#### THE CABINET

STATE OF FLORIDA

Representing:

DIVISION OF BOND FINANCE DEPARTMENT OF LAW ENFORCEMENT ADMINISTRATION COMMISSION BOARD OF TRUSTEES STATE BOARD OF ADMINISTRATION

The above agencies came to be heard before THE FLORIDA CABINET, Honorable Governor Bush presiding, in the Cabinet Meeting Room, LL-03, The Capitol, Tallahassee, Florida, on the 7th day of September, 2005, commencing at approximately 9:30 a.m.

Reported by:

KRISTEN L. BENTLEY Certified Court Reporter

ACCURATE STENOTYPE REPORTERS, INC. 2894 REMINGTON GREEN LANE TALLAHASSEE, FL 32308 (850)878-2221 APPEARANCES:

Representing the Florida Cabinet:

JEB BUSH Governor

CHARLES H. BRONSON Commissioner of Agriculture

CHARLIE CRIST Attorney General

TOM GALLAGHER Chief Financial Officer

\* \* \*

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## DIVISION OF BOND FINANCE - 9-7-05

1	5 PROCEEDINGS
2	THE GOVERNOR: The next cabinet meeting will be
3	Thursday, September 22nd, here in our state's capital.
4	The first agenda item is the Division of Bond Finance.
5	Where is Ben?
6	CFO GALLAGHER: Governor, before we do that, if I
7	may.
8	THE GOVERNOR: Yes.
9	CFO GALLAGHER: I know that many people have been
10	given the opportunity to be involved in the disaster
11	relief efforts that are taking place in Alabama,
12	Mississippi, and Louisiana. And employees already can,
13	under the statutes, are allowed to volunteer with American
14	Red Cross and may be granted leave to do that. But that
15	is for in state. So leave under this act may also be
16	granted for services related to a disaster occurring
17	outside the state with the approval of governor and
18	cabinet. And so that is for outside and that's under
19	Section 110.120 and I'd like to move that we do approve
20	leave. It would obviously be working with the Agency
21	heads but that we as a governor and cabinet approve leave
22	for those that wish to volunteer under Section 110.120 of
23	the administrative leave disaster service volunteer
24	service.
25	ATTORNEY GENERAL CRIST: Second.

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THE GOVERNOR: There is a motion and a second. Any 1 discussion? 2 3 COMMISSIONER BRONSON: There is a day limit, I 4 believe, on that, right? 5 CFO GALLAGHER: It's fifteen working days and I think 6 12 months is what the law says. 7 THE GOVERNOR: Basically, what we're doing is taking existing rule and expanding to Gulf Coast areas because 8 9 there are a lot of people that are acting on their heart to help. These storms, as we know, don't have a 10 particular geographic -- they don't really follow the 11 12 political boundaries. Kind of go where they please. So 13 we need to help where they hit. So I think it's a great idea. 14 Without objection, the motion passes. I don't think 15 we needed to notice that or anything, did we? 16 17 CFO GALLAGHER: I don't think so. I think it just 18 says "with approval" and we just approved it. THE GOVERNOR: All right. 19 20 CFO GALLAGHER: Motion on the minutes. ATTORNEY GENERAL CRIST: Second. 21 22 THE GOVERNOR: There is a motion and a second. 23 Without objection, Item 1 passes. 24 Ben, how are you doing? 25 MR. WATKINS: Very good, Governor. Item No. 2 are ACCURATE STENOTYPE REPORTERS, INC.

DIVISION OF BOND FINANCE - 9-7-05

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1	resolutions authorizing the issuance and competitive sale
2	of up to \$185 million in PECO refunding bonds.
3	CFO GALLAGHER: Motion.
4	COMMISSIONER BRONSON: Second.
5	THE GOVERNOR: There's a motion and a second.
6	Without objection, the item passes.
7	MR. WATKINS: Item No. 3 is a report of award on the
8	competitive sale of \$95,460,000 of Florida Forever revenue
9	bonds.
10	CFO GALLAGHER: Motion on 3.
11	ATTORNEY GENERAL CRIST: Second.
12	THE GOVERNOR: There's a motion and a second.
13	Without objection, the item passes.
14	MR. WATKINS: And Item No. 4 is a report of award on
15	the competitive sale of \$113,520,000 of Florida facilities
16	pool revenue refunding bonds. The bonds were awarded to
17	the low bidder, at a true interest cost of approximately
18	4.04 percent resulting in gross debt service savings of
19	\$18.5 million or 11.9 million on a present value
20	CFO GALLAGHER: Motion on 4.
21	ATTORNEY GENERAL CRIST: Second.
22	THE GOVERNOR: There's a motion and a second.
23	Without objection, the item passes.
24	MR. WATKINS: Thank you, sir.
25	THE GOVERNOR: Thank you, Ben. Thanks for your help
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		8
1	down in the Keys as well.	0
2	MR. WATKINS: No problem.	
3	THE GOVERNOR: Why don't you stick around and see	
4	CFO GALLAGHER: Might still be here for that.	
5	MR. WATKINS: I think I will.	
6	THE GOVERNOR: Okay. Appreciate it.	
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DEPT. OF LAW ENFORCEMENT - 9-7-05

