

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

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Representing:

FINANCIAL SERVICES COMMISSION, OFFICE  
OF FINANCIAL REGULATION

DEPARTMENT OF REVENUE

BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND

STATE BOARD OF ADMINISTRATION

The above agencies came to be heard before  
THE FLORIDA CABINET, Honorable Governor Crist presiding,  
in the Cabinet Meeting Room, LL-03, The Capitol,  
Tallahassee, Florida, on Tuesday, August 28, 2007,  
commencing at approximately 9:10 a.m.

Reported by:

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## APPEARANCES:

Representing the Florida Cabinet:

CHARLIE CRIST  
Governor

CHARLES H. BRONSON  
Commissioner of Agriculture

BILL McCOLLUM  
Attorney General

ALEX SINK  
Chief Financial Officer

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## I N D E X

FINANCIAL SERVICES COMMISSION, OFFICE OF  
 FINANCIAL REGULATION  
 (Presented by DON SAXON)

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 (Presented by JIM ZINGALE)

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

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STATE BOARD OF ADMINISTRATION  
 (Presented by COLEMAN STIPANOVICH)

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

(The agenda items commenced at 9:30 a.m.)

GOVERNOR CRIST: Our next Cabinet meeting will be Wednesday, September the 19th. And with that, we will move on to the Financial Services Commission, Office of Financial Regulation, Don Saxon. Good morning, Don.

MR. SAXON: Good morning, Governor and members of the Cabinet. We have one action item today. The Office is requesting approval to publish a notice of proposed rulemaking for Chapter 69V-40, Florida Administrative Code. These proposed rules will implement and reflect the statutory changes made in 2006 dealing with the processing of applications for mortgage brokers.

GOVERNOR CRIST: Any questions? Is there a motion on Item 1?

CFO SINK: Move it.

ATTORNEY GENERAL McCOLLUM: Second.

GOVERNOR CRIST: Moved and seconded. Any discussion? Show it approved without objection. Thank you, Don.

MR. SAXON: Thank you, Governor.

1                   GOVERNOR CRIST: Department of Revenue,  
2                   Dr. Zingale.

3                   DR. ZINGALE: Good morning.

4                   GOVERNOR CRIST: Good morning, sir.

5                   DR. ZINGALE: The first item is a request for  
6                   adoption of the rules -- the minutes.

7                   GOVERNOR CRIST: Is there a motion on the  
8                   minutes?

9                   CFO SINK: Move it.

10                  COMMISSIONER BRONSON: Second.

11                  GOVERNOR CRIST: Moved and seconded. Show the  
12                  minutes approved.

13                  DR. ZINGALE: Request permission to adopt --  
14                  second item, request permission to adopt seven rule  
15                  changes to the property tax code.

16                  The first four are primarily cleanup,  
17                  clarifications, forms. Those four deal with  
18                  non-government leaseholds, veterans exemptions,  
19                  business-household separation, and the forms.

20                  The last three deal with recent law changes on  
21                  uninhabitable property and the protection of the  
22                  homestead exemption for those households, addition  
23                  of a person to the deed who has no intention of  
24                  getting an additional homestead exemption without  
25                  increasing the Save Our Homes cap, and expanding

1 the eligibility criteria for the deferred property  
2 tax program by lowering the eligibility age to 65  
3 and increasing the income limitation.

4 We request approval of adoption of those  
5 rules.

6 ATTORNEY GENERAL McCOLLUM: I move Item 2,  
7 Governor.

8 GOVERNOR CRIST: It is moved. Is there a  
9 second?

10 CFO SINK: Second it. I do have some  
11 questions.

12 GOVERNOR CRIST: Moved and seconded. CFO.

13 CFO SINK: Just on the homestead tax deferral,  
14 I want to be sure we've got this straight. This is  
15 for a situation of a lower income senior who can  
16 make some kind of application and not pay further  
17 property taxes. But then does the county  
18 eventually get compensated upon the death or the  
19 transfer of ownership?

