

THE CABINET
STATE OF FLORIDA

Representing:

DIVISION OF BOND FINANCE

FINANCIAL SERVICES COMMISSION, OFFICE OF
FINANCIAL REGULATION

FINANCIAL SERVICES COMMISSION, OFFICE OF
INSURANCE REGULATION

FLORIDA DEPARTMENT OF LAW ENFORCEMENT

BOARD OF TRUSTEES, INTERNAL IMPROVEMENT TRUST FUND

STATE BOARD OF ADMINISTRATION

The above agencies came to be heard before
THE FLORIDA CABINET, Honorable Governor Crist
presiding, in the Cabinet Meeting Room, LL-03, The
Capitol, Tallahassee, Florida, on Tuesday, February 13,
2007, commencing at 9:00 a.m.

REPORTED BY:
JO LANGSTON
Registered Professional Reporter
Notary Public

ACCURATE STENOGRAPHY REPORTERS, INC.
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APPEARANCES:

Representing the Florida Cabinet:

CHARLIE CRIST
Governor

CHARLES H. BRONSON
Commissioner of Agriculture

BILL McCOLLUM
Attorney General

ALEX SINK
Chief Financial Officer

* * *

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 2 DIVISION OF BOND FINANCE
 3 (Presented by BEN WATKINS)

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

2 * * *

3 (Agenda items commenced at 9:15 a.m.)

4 GOVERNOR CRIST: Now we have the Division of Bond
5 Finance. Ben. Good morning, Ben.

6 MR. WATKINS: Good morning, Governor, Cabinet.
7 Item Number 1 is approval of the minutes of the January
8 30th meeting.

9 COMMISSIONER BRONSON: Motion on Item 1.

10 GOVERNOR CRIST: Second?

11 CFO SINK: Second.

12 GOVERNOR CRIST: Motion and a second. Without
13 objection the minutes are approved.

14 MR. WATKINS: And item Number 2 is adoption of a
15 resolution authorizing the issuance of up to
16 \$654,695,000 in Lottery Revenue Bonds. This is a
17 portion of the funding of the current year
18 appropriation for class size reduction. The total
19 appropriation included in this year's budget is 1.1
20 billion to fund class size reduction. It's made up of

21 a combination of PECO appropriations, or PECO bonds as
22 well as Lottery bonds.

23 And this is the authorization for the Lottery bond
24 portion of class size reduction. This authorization
25 will initiate the validation proceedings and you will

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1 see this item again before we sell the bonds.

2 COMMISSIONER BRONSON: Motion on Item 2.

3 CFO SINK: Second.

4 GOVERNOR CRIST: Moved and seconded. Without

5 objection Item 2 is approved.

6 MR. WATKINS: Thank you.

7 GOVERNOR CRIST: Thank you, Ben.

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1 GOVERNOR CRIST: Office of Financial Regulation.

2 Don Saxon. Good morning, Don.

3 MR. SAXON: Good morning, Governor, members of the
4 Cabinet. I have eight items today. Item 1 is the
5 office is requesting approval of final adoption of
6 amendments to Rule Chapter 69U-110 Florida
7 Administrative Code, relating to the State Securities
8 Credit Union Act. These are rules that complement
9 changes that were made to the act several years ago.

10 GOVERNOR CRIST: Is there a motion on 1?

11 CFO SINK: I move it.

12 ATTORNEY GENERAL McCOLLUM: Second.

13 GOVERNOR CRIST: Moved and seconded. Without
14 objection Item 1 is approved.

15 MR. SAXON: The office is requesting approval to
16 publish a Notice of Proposed Rulemaking for amendments
17 to Rule 69T-8.001 and sequentially through 009 Florida
18 Administrative Code. These rules relate to the
19 indexing of final orders.

20 ATTORNEY GENERAL McCOLLUM: Move.

21 CFO SINK: Second.

22 GOVERNOR CRIST: Moved and seconded. Without

23 objection Item 2 is approved.

24 MR. SAXON: Item 3, the office is requesting

25 approval to publish a Notice of Proposed Rulemaking for

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1 Rule 69W-200.001 Florida Administrative Code, relating
2 to definitions in the area of security regulation for
3 branch offices.