THE GOVERNOR: Department of Law Enforcement. 1 2 CFO GALLAGHER: Motion on the minutes. 3 ATTORNEY GENERAL CRIST: Second. 4 THE GOVERNOR: There's a motion and a second. 5 Without objection, Item 1 passes. 6 Electra, how are you doing? 7 MS. BUSTLE: Good morning. Thank you. Very well. How are you? 8 9 THE GOVERNOR: Excellent. MS. BUSTLE: Good. Item No. 2 is our 2004/2005 10 annual performance report and our contracts, purchases and 11 12 agreements over 100,000 for the periods April 1st through 13 June 30th, 2005. And if I may, Governor, Commissioner Tunnell would be here today. He's in Mississippi with the 14 troops there. 15 16 THE GOVERNOR: You got to say it right. Not 17 Mississippi, Mis-sip-pi. MS. BUSTLE: Oh, gosh, that's that Philadelphia in 18 19 me. 20 THE GOVERNOR: There is a Philadelphia in Mississippi 21 too. 22 MS. BUSTLE: You're right. 23 THE GOVERNOR: There's a motion? 24 ATTORNEY GENERAL CRIST: Second. THE GOVERNOR: Is there a motion first? 25

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DEPT. OF LAW ENFORCEMENT - 9-7-05

ATTORNEY GENERAL CRIST: Motion. THE GOVERNOR: And a second? I can't do the second voice. CFO GALLAGHER: Second. THE GOVERNOR: Motion and a second. Without objection, Item 2 passes. Is that it? MS. BUSTLE: That is it for today. THE GOVERNOR: Thank you. MS. BUSTLE: Thank you. THE GOVERNOR: When is the commissioner coming back? MS. BUSTLE: He's due back Friday. THE GOVERNOR: He's going to be there that long? MS. BUSTLE: Yes. 

1	11 THE GOVERNOR: Okay. Administration Commission.
2	CFO GALLAGHER: Motion on the minutes.
3	ATTORNEY GENERAL CRIST: Second.
4	THE GOVERNOR: T-Square.
5	MS. TINKER: Good morning.
6	THE GOVERNOR: There's a motion on the minutes and a
7	second. Without objection, they pass.
8	Item 2.
9	MS. TINKER: Item 2, recommend approval of proposed
10	Rules 28-20.110 and 28-20.120 amending the Monroe County
11	comprehensive plan and land development regulations. We
12	have several speakers this morning, Governor. All will be
13	brief. The first speaker is Secretary Cohen.
14	THE GOVERNOR: Good morning, Thaddeus.
15	CFO GALLAGHER: Need to give him an applause.
16	(Applause.)
17	SECRETARY COHEN: Good morning, Governor and cabinet.
18	I'd like to start by saying we have an agreement. And
19	what it does is it provides for the ownership of the sewer
20	facility by the County. It provides for them to do the
21	financing. It provides for the Aqueduct Authority to do
22	the operations and maintenance. As you know, it's been a
23	pretty arduous task but you gave us clear direction as to
24	what it is you look for us to do. And I would like to
25	commend, in particular, Mayor Spehar for her leadership
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1	12 before the County commission in being able to force this
2	agreement as well as Chairwoman Mary Rice from the
3	Aqueduct Authority. Without their steadfastness, without
4	their leadership, this would not be possible.
5	And I also have a debt of gratitude to Ben Watkins
6	who was able to provide clarity for the funding mechanism
7	so that everyone could understand that this is a deal that
8	makes sense. It's a deal that's a win for the citizens of
9	the Florida Keys. It will allow them to be able to move
10	forward to be able to get a sewer facility built and
11	protect their new water quality.
12	With that, I think since we brought the warm weather
13	inside for the Florida Keys so they could feel comfortable
14	today, I think my comments should be short. So with that,
15	I'd like to be able to turn it back to Teresa so you can
16	have the rest of the speakers.

17 THE GOVERNOR: Thank you, Thaddeus. Great work.

18 CFO GALLAGHER: If I may.

19 THE GOVERNOR: Yes.

ATTORNEY GENERAL CRIST: I'm thrilled to hear of the speakers. They've done a fantastic job in getting this agreement done. Of course I'm always nitpicking. If the speakers could just tell me how soon they think they can get a lease agreement done when they speak because that's the next very important step in this process.

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1	THE GOVERNOR: Maybe we should ask the mayor
2	specifically about that.
3	CFO GALLAGHER: Well, as they speak
4	MS. TINKER: We'll hear from the mayor in just a few
5	minutes as well as FKAA chairwoman. We have a couple of
6	speakers before them. If you don't mind, if you could
7	just hold your question, I'm sure they can answer it. The
8	first speaker is Glen Patton. Mr. Patton is a board
9	member with the Key Largo Waste Water District.
10	THE GOVERNOR: Good morning, sir.
11	MR. PATTON: Governor and cabinet. Thank you very
12	much for the opportunity to speak today. This rule is so
13	important to the Florida Keys and I'm here to tell you
14	that I've worked cooperatively in our board with Monroe
15	County, BOCC, and we've already received our first
16	million-dollar check from the infrastructure funds and
17	we're moving forward on a \$45 million project in the north
18	end of the Keys. We are really moving forward. And the
19	engineering is being done and we hope to break ground soon
20	on all of that.
21	With that, also the most important thing is that I
22	had a letter from the editor that Governor Bush wrote back
23	in March of 2004 about how important all of the aspects of
24	28-20 were. And you can update the date on it because it