20 DR. ZINGALE: Yes.

21 CFO SINK: Would you just clarify that?

22 DR. ZINGALE: Absolutely. The old income --  
23 the old age limitation was 70, and this lowered it  
24 to 65. The old income limitation was 12,000, and  
25 it raised it to 24. That got more in.

1           What that allows them to do is defer their  
2           annual property taxes until death. At that time,  
3           the property is sold, and the taxes are paid out of  
4           the proceeds.

5           CFO SINK: And what about if the property is  
6           willed to a child or a grandchild? At that point  
7           in time, is the heir responsible for --

8           DR. ZINGALE: Exactly.

9           CFO SINK: -- paying the taxes? All right.

10          DR. ZINGALE: So it's a deferral of the tax  
11          until either one of those two moments.

12          CFO SINK: This is a good thing.

13          The other question, Governor --

14          GOVERNOR CRIST: Yes, ma'am.

15          CFO SINK: I just had one more thing.

16          GOVERNOR CRIST: Please.

17          CFO SINK: I know that I followed you at the  
18          Senate budget hearing yesterday. And someone --  
19          and I don't have your proposed cuts with me, but  
20          someone just made a comment that for your  
21          department, when you make cuts, when you have to  
22          make cuts, because of the way your department runs,  
23          then that frequently means that it will defer the  
24          collection of rightfully owed taxes or our auditing  
25          and that sort of thing. Would you just kind of

1 review with the Cabinet briefly what kind of cuts  
2 you've been proposing to make out of your  
3 department?

4 DR. ZINGALE: Sure. The nature of how we're  
5 funded, we have three taxing -- we have three  
6 sources, general revenue, which is where the  
7 4 percent, billion-dollar problem is; administered  
8 funds, which is primarily the \$10 billion that we  
9 deal with, shared revenues with local government,  
10 we get a little administrative off of that; and  
11 federal dollars.

12 So for our cuts, the federal dollars you don't  
13 want to cut. The shared revenue sources you don't  
14 want to cut. It's primarily \$8 million in general  
15 revenue. Four of that was on the tax side, two and  
16 a half was on the child support side, and the rest  
17 was spread over the Department of Revenue.

18 Clearly, on the tax side, I understand your  
19 concern. Particularly if you'll look at the  
20 history of our tax program over the last 15 or 20  
21 years, we're actually running the tax program today  
22 at the same, almost identical cost after these cuts  
23 as 14 years ago. Okay? We're running it -- or 11  
24 years ago. We're running it today with 900 fewer  
25 FTE than we did 11 years ago, so it's pretty



1 reduced.

2 What we primarily did on the tax side was to  
3 look at some of our computer expenditures, almost a  
4 million dollars in slowing our computer  
5 modernization down. We had a couple of freebies,  
6 things that passed, didn't pass, but we were given  
7 legislation or money for that we gave up, which has  
8 no impact. Then we went down the vacancy side and  
9 took a little here and a little there.

10 None of that will have an impact on revenues.  
11 So we were able to deal with the tax program with  
12 very, very, very -- it's not going to have any  
13 impact on the revenue collection whatsoever --

14 CFO SINK: Good.

15 DR. ZINGALE: -- at the 4 percent level.

16 Six, for next year, when you starting getting  
17 into field positions, you'll lose revenue.  
18 Auditors bring in eight to one. Collectors bring  
19 in four to one. It will be very difficult.

20 We allowed the committee suggestions, three  
21 mitigation strategies. There's a chance on the  
22 child support side that the Federal Government will  
23 reverse this session the cutbacks that they took,  
24 and if they do, that would generate 11 million and  
25 solve all of our problems.

1           If there was any use of non-recurring money,  
2           one of the cuts on the child support -- on the tax  
3           side was, the intangible tax still has 17 positions  
4           in it that will be phased out over the next two  
5           years. We offered those cuts up, saying that we  
6           could finish those audits by, you know, shifting  
7           them around. A little non-recurring would keep  
8           that together for a little while.

9           You can certainly go in -- the local  
10          governments are getting a huge break in that  
11          \$10 billion we're bringing in. We don't charge  
12          them very much for administering the tax, and we  
13          could easily generate a couple of million there.

