIFF FINCH: We're making progress. We can
25 agree that this process needs to be changed and it

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1 needs to be moved forward a little bit, and thank
2 you for suggesting that.

3 Facts are a tricky thing. And last year, you
4 had the county auditor stand up here and tell you
5 that not only did Liberty County have the
6 25 percent they were required to have, they had
7 50 percent. They were proud of the fact they had
8 25 percent more than they were supposed to. So if
9 you take the \$1.8 million and 25 percent and add
10 that to itself, that's \$3.6 million. How did we go
11 from \$3.6 million to \$800,000 in a year? And those
12 are the questions that I have that never get
13 answered. Never.

14 Let's talk about some more facts that are
15 tricky. True enough, this is the biggest
16 population base. We have a little town down here
17 called Sumatra, Florida. The rest (inaudible) from
18 Bristol to Sumatra. Running at 120 miles an hour,
19 it takes me 20 minutes to get there. That's a long
20 time, folks, when you need to get there.

21 See this highway right here, 65? Crashes,
22 people hitting deer; I've got to take care of
23 those. The National Forest has two law enforcement
24 officers, that's true, but they can't enforce state
25 law.

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1 FWC helps out the national forest, absolutely,
2 that's a true statement. There's two assigned to
3 Liberty County. Two. So to make it sound like FWC
4 is the largest agency in the world and they have
5 this place covered is disingenuous. The fact is, I
6 have 850 square miles that I have to cover and
7 maintain. There's Kennedy Creek Fish Camp down
8 here somewhere . A little town Orange. There's
9 houses -- I can't pick them out here, but there's
10 little pockets throughout these national forests
11 where, he's right, they're private land. But what
12 happens when someone gets broken into on this
13 private land? So we cover 850 square miles, and
14 we're the only law enforcement agency in the
15 county. So those are some of the facts.

16 Let's talk about Brett Speed (phonetic) Brett
17 left and I owe him \$7,500. I wrote a letter to the
18 County using the State's Statute for contingency
19 funds and they denied the funds. It's in
20 litigation.

21 Did we give back \$10,000? We did. I got a
22 new finance director. When the audit was done, he
23 had spent money he wasn't supposed to spend, so
24 understandably, we had to give that back to the
25 County. We contacted the attorney and said, "What

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1 do we do? Do we pay the man, or do we give the
2 money back to the County?" He said, "Give the
3 money back to the County. It's still in
4 litigation."

5 So, I just get tired of the disingenuous
6 telling half-truths, it frustrates me. I know you
7 have heard it all and I'm not going to bore you any
8 more. I appreciate your time and attention and
9 I'll take any questions if you have any.

10 Thank you very much.

11 MR. KRUSE: That concludes the budget appeals.
12 Before we wrap up the agenda, Peter Penrod, the
13 Commission's counsel, would like to speak briefly
14 on the issue --

15 MS. McKNIGHT: I'm sorry, but can I segway
16 back on the Sheriff Finch? On what I think was
17 provided for the liability for accrued time, does
18 it also -- I don't see Brett on here -- it doesn't
19 include the two that you said are up in litigation?

20 SHERIFF FINCH: I don't know the two he
21 referred to. I know Brett is one we're litigating.

22 MR. MEYERS: There's two separate lawsuits
23 involving Mr. Phillips. Mr. Phillips was forced to
24 file a lawsuit against the Sheriff for failure to
25 pay the money, which is due the next pay period

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1 after he leaves, and then the Sheriff joined the
2 County in on the lawsuit.

3 So we have a writ of mandamus, which is
4 pending, where the Sheriff is asking The Court to
5 require to fund a contingency, which he did not
6 have in his budget, which was used to pay Mr.
7 Phillips and then we have the lawsuit. So it's all
8 Mr. Phillips, but it's two cases, so if I wasn't
9 clear on that, I'm sorry.

10 MS. McKNIGHT: But he's not on this list, I
11 don't think?

12 MR. BLACK: He is not included on that list
13 because our auditor is the one that instructed us
14 to return the entire 10,000 to the county, because
15 that was what was the monies left over as of the
16 end of the year. And so he told us that the county
17 was waiting to get that check back to make
18 Mr. Phillips whole, so that's the reason once we
19 returned that, it was our understanding that
20 liability went away based on the instructions from
21 our auditor.

22 Again, I don't know what criteria he used to
23 make that, and so, he did make that and that's what
24 we did.

25 MS. McKNIGHT: So he's officially wiped from

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1 your list as far as -- based on the guidance of the
2 auditor?

3 SHERIFF FINCH: No. I think we're still
4 pending litigation. We still have active
5 litigation. The question hasn't been answered yet
6 should the County do this; me and my attorney
7 believe, yeah, the statute is very clear that the
8 County should give me the money to pay
9 Mr. Phillips.

10 MR. BLACK: And at this point, based on the
11 last County Commissioner's meeting we were at, they
12 were still holding it at the recommendation of
13 Mr. Meyers and other attorneys waiting to get a
14 resolution on who needs to pay that money. If it's
15 given back to us, we get the check and pay it. So
16 there's no one arguing the liability. It's how it
17 works out.