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25 says today the Florida cabinet endorsed \$410 million

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1	14 improvement to waste to water quality and protection of
2	most sensitive areas of the Florida Keys. And it's very
3	appropriate today as it was March 2004, you can recycle
4	this one by changing the date. It even says on there,
5	Today's agreement is a giant step in the right direction,
6	and I agree wholeheartedly and I hope you pass this rule
7	today and I think the BOCC will work with the FKAA in good
8	faith and we will really move forward on progress for the
9	Florida Keys and protect the environment. Thank you very
10	much.
11	THE GOVERNOR: Thank you for being here.
12	MS. TINKER: Monroe County commissioner, David Rice.
13	THE GOVERNOR: Welcome back, Commissioner.
14	COMMISSIONER RICE: Thank you very kindly. Teresa
15	very kindly didn't tell me that I was speaking this
16	morning but
17	THE GOVERNOR: You don't have to.
18	COMMISSIONER RICE: I'm certainly welcome to be here.
19	I'm very happy to be here.
20	THE GOVERNOR: Just like any elected official, given
21	the opportunity, whether you have anything to say or not,
22	step up to the plate.
23	(Laughter.)
24	COMMISSIONER RICE: I would have to say that I would
25	like to commend the secretary. I can't express the
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	ADMINISTRATION COMMISSION - 9-7-05
1	15 commitment that he has displayed in following your
2	directives to produce this result. He's an extremely
3	committed individual. He missed the first half of the
4	FSU/Miami game if that's any indication
5	THE GOVERNOR: It didn't get much better.
6	COMMISSIONER RICE: by being on a conference call.
7	That was the good news. The bad news is he made the rest
8	of us miss the first half of the game. But we produced
9	the result and we're happy for that. Thank you for your
10	support.
11	THE GOVERNOR: Thank you, Commissioner.
12	MS. TINKER: Monroe County commissioner, Murray
13	Nelson.
14	THE GOVERNOR: Good morning, Commissioner.
15	COMMISSIONER NELSON: Governor and cabinet. I'm
16	back. I'd just like to say today that the potholes have
17	been filled and the cracks have been repaired for this
18	agreement that we basically hoped to get last two weeks
19	ago. We're ready right now as this agreement is codified
20	by the cabinet and governor. We have 300 homes that we're
21	ready to start immediately for affordable housing with a
22	development of with working with developers, having our
23	own property that we purchased. So we'll have a variety
24	of homes that actually will be produced within one year
25	that will have all the aspects that the Governor and
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cabinet talked about, buy-backs, lands trust, deed
 restrictions and those type of things so that Monroe
 County will actually become the model for the rest of the
 state in affordable housing. Not only that,
 environmentally sensitive lands and last but not least
 wastewater.

7 I would just like to reiterate today, Governor and cabinet, how important it's going to be for us for you to 8 9 keep your part of this bargain and participate with us on 10 this wastewater and affordable housing issue. We've already met with the Florida Finance Corporation and we're 11 working on \$20 million amount for buying workforce housing 12 land. That will put us way ahead of where we are today. 13 14 And I think that five years from now we can look back and say what was accomplished here today and accomplished here 15 in March almost a year and a half ago was a significant 16 17 step forward in the history of Florida.

And I'd also like to recognize Tom Willie, our county administrator. And Jim Reynolds, the two people that really were down in the trenches getting this thing to happen and putting all the nuts and bolts. And it was a significant effort at the last moment. But it's my pleasure to be here today. I hope I don't have to come back again.

THE GOVERNOR: Thank you, Commissioner.

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MS. TINKER: Monroe County mayor, Dixie Spehar. 1 THE GOVERNOR: Good morning, Mayor. 2 3 MAYOR SPEHAR: I come here with good words. And to 4 answer you, Chief Gallagher, it's a simple ground lease 5 and I believe that we will be able to present it to the 6 Commission at our October meeting. So it's fairly simple. 7 But when I stood here before you the last time, you gave the instructions to Monroe County and Florida Keys 8 9 Aqueduct to reach a signed interlocal agreement regarding 10 our wastewater systems. Mother Nature worked very hard against us in this last two weeks but we prevailed. 11 12 I am pleased to say that after many meetings with our respective staffs and at least six drafts, we met 13 14 yesterday and we voted unanimously to approve this agreement and we present it to you today. Very proud of 15 it and very proud of the staff. And if it had not been 16

for Secretary Cohen, I don't know how we would have done this. It's a signed commitment as what was very important to you, Chief Gallagher, to work together to achieve the 20 2010 mandate to sewer the Keys.

The County will own the land and infrastructure and shall lease said assets to the FKAA to design, construct, and operate the system. The lease will be for 99 years. We will work together to establish for, such as \$4,500, connection fee and reasonable user fees to fund the

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1	operation and maintenance of the systems and the County
2	will bond the full capacity of our infrastructure sales
3	tax which was a very difficult bump to get over in this
4	road. But we have agreed unanimously to do this. I
5	appreciate your tolerance and thank, again, as I said,
6	Secretary Cohen for his assistance.