14          Four percent cuts, no significant problems.  
15          Six, it will be some difficulty.

16          CFO SINK: Thank you.

17          DR. ZINGALE: Thank you.

18          GOVERNOR CRIST: Thank you, Doctor. One of  
19          the most efficient Secretaries in Florida. We  
20          appreciate your good work.

21          I think we moved and seconded --

22          CFO SINK: We did.

23          GOVERNOR CRIST: Without objection, show Item  
24          2 adopted. Thank you, CFO.

25

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

3           MR. SOLE: Good morning, Governor and Cabinet  
4 members. I've got six items this morning.

5           Item Number 1 is an application for a 10-year  
6 sovereignty submerged lands lease for a 128-slip  
7 commercial marina open to the public in downtown  
8 Jacksonville. This site met all our rules and  
9 requirements, and it looked like it was moving  
10 forward quite swimmingly.

11           Unfortunately, as we went through the process,  
12 we found out that it did contravene the local  
13 downtown DRI with respect to the number of slips  
14 that are allowed. Fortunately, the applicant is  
15 pursuing that and is expected to hopefully gain  
16 that approval October 23rd of this year. And at  
17 this time, the Department is recommending that we  
18 withdraw this item until that local jurisdiction  
19 has ruled on and has accepted the proposal.

20           COMMISSIONER BRONSON: Governor, if I might.

21           GOVERNOR CRIST: Sure, Commissioner.

22           COMMISSIONER BRONSON: You know, I -- and I  
23 would assume that those who are seeking this  
24 approval are here. It was my understanding that  
25 this is being worked on, but that it appeared that

1           it would probably go through based on all the  
2           conditions, meeting all the conditions of the  
3           agreements and so forth. And rather than them  
4           having to come back in October for this, I would  
5           like to make a suggestion that we approve, subject  
6           to the approval of the special lease conditions and  
7           Jacksonville's DRI, assuming that the City of  
8           Jacksonville may approve this in October, rather  
9           than having them come all the way back here once  
10          those conditions are met and they meet the  
11          conditions of the lease approval.

12           MR. SOLE: Governor --

13           GOVERNOR CRIST: Did you want to comment?

14           MR. SOLE: Yes, sir. Not to confuse, but the  
15          applicant has not come today. We had talked with  
16          the applicant, and it was my understanding that  
17          they were comfortable and understood the basis of  
18          the Department's recommendation for withdrawal. I  
19          don't know if that changes your recommendation,  
20          Commissioner. I just wanted it to be clear that  
21          the applicant is not here today.

22           COMMISSIONER BRONSON: I would go ahead and  
23          make a motion. I mean, if they were told that it's  
24          going to be deferred because of that -- you know,  
25          it appears to me everything is almost worked out

1           except to make sure the DRI is in sync with it.  
2           And if they don't get the DRI, they don't get the  
3           permit. If they do get the DRI, they get the  
4           permit.

5           GOVERNOR CRIST: So it's a contingent --

6           COMMISSIONER BRONSON: Yes.

7           GOVERNOR CRIST: -- sort of thing.

8           CFO SINK: Governor, I'm happy to second it.  
9           I agree with Commissioner Bronson. This is a  
10          really exciting project for Jacksonville, and it's  
11          exactly the way that I believe we ought to be using  
12          our waterways. So I'll be happy to second it with  
13          these conditions, and then we won't be a part of  
14          the delay, any delay of the process.

15          ATTORNEY GENERAL McCOLLUM: And I'll support  
16          that too, so there's no reason to go on and come  
17          back again later, Mike.

18          GOVERNOR CRIST: Today does anyone want to  
19          speak against it?

20          Okay. Secretary, did you want to speak  
21          against it?

22          MR. SOLE: I don't want to speak against it,  
23          Governor. I want to be clear. I am in support of  
24          the project. It is a good project, I agree. I do  
25          think it's appropriate to give at least a little

1 bit of the philosophy of the Department's rationale  
2 for recommending a withdrawal, not recommending  
3 anything on the decision, but so just so you  
4 understand where we're coming from.