4 COMMISSIONER BRONSON: Motion on Item 3.

5 ATTORNEY GENERAL McCOLLUM: Second.

6 GOVERNOR CRIST: Moved and seconded. Without
7 objection Item 3 is approved.

8 MR. SAXON: Item 4, the office is requesting
9 approval to publish Notice of Proposed Rulemaking for
10 Rule 69W-300.002, 69W-400.001, 69W-400.003 and
11 69W-700.005, Florida Administrative Code, relating to
12 securities regulation.

13 CFO SINK: Move it.

14 COMMISSIONER BRONSON: Second.

15 GOVERNOR CRIST: Moved and seconded. Without
16 objection Item 4 is approved.

17 MR. SAXON: Item 5, the office is requesting
18 approval to publish a Notice of Proposed Rulemaking for
19 Rule 69W-301.002, Florida Administrative Code, relating
20 to the processing of applications in the area of

21 securities regulation.

22 ATTORNEY GENERAL McCOLLUM: I move Item 5.

23 GOVERNOR CRIST: Motion on 5. Is there a second?

24 COMMISSIONER BRONSON: Second.

25 GOVERNOR CRIST: Moved and seconded. Without

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1 objection Item 5 is approved.

2 MR. SAXON: Item 6, the office is requesting
3 approval to publish a Notice of Proposed Rulemaking for
4 Rule 69W-500.04, Florida Administrative Code, relating
5 to the computation of number of purchasers for purposes
6 of Section 517.061, Florida Statutes. These are
7 private offerings.

8 COMMISSIONER BRONSON: Motion on Item 6.

9 ATTORNEY GENERAL McCOLLUM: Second.

10 GOVERNOR CRIST: Moved and seconded. Without
11 objection Item 6 is approved.

12 MR. SAXON: Item 7, the office is requesting
13 approval to publish a Notice of Proposed Rulemaking for
14 Rule Chapter 69W-600, Florida Administrative Code,
15 relating to the registration of dealers, investment
16 advisors and associated persons.

17 GOVERNOR CRIST: Is there a motion on 7?

18 COMMISSIONER BRONSON: Motion on Item 7.

19 CFO SINK: Second.

20 GOVERNOR CRIST: Moved and seconded. Without

21 objection Item 7 is approved.

22 MR. SAXON: And finally, Item 8, the office is

23 requesting approval to publish a Notice of Proposed

24 Rulemaking for Rule Chapter 69V-560, Florida

25 Administrative Code, relating to money transmitters.

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1 CFO SINK: Move it.

2 COMMISSIONER BRONSON: Second.

3 GOVERNOR CRIST: Moved and seconded. Without
4 objection Item 8 is approved. Thank you, Don.

5 MR. SAXON: Thank you.

6 GOVERNOR CRIST: Appreciate it.

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1 GOVERNOR CRIST: Insurance Regulation.

2 Commissioner McCarty, good morning, sir.

3 MR. McCARTY: Good morning, Governor. Item Number

4 1, the office requests adoption of Rule 69O-186.017 for

5 the certificate of mortgage release according to

6 Florida Administrative Code, establishes an actuarially

7 sound principal for issuing certificates of mortgage

8 release recorded to Florida law.

9 CFO SINK: Move it.

10 ATTORNEY GENERAL McCOLLUM: Second.

11 GOVERNOR CRIST: Moved and seconded. Without

12 objection Item 1 is approved.

13 MR. McCARTY: Agenda Item Number 2, the office

14 requests approval to publish Rule 69O-138.002,

15 financial rate and market conduct examinations.

16 Governor, we request withdrawal of this rule for

17 consideration.

18 GOVERNOR CRIST: Show it withdrawn.

19 MR. McCARTY: Item Number 3 is to request approval

20 to publish Rule 69O-171.003, closed claims,

21 professional liability claims. This rule implements
22 and mandates for the insurers to report to the Office
23 of Insurance Regulation information to our closed
24 claims database.

25 ATTORNEY GENERAL McCOLLUM: I move it.

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1 CFO SINK: Second.

2 GOVERNOR CRIST: Moved and seconded. Without
3 objection Item 3 is approved.

4 MR. McCARTY: Item Number 4, the office requests
5 approval to publish Rule 69O-171.009. This is the same
6 medical malpractice database, but this relates to open
7 claims reporting.