7 It was not uncommon to receive telephone calls from him at ball game time, 9:30 at night, checking to see 8 9 because his planes were delayed or cancelled. It was very 10 difficult getting this altogether. This is an agreement which we all can live with that we'll never be able to 11 12 complete the task without your help. I can't resist this ability to plead with you to be our partner in this. We 13 14 will need your assistance and the federal government and all your agencies to help us; it's a monumental task. 15

16 We do not have enough funding using all of our 17 infrastructure sales tax. We're still going to need more 18 assistance and we're going to be, believe me, hitting 19 every grant, every possibility for funding in every way 20 but we're going to be on your doorstep constantly through 21 this.

THE GOVERNOR: We need to be on the doorstep of the Florida Legislature next session to assure that our budget recommendations are embraced which they haven't been for the last two years. Governors can commit as I have

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	1.0
1	19 because we made a commitment to you. But the finicky
2	Legislature is the one that appropriates the money. So we
3	need to work together to assure that we get an annual
4	adequate amount of money.
5	MAYOR SPEHAR: This time it's going to be a little
6	different for the fact that we're going to be working
7	together. We're going to use all Aqueduct's sources
8	THE GOVERNOR: I'm not sure the Legislature knew we
9	weren't working together before so
10	MAYOR SPEHAR: No, I mean within Monroe County.
11	THE GOVERNOR: Oh, okay.
12	MAYOR SPEHAR: The Aqueduct was asking for funding.
13	We were asking for funding. Now it's going to be a strong
14	unified front that's going to be up here on your doorstep.
15	THE GOVERNOR: Great.
16	MAYOR SPEHAR: Thank you so much.
17	THE GOVERNOR: Treasurer?
18	CFO GALLAGHER: DCA is going to give us an annual
19	report on, sometime in October, probably the first or
20	second meeting, I think it would be a real good thing to
21	have included in that annual report obviously the
22	agreement that you've done, but the lease.
23	MAYOR SPEHAR: Yes. And when will they be here?
24	CFO GALLAGHER: Well, there's two meetings in
25	October. My guess is they may not have it ready for the
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1	20 first meeting but by the second. But you need to have the
2	lease to them by the first so that they can include it in
3	their report.
4	THE GOVERNOR: We can make sure that we'll do it
5	after your meeting in October.
6	MAYOR SPEHAR: Our commission meets the third
7	Wednesday. And the Florida Keys Aqueduct meets right
8	after we do. Will that be adequate?
9	THE GOVERNOR: I assume we can do it on October 25th
10	which will be after that meeting. Is that right, manager?
11	Great. Thank you.
12	Any other speakers?
13	MS. TINKER: Yes, sir, one more. FKAA chairwoman,
14	Mary Rice.
15	COMMISSIONER RICE: Thank you very much.
16	THE GOVERNOR: Good morning.
17	COMMISSIONER RICE: I'll be very brief today. I'm
18	very pleased to be here and to say that we have reached an
19	agreement. Once again, I just want to thank Secretary
20	Cohen. He's been remarkable in dealing with us. I know
21	we're not the easiest people in the world to deal with.
22	We all have our own ideas but he's been great. We did
23	instruct the Board did instruct our staff yesterday to
24	begin work on the lease immediately and to try to bring a
25	draft to us for our September 29th meeting. If necessary,
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1	we can call a special meeting to approve it in order to
2	meet that 25th date. I think it's imperative that we get
3	this done immediately and we start proceeding immediately
4	to get this plan in motion. Thank you very much for all
5	your support and I'm really pleased that we've been able
6	to reach this agreement.
7	THE GOVERNOR: Thank you.
8	CFO GALLAGHER: Congratulations. Great job. I move
9	Item 2.
10	THE GOVERNOR: There's a motion.
11	ATTORNEY GENERAL CRIST: Second.
12	THE GOVERNOR: And a second. Without objection, the
13	item passes.
14	Thank you-all very much for your work, your patience.
15	(Applause.)
16	MS. TINKER: Governor, before we move on, if we
17	could, the mayor would like to have just a minute for
18	special recognition before you move to the next item.
19	THE GOVERNOR: Absolutely.
20	MAYOR SPEHAR: Well, as you know, we have a special
21	honor for those that we believe are very important to
22	Monroe County, and that's making them an honorary conch.
23	Actually, Murray Nelson, as past mayor, asked me to do
24	this today. So this is signed by both Murray and myself.
25	It is, as I said, an honorary conch certificate is to make
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1	22 someone one of us. When you're born and raised in the
2	Keys, you're called a conch and this is our adoption
3	paper. So could I take a moment? Could I just take a
4	moment to read?
5	THE GOVERNOR: I don't think Thaddeus can afford the
6	housing down there.
7	MAYOR SPEHAR: Well, you know, that's the next step.
8	CFO GALLAGHER: They'll keep one house open there for
9	him in the affordable housing area.
10	MAYOR SPEHAR: Right. Well, now we'll have to start
11	building more affordable housing.
12	THE GOVERNOR: Exactly.
13	MAYOR SPEHAR: Whereas the trice blessed residents of
14	the isles of the eternal sun believe it only fair and
15	proper to share their good fortune they do hereby declare
16	Thaddeus Cohen to be a clear thinking, kindred sole
17	imminently worthy to be an honorary conch and a citizen of
18	the fabulous Florida Keys. And as such, you are entitled
19	from this day forward to enjoy to the fullest the
20	bounteous pleasures and privileges so lavishly bestowed
21	upon the Florida Keys by nature and so artfully
22	supplemented by the works of man. Pure, smog free, pollen
23	free, never chilled air, superb fishing from bridges,
24	beaches or boats unparalleled swimming and frolicking in
25	the crystal waters of the Atlantic we're working on the
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1	23 crystal waters or the Gulf of Mexico, gourmet dining on
2	such delicacies as the Florida Keys' lobsters, shrimp,
3	green turtle steak now, this has been a long-standing
4	tradition. You have to go to the Bahamas to get the green
5	turtle steak anymore but it's part of the system and
6	the key lime pie. The wriggling of toes in the warm sand
7	as the rest of the world hurries by. And most important,
8	acceptance as an equal by the world's friendliest people.
9	These shall be the prerogatives of the honorary conch.
10	And let no man interfere with the pursuit thereof. Know
11	ye then that even though it be by adoption, the above is
12	henceforth and forevermore one of us.
13	(Applause.)
14	CFO GALLAGHER: I have a question of the Secretary.
15	There is a rumor that I heard that in order to earn this
16	conch award you realize after your first visit that a suit
17	and tie was not exactly the right thing to wear when
18	you're down there. Is that true?
19	SECRETARY COHEN: That's true. When I go down, I
20	kind of I dress like Alison Defoor except for the
21	shorts. I can't go that far. I do sandals.
22	THE GOVERNOR: Thank you, Thaddeus.
23	General, can I yield the time to you so I can make a
24	resolution?
25	ATTORNEY GENERAL CRIST: Yes, sir, Governor, you're
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1 recognized.