5 Frequently when these items go before local  
6 governments, there's numerous changes, or there can  
7 be numerous changes to them. I admit --  
8 Commissioner, I think you're right. I don't expect  
9 changes on this item. But as we process these  
10 items on behalf of the Board of Trustees, we've  
11 found that it is best to ensure that those local  
12 jurisdictions have moved forward in a clear and  
13 effective manner so that we're not coming back to  
14 the Board of Trustees requesting modifications  
15 based upon things that occurred at the local  
16 government.

17 I understand your recommendation,  
18 Commissioner, and again, on this project, I don't  
19 expect any problems, but I did want to share that  
20 rationale, because we do see frequently numerous  
21 changes at the local government level, and that's  
22 the basis for recommendation of a withdrawal at  
23 this time.

24 And I'll hush. Thank you.

25 GOVERNOR CRIST: Thank you, Secretary.

1 Well, we have a motion and a second and I  
2 think unanimous approval, so show it approved.

3 MR. SOLE: Thank you, Governor.

4 Excuse me. Item Number 2. This item is an  
5 application for a five-year -- excuse me, to amend  
6 a five-year sovereignty submerged lands lease.  
7 This is East Coast Trading Company. This project  
8 converts what is essentially a private fishing pier  
9 to a proposed 18-slip, open-to-the-public  
10 commercial marina. The lease period will be for  
11 ten years, and there will be an authorization or  
12 proposed authorization for some minor dredging, 110  
13 cubic yards, as well as placement of a 524-foot  
14 linear bulkhead or seawall.

15 CFO SINK: I move approval.

16 GOVERNOR CRIST: Is there a second?

17 COMMISSIONER BRONSON: Second.

18 GOVERNOR CRIST: Moved and seconded. Without  
19 objection, show it approved.

20 MR. SOLE: Thank you. Item Number 3 is  
21 consideration of a determination to convey .03  
22 acres of filled, formerly sovereignty submerged  
23 lands in Orange County on Little Lake Conway to Tom  
24 and Wendy Tanenbaum. And this item would be also  
25 considered to be in the public interest.

1 ATTORNEY GENERAL McCOLLUM: I move it.

2 COMMISSIONER BRONSON: Second.

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

5 MR. SOLE: Thank you. Item Number 4 is the  
6 Florida Forever Report/Priority List. This  
7 requests consideration of the August 2007 Florida  
8 Forever Report and the Florida Forever Priority  
9 List. The Acquisition and Restoration Council has  
10 met on several occasions and is proposing to add  
11 three new projects to the Florida Forever Project  
12 List, as well as amend the boundaries of six  
13 projects currently on that list.

14 ATTORNEY GENERAL McCOLLUM: I move it.

15 COMMISSIONER BRONSON: Motion on Item 4.

16 ATTORNEY GENERAL McCOLLUM: Second.

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

19 CFO SINK: Governor --

20 GOVERNOR CRIST: CFO.

21 CFO SINK: Could I make some comments about  
22 this?

23 GOVERNOR CRIST: Please.

24 CFO SINK: It's always exciting to add new  
25 projects to the list, but we're sitting here in a



1 situation where, for all intents and purposes, with  
2 the current funding situation, these projects --

3 GOVERNOR CRIST: It's going to be hard to buy  
4 them.

5 CFO SINK: -- may not occur. And I was  
6 particularly struck by this South -- I don't know  
7 how to pronounce it, South Goethe.

8 MR. SOLE: Goethe.

9 CFO SINK: South Goethe project. And I'm  
10 going to pass this map around, because one of the  
11 proposed areas -- do you have it up there?

12 MR. SOLE: Yes, ma'am.

13 CFO SINK: Okay.

14 GOVERNOR CRIST: Oh, great.

15 CFO SINK: So we can all see it.

16 General, this is kind of in your neck of the  
17 woods, just north of where you grew up. But you  
18 see the state forest up there to the north and the  
19 west, and that little squiggly mark is the Cross  
20 Florida Greenway project. And so the parcel that's  
21 being added for a boundary extension is this green  
22 part, which, you know, I got pretty excited about  
23 the possibility that the State might be able to  
24 acquire this parcel that actually connects this  
25 whole thing together.