8 GOVERNOR CRIST: Is there a motion?

9 ATTORNEY GENERAL McCOLLUM: I move to approve it.

10 CFO SINK: Second.

11 GOVERNOR CRIST: Moved and seconded. Without
12 objection Item 4 is approved.

13 MR. McCARTY: Item Number 5 is the request to
14 approve to publish Rule 69O-167.014, alternative
15 methods for handwriting statements. Pursuant to the
16 legislation that was passed in the special session,
17 this rule will provide for alternative methods for
18 providing for those people with physical limitations to
19 provide for an alternative to a handwritten statement.

20 COMMISSIONER BRONSON: Motion on Item 5.

21 CFO SINK: Second.

22 GOVERNOR CRIST: Moved and seconded. Without

23 objection Item 5 is approved.

24 MR. McCARTY: Thank you, Governor. Item Number 6

25 is request for approval to publish Rule 69O-170.0155,

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1 pursuant to the same House bill that passed in the
2 special session, which requires an affidavit to be
3 signed by a chief financial officer as well as a chief
4 actuary.

5 This needs to be fast-tracked because this has got
6 to be in place for filings made after March 1st.

7 ATTORNEY GENERAL McCOLLUM: I move it.

8 COMMISSIONER BRONSON: Second.

9 GOVERNOR CRIST: Moved and seconded. Without
10 objection Item 6 is approved.

11 MR. McCARTY: Item Number 7 is the office requests
12 approval for Citizens' amended plan of operation. As
13 you know, Citizens was ordered to hold a series of
14 public hearings to take public input to improve the
15 quality of service. The office, in cooperation with
16 Citizens staff, has completed those public hearings.
17 We also set up a Web site, Citizens For Better
18 Citizens, and received over a thousand requests from
19 citizens on how to improve the quality of their plan of
20 operation.

21 Today the chairman of the board, Bruce Douglas, is
22 here to make a presentation as to the changes to their
23 plan of operation.

24 GOVERNOR CRIST: Very good.

25 MR. DOUGLAS: Good morning. I am pleased to tell

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1 you that the amended plan of operation requested at the
2 September Cabinet meeting is now totally
3 consumer-focused. We have had, as the commissioner has
4 pointed out, public meetings. I must say that most of
5 the input we got related to rates. But we did get some
6 input as related to service levels.

7 We're proud that the service levels that Citizens
8 is now offering in the way of claim handling has
9 improved dramatically over the past two years. And I
10 believe the plan of operation is exactly what was
11 requested at the last -- or at the September Cabinet
12 meeting.

13 And I'll be glad to answer any questions you may
14 have.

15 GOVERNOR CRIST: Any questions? Commissioner?

16 COMMISSIONER BRONSON: Yes, Governor. One of the
17 things that I was concerned about, because of the size
18 that Citizens was potentially going to grow, is do we
19 have enough personnel that can actually get out and
20 work those claims and get them in in a timely manner so

21 that the citizenry didn't feel like they were unduly
22 set aside for such a long length of time. Do we have
23 enough people out there to do that job?

24 MR. DOUGLAS: Well, Commissioner, we have 2,000
25 licensed independent adjustors ready to handle what we

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1 used to have to handle scrambling with a couple of
2 hundred. We think we're ready. But, again, depending
3 upon the size of the storm and the area that it hits,
4 you never have enough. But we think 2,000 is about
5 right to handle the needs. It's a far cry from where
6 we were historically.

7 GOVERNOR CRIST: CFO Sink?

8 CFO SINK: Governor. Bruce, I was reading over
9 the declaration of rights, and it's very well written.

10 I guess the next step is, how are you going to
11 implement and then measure and monitor this commitment
12 to your policyholders?

13 MR. DOUGLAS: Well, we're going to do it a couple
14 of ways. One, our experience with holding public
15 meetings in '06, we're going to carry that through to
16 '07 and years to go. On a quarterly basis we're going
17 to meet in areas where we have the largest number of
18 policies, listen to the people. We're going to do it
19 by direct mail.

20 We're going to do it through our agents. We have

21 8,500 agents. We have set up systems internally to
22 police how we're doing, evaluate how we're doing. We
23 have strengthened the internal audit operation in
24 Citizens. We've employed Derry Harper, the former
25 inspector general from the Governor's Office.