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THE GOVERNOR: Thank you. Commissioner Nelson, can you come back to the podium, please?

4 There have been a lot of people that have worked very 5 hard on this over the last year and a half, none more than 6 Murray Nelson. And we thought it was appropriate to 7 recognize your efforts because it does point out that one person can make a difference and you've done that in your 8 9 public career particularly with this agreement. I'd like 10 to take this opportunity to recognize Monroe County Commissioner Murray Nelson for his dedicated public 11 service to the people of Monroe County and to the people 12 of the state of Florida. 13

14 Commissioner Nelson is a distinguished veteran, having served his country in the United States army as a 15 young soldier in Korea and later serving the state on the 16 17 Florida Commission of Veterans Affairs. His accomplishments are many including being mayor of the 18 19 great county of Monroe, an electrical contractor and a successful businessman, and one of the hardest working 20 21 commissioners Monroe County has ever had. Commissioner 22 Nelson has served with great distinction representing 23 Monroe County on numerous boards and committees, acting, which is a difficult task, acting as the County's liaison 24 25 to the State Legislature and to this cabinet which we ACCURATE STENOTYPE REPORTERS, INC.

1	forgive you for whatever we've done. And I'm not sure why
2	you were assigned this task. I assume you had the good
3	common sense not to volunteer for it.

25

4 But he has been involved in all of the major issues 5 that are really so important for Monroe County including 6 protecting environmentally sensitive land, increasing workforce housing, establishing an independent fire and 7 ambulance district in Key Largo as well as obtaining 8 9 property for a new government center in the upper Keys. 10 These are not easy things to do in any county. They're particularly hard to do in a county like Monroe. And I 11 12 understand that the government center in the upper Keys is going to be known as the Murray Nelson Key Largo 13 14 Government and Cultural Center which is a great tribute to 15 you, Murray.

Your hard work has allowed for all sorts of wonderful things, public works projects and many other things to occur in Monroe County. We appreciate your public service very much and we would like to recognize you for a job well done. Is there -- you're supposed to say, Is there a second.

22 CFO GALLAGHER: Second.

25

23ATTORNEY GENERAL CRIST: There's a motion and a24second. Without objection, it is adopted.

THE GOVERNOR: Thank you, Commissioner.

	26
1	26 COMMISSIONER NELSON: Well, Governor, I'd just like
2	to say how honored I am by this recognition. And it's
3	been a real pleasure not only working with they call me
4	bulldog now. But I was given the task to work with the
5	real German shepherd and that's Ken Sorensen. Ken has
6	been a big factor in my life. He's been my mentor and
7	friend. So I thank you for the honor.
8	(Applause.)
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ATTORNEY GENERAL CRIST: Governor, the floor is 1 2 yours. 3 THE GOVERNOR: Thank you, General. Board of Trustees. 4 5 CFO GALLAGHER: Motion on the minutes of May 17th, 6 June 1st, and June 16th cabinet meetings. 7 ATTORNEY GENERAL CRIST: Second. THE GOVERNOR: There's a motion and a second. 8 9 Without objection, the item passes. By the way, Monroe Countians, we're going to, at the 10 11 Board of Trustees level, continue to fulfill our 12 commitment hopefully. We haven't approved it yet. We're 13 approving additional purchases of land. MS. CASTILLE: On this agenda. 14 THE GOVERNOR: On this agenda. We're getting -- I 15 16 think we've now, before you leave, we've purchased 20 --Colleen made a commitment of 96 million -- how much? 17 MS. CASTILLE: \$21 million worth. 18 THE GOVERNOR: We're up to 21 million and still 19 counting. We're going forward. Promises given, promises 20 21 kept. 22 MS. CASTILLE: Item 2, sir? 23 THE GOVERNOR: Yes. 24 MS. CASTILLE: Item 2 is the Board of Trustees versus 25 James and Marian Dixon settlement agreement. The case ACCURATE STENOTYPE REPORTERS, INC.