1           And I think your hometown newspaper  
2           editorialized over the weekend about the fix that  
3           we're in. Here we are finally, after five or six  
4           years of paying enormously high prices for these  
5           properties, the real estate values are coming down,  
6           and these properties are becoming more affordable,  
7           and we're here just about out of money on our  
8           Florida Forever.

9           And albeit I know a lot of groups are working  
10          on a successor program, I'm just wondering whether  
11          Secretary Sole might come back to us and put all  
12          the creative juices and energies together and come  
13          up with some more creative ways to enable us in  
14          this interim period to maybe accelerate some of the  
15          acquisitions when we're truly presented with really  
16          good buying opportunities.

17          And I know this impacts your department pretty  
18          significantly, Commissioner.

19          COMMISSIONER BRONSON: Well, if I could speak  
20          to that, Governor.

21          GOVERNOR CRIST: Commissioner.

22          COMMISSIONER BRONSON: You know, we basically  
23          accelerated quite a bit these purchases based on  
24          availability and some other things because we were  
25          afraid the issues were going to raise the prices of

1 properties, and therefore we put them up a little  
2 bit early.

3 I will tell you that I am concerned about the  
4 continuing of doing some of this, simply because we  
5 are not moving the doc stamps that we were moving  
6 that helped us shore up where that money was coming  
7 from. As a matter of fact, those doc stamps are  
8 affecting my agency and probably a number of them  
9 here that have to deal -- especially DEP, who  
10 actually passes through to us some doc stamp money  
11 for keeping up the state forests and so forth.

12 So it does have a big impact, and I have been  
13 concerned. And the Governor, unfortunately, has  
14 sat through some of my diatribes on --

15 GOVERNOR CRIST: I enjoyed them, Commissioner.

16 COMMISSIONER BRONSON: On whether we keep  
17 buying without being able to properly manage the  
18 lands that we have. And if not having those doc  
19 stamp moneys means we cannot manage the land  
20 properly, we're getting to a point to where -- I  
21 know a lot of people want to buy more and save  
22 more, but if you can't take care of it, then we're  
23 not doing ourselves any justice by that. And I  
24 want to make sure that whatever we do, that we have  
25 the financial stability to back that up.

1           I mean, we're going through some pretty  
2 serious cuts now on GR. I know that there's a lot  
3 of people trying to convince us that even though  
4 we've used non-recurring money for recurring issues  
5 over the years, that they're not going to do that  
6 anymore, but that kind of leaves the pot pretty  
7 shallow when you look and there's no other money  
8 but recurring and non-recurring. There's no  
9 magical group of money out there.

10           The Legislature, and eventually with the  
11 Governor's signature, is going to have a very tough  
12 time discerning where our budget is now and where  
13 it's going to be in the next year or two and how  
14 we're going to be able to back up with good faith  
15 without those doc stamp moneys. I mean, we're  
16 looking at Citizens with -- we're carrying a lot of  
17 load here with potentials for Citizens to get in  
18 trouble just like everybody else in that field.

19           So I'm very cautious when we start talking  
20 about -- and I understand the positive side of  
21 where you're going here, but I want us to be very  
22 careful from the fiscal responsibility side that we  
23 don't overdo our capabilities here.

24           ATTORNEY GENERAL McCOLLUM: Commissioner, I  
25 just had a question. The doc stamp money you're

1 referring to goes to -- the portion you're  
2 concerned with goes to your managing the property  
3 once you have it, not the acquisition money for it.

4 COMMISSIONER BRONSON: That's part of it, but  
5 all of that doc stamp money, Governor, if I might,  
6 it's divided in so many ways. Doc stamp moneys are  
7 used for all types of programs with --

8 CFO SINK: Yes.

9 COMMISSIONER BRONSON: -- DEP, with us, with  
10 -- even moneys that are coming off like the -- some  
11 of the mosquito control issues, although a lot of  
12 that comes off the tire money and so forth. There  
13 are so many things paid for with doc stamp money,  
14 and I want to make sure -- now, if growth picks  
15 back up and people are changing and buying new  
16 homes and property and moving those properties  
17 around, the doc stamp money is going to pick up,  
18 but right now we're almost in a flat mode on --