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1 And we're going to measure every possible way how
2 we're doing in the eyes of the consumer, not in the
3 opinion of someone else.

4 We think we're on the right track, and I would
5 defer to anyone saying, well, here are the complaints
6 we've had. I was so proud of our people on how they
7 handled the last 60 days in Central Florida. I think
8 85 percent of those claims are closed, and we're only
9 on the 13th of February.

10 So our declaration of rights is not just a piece
11 of paper. It's a way of life. In all deference to the
12 Governor, we would like to call Citizens Property
13 Insurance the people's company because it is.

14 CFO SINK: Thank you, Bruce.

15 GOVERNOR CRIST: I want to commend you, too. I've
16 been down to Central Florida about six times since the
17 tornados hit, and you've had people on the ground every
18 time I've been there. So thank you for that. General,
19 did you --

20 ATTORNEY GENERAL McCOLLUM: I have a question.

21 Good to see you, Bruce. In terms of the agents that we
22 have in the field that you engage, are they general
23 lines agents, in other words, they have other companies
24 they represent? Some insurance companies have only
25 their exclusive agents.

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1 MR. DOUGLAS: These are independent agents. They
2 represent other people, if there are other people.

3 ATTORNEY GENERAL McCOLLUM: That's what I wanted
4 to know. I figured that they did, and that probably
5 gets us out there better than the other way around.
6 That's all, curious. Thank you.

7 MR. DOUGLAS: Thank you.

8 GOVERNOR CRIST: Thank you. Is there a motion on
9 Item 7?

10 COMMISSIONER BRONSON: Motion on Item 7.

11 ATTORNEY GENERAL McCOLLUM: Second.

12 GOVERNOR CRIST: Moved and seconded. Without
13 objection, Item 7 is approved. Thank you very much.

14 MR. DOUGLAS: Thank you.

15 GOVERNOR CRIST: Thank you, Commissioner.

16 CFO SINK: Governor.

17 GOVERNOR CRIST: Yes.

18 CFO SINK: Kevin, would you share with the Cabinet
19 what we're getting ready to do on Thursday up in
20 Atlanta? I think it's important for them to be aware

21 of some of these other activities that might help
22 stabilize our insurance market in the state. Thank
23 you.

24 MR. McCARTY: Thank you. We are in the process of
25 organizing a multi-state catastrophe fund. Florida

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1 chairs the National Association of Insurance
2 Commissioners' Committee on Property Insurance, and
3 we've been working a number of years developing a
4 national program to promote at the federal level to
5 help bring stability, not only to Florida but to all
6 the states that have a moderate to severe risk of a
7 catastrophic event.

8 We hear so much about the hurricanes in Florida,
9 but we know that there's a potential of a \$400 billion
10 loss in California from an earthquake or a 250 billion
11 loss in the New Madrid Fault if they were to have an
12 earthquake event there.

13 So what we're attempting to do is bring together
14 insurance commissioners as well as computer modelers
15 and interstate compact experts and looking at what we
16 can do on a state-based solution, partnering with
17 states around the country that have this risk,
18 recognize this risk and are looking at alternatives to
19 the federal government.

20 So on Thursday and Friday in Atlanta, the State of

21 Florida has organized, through the National Association
22 of Insurance Commissioners, a summit to come up with a
23 work product on some alternatives to a federal solution
24 and teaming the states together to form a catastrophe
25 fund that will build on the good work we've done here

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1 in Florida.

2 CFO SINK: Thanks. And, Governor, can I -- I'd
3 just like to ask Kevin one more question. I guess two
4 weeks ago today the insurance consumer advocate, Steve
5 Burgess, and Steve Alexander, the actuary in the
6 Consumer Advocate Department, presented at a hearing
7 regarding medical malpractice insurance rates.

8 And I understand that the basis of their
9 presentation is that they believe that med mal rates
10 are still too high and that perhaps the OIR did not
11 take into account some other factors that could drive
12 these rates further down.