1	28 involves ownership over a dispute of filled lands at the
2	Gasparilla Island Bridge and the suit was brought at the
3	request of the Gasparilla Island Bridge Authority. There
4	was a dispute as to ownership and encroachment. The item
5	before you has a quitclaim from the Board of Trustees on
6	two portions of land and the Dixons will quitclaim the
7	additional 3.28 acres and that will clear up the land
8	dispute.
9	CFO GALLAGHER: Motion on 2.
10	ATTORNEY GENERAL CRIST: Second.
11	THE GOVERNOR: Motion and a second. Without
12	objection, the item passes.
13	MS. CASTILLE: Item 3, we're asking for a deferral.
14	We're asking for a withdrawal on this issue.
15	CFO GALLAGHER: Motion to withdraw 3.
16	ATTORNEY GENERAL CRIST: Second.
17	THE GOVERNOR: There's a motion to withdraw and a
18	second. Without objection, the item is withdrawn.
19	MS. CASTILLE: Item 4, Governor and members of the
20	cabinet, this is the Florida Keys ecosystem report. This
21	is the we're requesting acceptance of a status report
22	on the acquisition efforts in the Florida Keys. As I
23	mentioned earlier, Governor, the total amount spent on the
24	project so far is \$21 million. As we came back in
25	February and asked you for additional delegation to be
	ACCURATE STENOTYPE REPORTERS, INC.

1	29 able to appraise certain lots as ROGO lots as they are
2	marketed in Monroe County and that has resulted in an
3	increase of 24 percent of the acceptances on contract
4	offers that we sent out. We were at 8 percent. We're now
5	at 24 percent.
6	CFO GALLAGHER: I move to accept it. I just have a
7	question. Are you having a problem getting sellers on
8	these at 125 percent of the 86 appraised value?
9	MS. CASTILLE: Well, if you look at the numbers, we
10	have a threefold increase in acceptances. But the numbers
11	are small in terms of a percentage rate. However, we have
12	approximately 1127 parcels under contract.
13	CFO GALLAGHER: Okay.
14	THE GOVERNOR: That's pretty good.
15	CFO GALLAGHER: But the reason I'm asking is that
16	15 percent acceptance, that's a lot of work for
17	15 percent.
18	MS. CASTILLE: It is but we you know. We started
19	out slow when we did the 19,000 parcels for Southern
20	Golden Gates and we ultimately accomplished that.
21	CFO GALLAGHER: Okay. Great.
22	THE GOVERNOR: Did we do anything on Item 4?
23	MS. CASTILLE: Acceptance of the report.
24	CFO GALLAGHER: It was moved and seconded.
25	THE GOVERNOR: There's a move and a second. Motion
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1	30 and a second to accept the report. Without objection, it
2	is accepted with joy.
3	MS. CASTILLE: Item 5 is on option agreement for
4	another Florida Keys parcel. This acquisition is for
5	25.53 acres and it is for a cost of \$366,900 which is 90
6	percent of appraised value.
7	COMMISSIONER BRONSON: Motion on 5.
8	CFO GALLAGHER: Second.
9	THE GOVERNOR: There's a motion and a second.
10	Without objection, the item passes. We like that pricing
11	by the way. In case anybody is asking.
12	MS. CASTILLE: Yes, sir. It is a price. Especially
13	for the Keys.
14	THE GOVERNOR: Just about anywhere these days.
15	(Off-the-record comment.)
16	Well, that's a small detail. Come on, Treasurer,
17	just because it's partially under water doesn't mean it's
18	not valuable.
19	MS. CASTILLE: This one is not partially under water.
20	THE GOVERNOR: Yes, it is. I've got a picture of it.
21	I asked already because I said, That's too good of a
22	price.
23	CFO GALLAGHER: It's high tide.
24	MS. CASTILLE: Item 6 is an option agreement in the
25	Aucilla Wildlife Management Area. This is an addition, an
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inholding project for the Fish and Wildlife Conservation 1 Commission. 80.1 acres for \$300,000 which is 94 percent 2 3 of appraised value. CFO GALLAGHER: Motion on 6. 4 5 COMMISSIONER BRONSON: Second. 6 THE GOVERNOR: There's a motion and a second. 7 Without objection, the item passes. MS. CASTILLE: Item 7. Southern Regional Industrial 8 9 Realty purchase, otherwise known as Norfolk Southern. 10 This item is in consideration of a purchase agreement to acquire 1,651 acres in the northeast Florida Timberlands 11 12 and Watershed Reserve Florida Forever project. This is adjacent to Whitehouse outlying field in Duval County. 13 CFO GALLAGHER: Motion on 7. 14 COMMISSIONER BRONSON: Second. 15 16 THE GOVERNOR: This is a hugely important purchase 17 for our Cecil Field pursuit. And it took a long time, 18 but, Eva, good work in getting it done. There is a motion and a second. 19 20 MS. CASTILLE: Governor, members of the cabinet, I do 21 have Captain Chip Dodson here from the U.S. Navy who would 22 like to say a few words. 23 THE GOVERNOR: You bet. We'll wait to approve it 24 until after you speak. Welcome. 25