19 ATTORNEY GENERAL McCOLLUM: No, I understand  
20 what you're saying, and I sympathize with that. I  
21 just have in my own mind a question that if we can  
22 find a way that, you know, is fundamentally sound  
23 from a business standpoint to acquire the land,  
24 even though you may not be able manage it properly  
25 -- I've been around a lot of Florida land, and so

1           have you over the year. It's better to have that  
2           in the State's hands when we can get it at a good  
3           price even if you can't properly manage it. It's  
4           sitting there. It obviously could be a hazard in a  
5           wildfire or whatever. I'm sure that's what's a  
6           concern to you if you can't manage it.

7                        But on the other hand, the point that CFO Sink  
8           is making, the pricing is really good right now.  
9           The availability of this land is important to us.  
10          If we can come up with some financing system that's  
11          sound for it, I think we ought to buy it and then  
12          worry about figuring out how to give you the money  
13          to manage it later.

14                      CFO SINK: Governor, what I'm proposing,  
15          because these are -- it's not a five-minute  
16          decision here. It's one in which we need to have  
17          the staff and the DEP come back, I believe, and  
18          address whether or not there is a fiscally sound,  
19          responsible way to achieve our goal, which ought to  
20          be, if it's financially possible, to acquire some  
21          more of these lands at a time when we have more  
22          motivated buyers than we did maybe five years ago  
23          and we don't have quite as much competition with  
24          people who want to build more rooftops.

25                      So whatever -- Governor, I'm just proposing,

1 if it's your pleasure, to ask Secretary Sole to  
2 come back in another two to four weeks and give us  
3 what the options are and what the cost would be and  
4 what the management implications are and that sort  
5 of thing. I think we have a sense here that --

6 GOVERNOR CRIST: I think that's great.

7 CFO SINK: And you, of course, tried encourage  
8 the Legislature at the last -- in your last budget  
9 to set aside some more --

10 GOVERNOR CRIST: Yes, ma'am.

11 CFO SINK: -- acquisition moneys, so you're at  
12 the forefront of trying to encourage ways to find  
13 more money.

14 GOVERNOR CRIST: Yes. I couldn't agree more.  
15 And I think the consensus, Secretary, from the  
16 Cabinet is to strive to be innovative in how we  
17 might be able to procure additional lands, but also  
18 be prudent, recognizing the current conditions that  
19 we're dealing with.

20 MR. SOLE: I've got it. Thank you.

21 GOVERNOR CRIST: Okay. So where were we?

22 MR. SOLE: We were about to talk about Item  
23 Number 5.

24 GOVERNOR CRIST: Number 5.

25 MR. SOLE: Item Number 5 is Point Washington

1 State Forest. This is consideration of an option  
2 agreement to acquire 9.9 acres within the  
3 Department of Agriculture and Consumer Services'  
4 Point Washington State Forest. This is an  
5 inholding. As such, we've also requested that we  
6 waive the survey requirement. The purchase price  
7 is \$810,000, which is 97 percent of the appraised  
8 value.

9 GOVERNOR CRIST: Is there a motion on 5?

10 CFO SINK: Move it.

11 ATTORNEY GENERAL McCOLLUM: Second.

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

14 MR. SOLE: Item Number 6 is New College  
15 Foundation. This is an option agreement to acquire  
16 1.17 acres within Sarasota County to benefit the  
17 Florida Board of Governors of New College. The  
18 acquisition is from the New College Foundation.  
19 The purchase price is \$1.255 million. And it's  
20 worth noting that the funds from this -- or for  
21 this acquisition are directly from a legislative  
22 appropriation directed to acquire this property.

23 ATTORNEY GENERAL McCOLLUM: Move it.

24 COMMISSIONER BRONSON: Second.

25 GOVERNOR CRIST: Moved and seconded. Show



1 Item 6 approved without objection.

2 CFO SINK: Governor, may I --

3 GOVERNOR CRIST: CFO, please.

4 CFO SINK: I would just like to make a comment  
5 about New College, since I know we have some  
6 representatives here. Maybe let's --

7 GOVERNOR CRIST: Good morning.

8 CFO SINK: I just wanted to point out to the  
9 Cabinet members, it was brought to my attention  
10 that -- we all know about the U.S. News and World  
11 Report college rankings, that New College, our  
12 state liberal arts public school, got the top  
13 ranking from public liberal arts colleges in the  
14 nation. And they were -- last year they were  
15 behind Annapolis and West Point, and this year they  
16 finished number one. Am I saying this accurately?