13 And would you just clarify for us what is the next
14 step in that process?

15 MR. McCARTY: Sure. At the request of the
16 consumer advocate, the office scheduled two workshops
17 last week, two public hearings, one dealing with a
18 specific company on their rate filing and another in
19 general, to put forth evidence as to whether or not
20 that the legislative changes on medical malpractice in

21 fact have resulted in the rate reductions that were
22 anticipated by the Legislature.

23 We are in the process of -- the record is still
24 open. We're looking at the details of that, and we're
25 coming back with a recommendation. In first look at

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1 this, we would recommend going forward and requesting
2 legislation or special budget amendment to give the
3 office the authority to republish a presumed factor.

4 And by doing that, we would use that presumed
5 factor and require the insurance companies providing
6 medical malpractice coverage to make a filing and
7 demonstrate that they have, in fact, recognized all the
8 savings in the legislation that was passed two years
9 ago.

10 CFO SINK: Thank you.

11 GOVERNOR CRIST: Thank you, Kevin.

12 MR. McCARTY: Thank you very much.

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1 GOVERNOR CRIST: FDLE. Commissioner, good
2 morning.

3 MR. BAILEY: Good morning, Governor, members of
4 the Cabinet. I have four items for your consideration
5 this morning. First is our minutes from the October 3,
6 2006, Cabinet meeting.

7 COMMISSIONER BRONSON: Motion on Item 1.

8 ATTORNEY GENERAL McCOLLUM: Second.

9 GOVERNOR CRIST: Moved and seconded. Without
10 objection.

11 MR. BAILEY: The second item is our first quarter
12 performance report and purchases over \$100,000. You
13 will see that our performance for both quarters one and
14 two are relatively consistent. In each case you'll see
15 that we are on track to meet almost all of our
16 measures.

17 And as you've heard from me before, our biggest
18 challenge continues to be our crime laboratories.

19 You're familiar with the growth in submissions and in
20 some ways that we are tackling that. And I'm proud to

21 report to you this morning that we are starting to see
22 results.

23 Compared with the same time period last year,
24 we've completed 5,000 more crime laboratory cases.

25 That's an 11 percent increase in productivity.

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1 Since I --

2 GOVERNOR CRIST: Go ahead. Sorry.

3 MR. BAILEY: Since I've come on board, Governor,

4 we have decreased our backlogs by 48 percent. Now,

5 that's overall. I wish I could tell you that that was

6 DNA, but that is our overall. We're still struggling.

7 The DNA backlogs are not nearly as -- backlog

8 reductions are not nearly as significant as the other

9 others, but we're getting there.

10 We now have robotics in place with each of our

11 laboratories, with the exception of Pensacola.

12 Pensacola is behind because of the hurricane damage to

13 that laboratory and the rebuilding that we had to do

14 there.

15 We've now outsourced a fairly good portion of our

16 DNA cases, about 750 to a certified private laboratory.

17 And last week we began a new efficiency initiative that

18 I'm very excited about. We've contracted with a

19 federally funded forensic laboratory in Largo. And

20 what they're doing for us is they're training our local

21 law enforcement officers from some of our high input
22 agencies, the ones that bring us a lot of our material.
23 They're training them to be more selective in the
24 evidence that they submit. They're going to do
25 prescreening. So from them we're getting quality

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1 evidence for analysis rather than volume. And that's
2 going to help us quite a bit. It will take a little
3 while for that to start showing the results. But this
4 is the first of several classes where we're going to
5 get sheriffs and chiefs to do some of our work for us.
6 You're going to see continuing progress with the DNA
7 backlogs.

8 GOVERNOR CRIST: Great. Thank you.

9 ATTORNEY GENERAL McCOLLUM: Question, Governor.

10 GOVERNOR CRIST: Yes, General.

11 ATTORNEY GENERAL McCOLLUM: Commissioner Bailey,
12 you indicated what we've done to work more cases off in
13 the last year. Have we had an increase or has it
14 remained steady with regard to the caseload that you're
15 getting in, new cases each year?

16 MR. BAILEY: It's increasing, especially DNA. And
17 part of the reason for that is that our law enforcement
18 agencies are discovering new and interesting ways that
19 they can use DNA.

20 And a good example of that is back several years

21 ago you pretty much had to have a sample of a body
22 fluid for us to do DNA on it. Then it took several
23 days to get that. Now, they can swab a doorknob and
24 just get skin cells, and the turnaround time is much
25 quicker.