1	32 CAPTAIN DODSON: Thank you, sir. Good morning,
2	Governor Bush and cabinet. I'm Captain Chip Dodson,
3	commanding officer of the Naval Air Station in
4	Jacksonville. It's an honor for me to stand before you
5	this morning in strong support of this proposal.
6	This purchase and declaration will not only preserve
7	sensitive natural resources but also ensure compatible
8	land development on a significant parcel of land
9	immediately adjacent and strategically situated at the
10	Navy's outlying field, Whitehouse. Outlying field,
11	Whitehouse, is a critical asset for Navy air recruit
12	training operations prior to carrier deployment. It
13	provides the necessary dark night environment that
14	simulates at-sea carrier landing. It allows our air crews
15	to replicate the exact landing patterns they will use at
16	the air carrier.
17	Its close proximity to Navy carrier operating areas

18 make it an important asset for fixed wing helicopter and 19 special warfare training evolution during high template training exercises. The opportunity prevents future 20 encroachment preserved as high quality training 21 environment should not be lost. Its impact should not be 22 23 underestimated. The City of Jacksonville has already purchased over 5,000 acres of environmentally sensitive 24 land around OLF Whitehouse as part of its preservation 25 ACCURATE STENOTYPE REPORTERS, INC.

1	project to create a greenway between the Kerry and	
2	Jennings State Parks.	

3 This purchase will complete the greenway, preserve 4 these sensitive lands, prevent encroachment around OLF 5 Whitehouse, enhance the Navy's ability to meet critical 6 training requirements. I'd like to take this opportunity 7 to personally recognize the efforts of several people that have been working on this. From the Florida Department of 8 9 Environmental Protection, Division of State Lands, Eva Armstrong, Amy Phillips, Sandra Stockwell, Bill Robinson 10 and Molly Palmer. 11

12 From the Florida Department of Agriculture, Division of Forestry, Sandy Ray and John Brown. From the City of 13 14 Jacksonville, Mark Middlebrook, Susie Wiles, Kelly Vorhe, Karen Chastain, Susan Power. And from the southern 15 region, Industrial Realty Corporation, Gary Anderson and 16 17 Babed Ashley. Their professionalism, persistence, and 18 can-do attitude has made this purchase and declaration possible. I commend them all for a job extremely well 19 done. Again, I thank you for the opportunity and 20 21 privilege to voice my support for this proactive 22 initiative and this concludes my remarks. 23 THE GOVERNOR: Thank you very much for being here,

24 sir.

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CAPTAIN DODSON: Yes, sir. Thank you.

1	34 THE GOVERNOR: We're excited about this purchase.
2	We're excited about the I don't know if you can comment
3	on the other thing we're excited about
4	CAPTAIN DODSON: No, sir, I can't.
5	(Laughter.)
6	THE GOVERNOR: We're very excited about what we can't
7	talk about.
8	THE WITNESS: Yes, sir. Thank you.
9	THE GOVERNOR: Thank you.
10	There is a motion and a second. Any discussion?
11	Without objection, the motion passes.
12	MS. CASTILLE: Thank you, Governor, members of the
13	cabinet. That concludes our agenda.
14	THE GOVERNOR: Thank you.
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1	35 THE GOVERNOR: State Board of Administration.
2	CFO GALLAGHER: Motion on the minutes, August 9th.
3	ATTORNEY GENERAL CRIST: Second.
4	THE GOVERNOR: Just I thought maybe the
5	commissioner was going to bring this up. But maybe at the
6	next cabinet meeting you can come with or tell us prior to
7	the next cabinet meeting what the position of the
8	Department is regarding the Smith ruling.
9	MS. CASTILLE: Yes, sir, we can.
10	THE GOVERNOR: And what impact that will have on how
11	you go about your business.
12	MS. CASTILLE: Yes, sir, we can. We'll do that.
13	THE GOVERNOR: And don't go appealing until you talk
14	to us.
15	MS. CASTILLE: Absolutely.
16	THE GOVERNOR: Okay. Thank you.
17	CFO GALLAGHER: You have a motion and a second.
18	THE GOVERNOR: There is a motion and a second on
19	Item 1. Without objection, the item passes.
20	Coleman, how are you doing?
21	MR. STIPANOVICH: I'm doing well, Governor. Thank
22	you. Good morning, Governor and members.
23	Item 2 is a request for approval of fiscal
24	sufficiency of an amount not exceeding 185 million State
25	of Florida, full faith and credit, State Board of
	ACCURATE STENOTYPE REPORTERS, INC.