17 MR. MARTIN: That's close enough.

18 CFO SINK: Stand up and -- is that all right,  
19 Governor?

20 GOVERNOR CRIST: Could you represent -- of  
21 course, of course.

22 CFO SINK: Is it all right for me to let  
23 them --

24 GOVERNOR CRIST: Let's hear good news about  
25 our higher ed system.

1 CFO SINK: But as a Floridian, I'm really,  
2 really proud of this. This is something unique and  
3 unusual in a time where we're worried about our  
4 higher ed system for us to have such a top ranked,  
5 very unique school. Give us your commercial.

6 MR. MARTIN: Thank you.

7 GOVERNOR CRIST: Good morning.

8 MR. MARTIN: Last year, up until Friday a week  
9 ago --

10 CFO SINK: Would you like to introduce  
11 yourself?

12 MR. MARTIN: Oh, yes. John Martin. I'm the  
13 Vice President for Finance and Administration at  
14 New College.

15 Last year, the college was ranked as the  
16 number one public liberal arts college in America.  
17 And this year, in U.S. News and World Report, the  
18 military academies moved from whatever ranking  
19 division they were in before to the public liberal  
20 arts ranking, so West Point and Annapolis actually  
21 moved ahead of us. But frankly, it's not bad  
22 company to be associated with, and we'll take that  
23 number four ranking this year and be very pleased.  
24 Our faculty and students are absolutely terrific,  
25 and I think they do the State of Florida proud.

1 GOVERNOR CRIST: Great. Congratulations.

2 CFO SINK: Thank you, Governor.

3 MR. MARTIN: Thank you.

4 GOVERNOR CRIST: Thank you.

5 COMMISSIONER BRONSON: I guess there's a  
6 different category, liberal arts with a gun and  
7 liberal arts without a gun.

8 (Laughter.)

9 GOVERNOR CRIST: So it would appear.

10 MR. SOLE: Governor, that concludes the Board  
11 of Trustees. Thank you very much.

12 GOVERNOR CRIST: Thank you. We approved that  
13 item.

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1 GOVERNOR CRIST: SBA. Coleman.

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

4 GOVERNOR CRIST: Good morning. You have the  
5 floor.

6 MR. STIPANOVICH: Item Number 1 is a request  
7 for approval of the minutes of the July 31, 2007  
8 meeting.

9 ATTORNEY GENERAL McCOLLUM: So move.

10 CFO SINK: Second.

11 GOVERNOR CRIST: Moved and seconded. Show the  
12 minutes approved. Thank you.

13 MR. STIPANOVICH: Item Number 2 is a request  
14 for approval of a fiscal determination for the  
15 issuance of an amount not exceeding 250 million  
16 Florida Housing Finance Corporation homeowner and  
17 mortgage revenue bonds.

18 CFO SINK: Move it.

19 ATTORNEY GENERAL McCOLLUM: Second.

20 GOVERNOR CRIST: Moved and seconded. Show  
21 Item 2 approved without objection.

22 MR. STIPANOVICH: Item 3 is a request for  
23 approval of a fiscal determination for the issuance  
24 of an amount not exceeding 6,7000,000 tax-exempt  
25 Florida Housing Finance Corporation multifamily

1 mortgage revenue bonds.

2 ATTORNEY GENERAL McCOLLUM: I move it.

3 CFO SINK: Second.

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

6 MR. STIPANOVICH: Item 4 is a request for  
7 approval of a fiscal determination for the issuance  
8 of an amount not exceeding \$3,654,876,000  
9 tax-exempt Florida Housing Finance Corporation  
10 multifamily mortgage revenue bonds.