18 I came on board on September 28th with a sack
19 of bills, because Mr. Phillips left on
20 September 7th so we had the full month of
21 September. I paid the bill that was dated
22 September 30th for the next fiscal year in error.
23 So after we went through the audit, we realized
24 there was funds available for us to pay that, and
25 that's what made up that \$10,000.

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1 MS. MCKNIGHT: And it's \$7,500.

2 MR. BLACK: \$7500 is the gross amount. It
3 does not include fringe and retirement on top of
4 that as well.

5 MR. MEYERS: That's where the rub comes with
6 the County, Ms. McKnight, is we have no problem,
7 and we've reached out to the attorney. We will
8 give the money back, but the payment needs to come
9 through the Sheriff, because they have to pay taxes
10 on the money that is paid to him, and retirement,
11 and all of those good things that has to go through
12 the payroll department.

13 The County just cutting him a check for \$7,500
14 is not how the process needs to work. The reason
15 we have not cashed the check is because I've
16 advised him not to. I've contacted the Sheriff's
17 attorney, Mr. Jason Vail, and will gladly give you
18 the \$10,000 back if you process the money that you
19 owe Mr. Phillips and make him whole. We have not
20 had any movement on that.

21 SHERIFF FINCH: It's the first I've heard of
22 it.

23 MR. MEYERS: That's because I have to talk to
24 your lawyer. I can't talk with you.

25 SHERIFF FINCH: And I would just like to say,

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1 last year we reached an agreement. They gave us
2 the 109 to put back the roughly 200,000. I met
3 with the board and the board said, "Listen, if we
4 give you this money, what are you going to spend it
5 on?" I told them exactly what I was going to spend
6 it on, and that's exactly what I was going to spend
7 it on. So for them to say they have no trust that
8 I will spend it the way I've said I'm going to
9 spend it, is disingenuous.

10 Listen, I don't lie to the Board of County
11 Commissioners. I don't make stuff up. I tell them
12 what is reasonable and necessary, just exactly like
13 the statute says, and that's what I spend the money
14 on. It's not a shell game for me. It's all about
15 the people to me.

16 MR. TORNILLO: Katie, I know we have talked
17 about this. We know the system is broke. I know
18 that this shouldn't take more than 60 days once
19 someone files an appeal to get the process and get
20 a decision. Are there plans for looking at this,
21 and is the Commission going to approve some type of
22 revamped process to kind of speed this up?

23 MS. CUNNINGHAM: I think I've mentioned this,
24 but I came in at the end of last July, so we had
25 two appeals on my plate right from the get-go. And

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1 there are internal procedures and instructions that
2 were in place at the time; that gets sent out to
3 the Sheriff Association, to the Florida Association
4 of Counties; certainly to any party who files an
5 appeal, sort of outlining the process for these
6 appeals. It is inherently a lengthy process; just
7 gather the documentation required to analyze it,
8 the follow-up information. In this particular
9 instance, I think Liberty County, we essentially
10 said, "Let's start from scratch, and we need you to
11 sort of redo your documents."

12 After that document, we do that five-county
13 analysis. That takes time as well. There's a lot
14 of factors that go into that, so what I've looked
15 at those instructions I believe could be
16 drastically improved. What we're hoping to do this
17 summer is work with the associations, work with
18 your offices and work internally -- especially now,
19 I've got two under my belt -- to see how we can
20 make improvements that are not only going to help
21 the counties but help the Cabinet, too.

22 MR. FEY:

23 MR. KRUSE: I would like to introduce Peter
24 Penrod to address an issue that came up at a
25 previous agenda before the Cabinet.

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1 MR. PENROD: Thank you, Mark.

2 At the last agenda meeting, there was a
3 question as to why one of the CDD rule admins were
4 coming before the cabinet. Specifically, it was a
5 Scribner's error, and that sort of led into a
6 larger question about delegation of authorities and
7 what can and can't be delegated from Administration
8 Commission down to staff.

9 I'll address the rule in one moment, but
10 generally speaking, when you're handling
11 delegations of authority, if you have a collegial
12 body -- in this case, the Administration Commission
13 -- and the statute specifics that the collegial
14 body will take some final action unless the statute
15 allows that to be -- specifies in the statute that
16 it can be delegated down to another individual, the
17 Cabinet -- the body would have to actually make the
18 final action.

19 What that means for us is, typically
20 rule-making or final orders, those will always have
21 to come before the Administration Commission,
22 unless we have some type of statutory change that
23 allows it to be handled by the Secretary of the
24 Commission or perhaps some agency.

25 Going back to the CDD rule change, I think

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1 there might have been a little confusion when we
2 used the term Scribner's error, and I think it was
3 confused with technical change. Obviously,
4 technical change would not have to come before the
5 Cabinet, but in the case of that CDD we have before
6 us, the Scribner's error actually affected the
7 material language of the rule and since we had to
8 go into actual formal rule-making, that's the
9 reason that issue that came before the Cabinet.

10 If I didn't answer any questions, I'm happy to
11 answer any questions and try to address it more
12 specifically.

13 MS. OLSON: Thanks, Peter.

14 MR. JOHNSON: Thanks.

15 MS. OLSON: All right. That concludes today's
16 meeting.

17 (Hearing concluded at 11:46 a.m.)

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