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           Education and Public Education capital outlay refunding
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          bonds.
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               ATTORNEY GENERAL CRIST: Motion on 2.
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               CFO GALLAGHER: Second.
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                THE GOVERNOR: Motion and a second. Without
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           objection, the item passes.
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                MR. STIPANOVICH: The third item is just a
           reappointment of the chair to the Florida Commission on
 8
 9
           Hurricane Loss Projection Methodology, the reappointment
           of Robert Ricker as chair.
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               CFO GALLAGHER: Motion on 3.
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               ATTORNEY GENERAL CRIST: Second.
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                THE GOVERNOR: There's a motion and a second.
           Without objection, the item passes.
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               MR. STIPANOVICH: Item 4 is the Florida hurricane
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16
           request for the trustees to approve a filing of a notice
           of proposed rulemaking for 19-8.010.
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               ATTORNEY GENERAL CRIST: Motion on 4.
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               CFO GALLAGHER: Second.
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                THE GOVERNOR: Motion and a second. Without
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21
           objection, the item passes.
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               MR. STIPANOVICH: That completes the agenda,
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          Governor.
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                THE GOVERNOR: Thank you, Coleman.
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                Coleman, can you give us an update on your -- given
                          ACCURATE STENOTYPE REPORTERS, INC.
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	STATE BOARD OF ADMINISTRATION - 9-7-05
1	what happened in Louisiana and Mississippi, what you have
2	in terms of redundancy for the operation of the State
3	Board of Administration?
4	MR. STIPANOVICH: Yes, sir.
5	Governor, members, we've been, over the past year, in
6	the process of developing a disaster recovery plan that's
7	really broken down into two phases. We've just completed
8	phase one in that we have a facility in Marianna, Florida,
9	75 miles west of Tallahassee where we could actually pick
10	up 33 investment professionals and move them to this
11	fortress and conduct business as usual should we have to
12	vacate the Hermitage building.
13	It took obviously in an exercise like this, it
14	takes time in terms of planning. We have documentation
15	that amounts to a couple hundred pages and an operations
16	manual with protocol that's about 35 pages. We're in the
17	process of training now and we'll go through a mock trial
18	where we actually pick these people up and go to Marianna
19	within the next couple of weeks. The facility that we got
20	is in a very rural area, it's, again, 75 miles west but
21	it's a fortress. It's a red brick building, steel
22	structure, no windows. It's not likely to go anywhere.
23	And the furniture is steel chairs and not it's not
24	going to be a luxurious place, portable air conditioners,

25 but it's functional.

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1 We have all the communications and workstations and 2 printers and security and backup generators and everything 3 we need to conduct business as long as the eye can see. 4 That was about a \$27,000 capital outlay. Waited towards 5 the end of the fiscal year to see what kind of money was 6 left in the budget so I wouldn't have to ask for a budget 7 increase. We found the money, we did that capital outlay. The ongoing five-year plan for recuring operating expenses 8 9 is about \$30,000 a year is all. And so that's kind of the 10 budget for it. And we won't need a budget increase.

Phase 2 will be where -- and we've already done this 11 in terms of new equipment to replace the equipment at the 12 board, all the servers with new equipment, expenditures 13 14 have been made out of budget savings. We will take the old equipment and move it to STO so we'll have the backup 15 in terms of hardware should our hardware be taken out in 16 the event of a disaster, we'll have a location for our 17 people. Our data is currently housed in the state 18 19 archives. So every day, every week we're moving our data to the state archives. So we're in good shape in terms of 20 21 backup data. We'll be in good shape in terms of 22 computers, hot site and we're in good shape already, we 23 got people off site.

24 THE GOVERNOR: Thank you. Who would have thought 25 that Marianna was the financial capital of the southeast ACCURATE STENOTYPE REPORTERS, INC.

1 United States?

2	MR. STIPANOVICH: Governor, we did reach out to
3	Alabama and Louisiana and Mississippi to ascertain, so
4	that I could bring it to the trustees' attention, whether
5	or not we wanted to move forward with something like this,
6	try to ascertain if there was a need for us to support
7	them with this facility that we had up and running. And
8	they were in good shape. The offices indicated they were
9	in good shape and really appreciated our reaching out to
10	them and offering to help. But we won't be doing
11	anything.
12	THE GOVERNOR: Thank you.
13	(Thereupon, the proceedings concluded at 10:00 a.m.)
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ACCURATE STENOTYPE REPORTERS, INC.

1	CERTIFICATE OF REPORTER
2	
3	STATE OF FLORIDA )
4	COUNTY OF LEON )
5	
6	I, KRISTEN L. BENTLEY, Court Reporter, certify that
7	the foregoing proceedings were taken before me at the time and
8	place therein designated; that my shorthand notes were
9	thereafter translated under my supervision; and the foregoing
10	pages numbered 1 through 39 are a true and correct record of
11	the aforesaid proceedings.
12	
13	I further certify that I am not a relative, employee,
14	attorney or counsel of any of the parties, nor am I a relative
15	or employee of any of the parties' attorney or counsel
16	connected with the action, nor am I financially interested in
17	the action.
18	DATED this 14th day of September, 2005.
19	
20	KRISTEN L. BENTLEY, RPR Court Reporter
21	Notary Public 850-878-2221
22	
23	
24	
25	

ACCURATE STENOTYPE REPORTERS, INC.