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1 And bottom line, our resources have not kept pace
2 with the advancing technology of what we can do with
3 this exciting science, and we're having to come up with
4 innovative ways, such as the screening process the
5 officers are being taught in Largo. But to answer your
6 question directly, it is increasing.

7 ATTORNEY GENERAL McCOLLUM: Well, I know you have
8 a budget request increase in to help you do all this,
9 and I was in committee the other day following one of
10 your staff presentations and commented on it. Anytime
11 any of us can help you encourage the Legislature to
12 give you the resources you need, just let us know.

13 MR. BAILEY: Thank you. Let me mention, one key
14 issue in that budget item is the outsourcing of the
15 training. The way FDLE had done business in the past,
16 we had used our in-house cadre to train the rookies,
17 the new kids coming in.

18 That took a qualified, experienced analyst off the
19 bench to do basic training. So it was
20 counterproductive in that neither were doing case work.

21 Now we have, as part of our budget request, funds
22 to have that training done outside by certified
23 professionals, and then they'll come back to us and do
24 the work.

25 ATTORNEY GENERAL McCOLLUM: Well, I think you're

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1 to be commended for what you've done in the short time
2 you've had to work on this. I know there's a lot more
3 to do. But, really, thank you for what you're doing.

4 MR. BAILEY: Thank you.

5 GOVERNOR CRIST: Thank you.

6 CFO SINK: Governor.

7 GOVERNOR CRIST: CFO?

8 CFO SINK: I have just a quick question. You
9 mentioned that one of the solutions is to outsource
10 more of the DNA testing to private companies. Is that
11 a fairly common practice across states? And also how
12 do you assure that there's good quality work being done
13 at the labs that we're -- the private labs?

14 MR. BAILEY: Yes, it is a common practice, and as
15 a matter of fact, there's a draft letter, a white
16 paper, if you will, about to be issued by the National
17 Governors' Association that pretty well outlines what
18 they're calling the DNA crisis in the country.

19 And they have several points on what we can do to
20 overcome that. And one of those is outsourcing it to

21 private laboratories.

22 We only use certified laboratories. There is a
23 certifying body there. And these laboratories are --
24 not only are they trained in the analysis of the
25 samples. They understand chain of evidence and

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1 courtroom testimony as well.

2 CFO SINK: Okay. Thank you.

3 GOVERNOR CRIST: Thank you. Is there a motion on
4 Item 2?

5 ATTORNEY GENERAL McCOLLUM: I move Item 2.

6 COMMISSIONER BRONSON: Second.

7 GOVERNOR CRIST: Moved and seconded. Without
8 objection Item 2 is approved.

9 MR. BAILEY: Our third item is our second quarter
10 performance report and purchases over \$100,000. That
11 report pretty well reflects and tracks the one I've
12 just given you. Now, there is one issue that has come
13 up during that quarter, is we are the investigative
14 group, if you will, for the rasinos, the
15 State-monitored casinos that are about to come online.

16 Two opened at the end of last calendar year, and
17 we have another one going to come online next month.
18 And, again, we're working now with the local law
19 enforcement and the security folks assigned to those to
20 set the pace and figure out the protocols of how we're

21 going to be the investigative arm for this casino

22 initiative.

23 You'll be hearing more from us as the casinos get

24 up and running and we actually start to get our people

25 in place.

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

2 COMMISSIONER BRONSON: Motion.

3 CFO SINK: Second.

4 GOVERNOR CRIST: Moved and seconded. Without
5 objection Item 3 is approved. Item 4.

6 MR. BAILEY: The fourth item is 12 rules that
7 we're offering for your consideration. They are
8 primarily housekeeping and responses to legislative
9 changes. With your approval, I would like to highlight
10 two or three of them.

11 GOVERNOR CRIST: Please.

12 MR. BAILEY: The bulk of the rules are coming from
13 our Criminal Justice Standards and Training Commission,
14 Rule 11B-35 is a, again, response to new legislation.

15 And what that one does, it adds six hours of taser
16 training for new law enforcement officers, and it is
17 four hours of human trafficking training. It's a
18 response to the growing problem that we have in our
19 state with the human trafficking problem. So, again,
20 that is for new officers. It will be part of the basic

21 curriculum as they come on board.

22 Rule 11G-2 involves our Medical Examiners'

23 Commission. As you know, we act as staff to that

24 commission. They have started an initiative on the

25 identification of unidentified remains. This is a

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1 response to that that will require the medical
2 examiners to maintain bone and tissue samples for the
3 duration, to help future identifications of
4 unidentified remains.

5 GOVERNOR CRIST: Any questions on the rule
6 changes? Is there a motion?

7 ATTORNEY GENERAL McCOLLUM: Governor, I move to
8 approve them.

9 CFO SINK: Second.

10 GOVERNOR CRIST: Moved and seconded. Without
11 objection Item 4 is approved. Thank you very much,
12 Commissioner.

13 MR. BAILEY: Thank you.

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1 GOVERNOR CRIST: Next, Board of Trustees.

2 Secretary Sole.

3 MR. SOLE: Good morning, Governor, Cabinet
4 members. Item Number 1 is submittal of the Board of
5 Trustees minutes from actually several board agendas,
6 November 14th, December 5th and December 19th of 2006
7 for the Department, Southwest Florida Water Management
8 District's August 15th Cabinet meeting, and finally St.
9 Johns River Water Management District's January 29th
10 and February 27th, 2002, Cabinet meetings.

11 GOVERNOR CRIST: We will ask that you certify that
12 these are all correct before you ask somebody to make a
13 motion up here. Can you do that for us?

14 MR. SOLE: Absolutely, Governor. We've gone
15 through the minutes and, in fact, actually go through
16 the transcripts of those agenda items to verify that
17 the actions in these minutes are recorded accurately.
18 There's quality assurance in that process, which
19 includes actually a double review to make sure they are
20 accurate. Yes, sir.

21 GOVERNOR CRIST: Thank you. Is there a motion?

22 COMMISSIONER BRONSON: Motion on Item 1.

23 ATTORNEY GENERAL McCOLLUM: Second.

24 GOVERNOR CRIST: Moved and seconded. Without

25 objection the minutes are approved. Item 2.

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1 MR. SOLE: Thank you. Item Number 2 is
2 consideration of an agreement to acquire 1,286 acres
3 under the Florida Fish and Wildlife Conservation
4 Commission's Fish and Wildlife Habitat Program from the
5 Nature Conservancy.

6 The project is known as Barry's Ranch and is
7 located in Alachua County. The Trustees' purchase
8 price is \$10,060,000, which is approximately 98 percent
9 of the appraised value. The acquisition area is
10 partially within the Watermelon Pond Florida Forever
11 Project, but the funds to acquire this are actually
12 being funded through the Fish and Wildlife Conservation
13 Commissions's Fish and Wildlife Habitat Program, which
14 is established under statute to acquire managed lands
15 that are important to fish and wildlife.

16 The Barry's Ranch is a mosaic of natural
17 communities and is going to primarily provide habitat
18 to the gopher tortoise as well as the Sherman's fox
19 squirrel. And the property will be managed by the Fish
20 and Wildlife Conservation Commission.

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

22 CFO SINK: I move it.

23 ATTORNEY GENERAL McCOLLUM: Before we vote on

24 it --

25 GOVERNOR CRIST: General.

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1 ATTORNEY GENERAL McCOLLUM: Governor, I'd just
2 like to ask, as far as the mitigation for gopher
3 tortoises are concerned, is this a venue where you're
4 likely to have gophers transported from somewhere else
5 to this property, or is this just for the protection of
6 the gophers that are on that property currently?

7 MR. SOLE: I'd like to defer to Gary Cochran with
8 the Fish and Wildlife Conservation Commission, if I
9 can, General.

10 MR. COCHRAN: Good morning.

11 ATTORNEY GENERAL McCOLLUM: Good morning.

12 MR. COCHRAN: Governor, members of the Cabinet.

13 General McCollum, this site will be evaluated to
14 determine if it is an appropriate restocking site.

15 Right now we don't believe that that will be the case,
16 but there are some areas on the site that have been
17 used more actively for agricultural practices in the
18 past.

19 Those areas, over time, will be restored, and it
20 is possible that some of those areas may be, at some

21 point in time, deemed suitable for relocation. But at
22 this time we are not planning on this specific site.

23 ATTORNEY GENERAL McCOLLUM: I just wondered, from
24 the description, it sounded like we might be doing
25 that.

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1 MR. COCHRAN: We may do that. That is under
2 active review and research by the Commission
3 scientists. We are currently working on developing new
4 rules governing the Gopher Tortoise Mitigation Program.
5 And among the many policies we are considering is
6 restocking sites elsewhere in the state, both on
7 private lands and on public lands.

8 ATTORNEY GENERAL McCOLLUM: I've been concerned
9 for some time about the fact that the rules allowed for
10 some developers to have a little tradeoff so they could
11 literally eliminate the gopher tortoises physically,
12 you know, exterminate them as part of their tradeoff in
13 the development process.

14 Whereas, it seemed to me, if you had more land
15 available and it made it easier for the relocation of
16 these tortoises, we'd be saving their lives, not just
17 having a mitigation in the environment tradeoff, like
18 so many of them have done. So that's why I asked the
19 question. I hope you're able to use this land. If
20 not, maybe there's some more out there.

21 MR. COCHRAN: Well, there is. We have a number of
22 sites that have just recently been certified that are
23 private ownership lands that are acceptable for gopher
24 tortoise restocking, and we are evaluating publicly
25 held lands as well.

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1 ATTORNEY GENERAL McCOLLUM: I'll second the
2 approval.

3 GOVERNOR CRIST: We have a motion and a second.
4 Without objection show Item 2 approved.

5 MR. SOLE: Thank you, Governor, Cabinet.

6 GOVERNOR CRIST: Thank you very much, Secretary.

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1 GOVERNOR CRIST: SBA. Coleman Stipanovich.

2 MR. STIPANOVICH: Good morning, Governor. Good
3 morning, members.

4 GOVERNOR CRIST: Good morning. How are you, sir?

5 MR. STIPANOVICH: Doing very well. Thank you.

6 GOVERNOR CRIST: Is there a motion on the minutes?

7 CFO SINK: I move it.

8 ATTORNEY GENERAL McCOLLUM: Second.

9 GOVERNOR CRIST: Moved and seconded. Without
10 objection the minutes are approved. Item 2.

11 MR. STIPANOVICH: Item 2 is request for approval
12 of fiscal determination for the issuance of an amount
13 not exceeding 200 million Florida Housing Finance
14 Corporation Homeowner Mortgage Revenue Bonds.

15 GOVERNOR CRIST: Is there a motion on 2?

16 CFO SINK: I move it.

17 ATTORNEY GENERAL McCOLLUM: Second.

18 GOVERNOR CRIST: Moved and seconded. Without
19 objection Item 2 is approved. Item 3?

20 MR. STIPANOVICH: Item 3 is request for approval

21 of three rules, Governor and members. The first rule,
22 19-8.010 adopts the new reimbursement contract for the
23 2007-'08 contract year. This is something the SBA does
24 at about this time each year.

25 The new contract for this year reflects the recent

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1 changes in House Bill 1A that passed during the special
2 session, and it also clarifies various issues that came
3 up over the past year.

4 ATTORNEY GENERAL McCOLLUM: I move Item 3.

5 GOVERNOR CRIST: Motion on 3. Is there a second?

6 CFO SINK: Second.

7 GOVERNOR CRIST: Moved and seconded. Without
8 objection Item 3 is approved. And we are done. Thank
9 you very much.

10 (Whereupon, the proceeding was concluded at 9:45
11 a.m.)

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1 CERTIFICATE OF REPORTER

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3 STATE OF FLORIDA)

4 COUNTY OF LEON)

5

6 I, Jo Langston, Registered Professional Reporter,

7 do hereby certify that the foregoing pages 1 through 35,

8 both inclusive, comprise a true and correct transcript of

9 the proceeding; that said proceeding was taken by me

10 stenographically and transcribed by me as it now appears;

11 that I am not a relative or employee or attorney or counsel

12 of the parties, or a relative or employee of such attorney

13 or counsel, nor am I interested in this proceeding or its

14 outcome.

15 IN WITNESS WHEREOF, I have hereunto set my hand

16 this 20th day of February, 2007.

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21 JO LANGSTON

22 Registered Professional Reporter

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