11 CFO SINK: Move it.

12 ATTORNEY GENERAL McCOLLUM: Second.

13 GOVERNOR CRIST: Moved and seconded. Show  
14 Item 4 approved without objection.

15 MR. STIPANOVICH: Item 5 is a request for  
16 approval of a fiscal determination for the issuance  
17 of an amount not exceeding 2,137,500 tax-exempt  
18 Florida Housing Finance Corporation multifamily  
19 mortgage revenue bonds.

20 ATTORNEY GENERAL McCOLLUM: Move it.

21 CFO SINK: Second.

22 GOVERNOR CRIST: Moved and seconded. Show  
23 Item 5 approved without objection.

24 MR. STIPANOVICH: Item Number 6, the final  
25 item, is a request for approval of a fiscal

1 determination for the issuance of an amount not  
2 exceeding 2,067,500 tax-exempt Florida Housing  
3 Finance Corporation multifamily mortgage revenue  
4 bonds.

5 CFO SINK: Move it.

6 ATTORNEY GENERAL McCOLLUM: Second.

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

9 ATTORNEY GENERAL McCOLLUM: Governor, before  
10 we leave, I know we just ran through a series of  
11 these things, and while I think I understand it  
12 pretty well, folks watch us on television and  
13 otherwise. Probably some people wonder what the  
14 Florida Housing Finance Corporation homeowner  
15 mortgage revenue program is, and I just wondered if  
16 you couldn't very briefly describe the function,  
17 what's the purpose, what are we doing here, what's  
18 this about, so it doesn't sound like we just ran  
19 through this and everybody wonders what it was.

20 MR. STIPANOVICH: Well, that's a good question  
21 that's never been asked, General, so I made sure --  
22 I thought that question was going to come up  
23 someday, so we always have the Florida Housing  
24 Finance Corporation people here, so why don't I let  
25 them explain exactly what it is they do.

1           ATTORNEY GENERAL McCOLLUM:  If you would  
2           indulge, only momentarily.

3           GOVERNOR CRIST:  Sure, of course.

4           ATTORNEY GENERAL McCOLLUM:  I think it would  
5           be good for the record --

6           GOVERNOR CRIST:  Great point.

7           ATTORNEY GENERAL McCOLLUM:  -- to let people  
8           understand what this is.  And it's very important.

9           MR. STIPANOVICH:  I understand the fiscal part  
10          of it and what we do, but exactly what they do,  
11          I'll let them tell you.

12          MS. GOLTZ:  Good morning.  My name is Barbara  
13          Goltz.  I'm the CFO for Florida Housing Finance  
14          Corporation.  I'll talk on the single-family  
15          program, the first item on your -- or the second  
16          item on your agenda.

17                 What we're doing is selling bonds to provide  
18          the opportunity for people who are going to be  
19          first-time home buyers to go out to their lender  
20          and purchase a house, get a mortgage, purchase a  
21          house.  And then what we do is, we buy those loans  
22          from the lender, and we package them.  We sell them  
23          to -- as Jennies, Fannies, and Freddie's, and that  
24          means for us that Florida Housing Finance  
25          Corporation moves the risk to those federally

1 authorized organizations.

2 So what we're primarily doing is providing the  
3 funding for a person who goes out to buy a home and  
4 know that the lender from whom they're getting  
5 their actual mortgage is going to have us behind  
6 them buying that mortgage.

7 ATTORNEY GENERAL McCOLLUM: Now, let me ask  
8 you a question. In the news recently we've read  
9 lot about the subprime mortgages. That has been  
10 the hot topic at the moment. And there has been  
11 commentary that -- I think if the mortgage is not  
12 over, or under \$247,000, or something like that --  
13 I can't remember which one it is, that Fannie Mae  
14 or Freddie Mac won't take these. Do you have a  
15 floor with regard to this, or a ceiling, or  
16 whatever, as to what mortgages you move, or do you  
17 know?

18 MS. GOLTZ: Right. I think the largest  
19 mortgage that we have actually purchased is in one  
20 of the southern counties, and I think it was  
21 416,000, and that is, I believe, 1,000 below the  
22 amount so that Freddie, Fannie, and Jennie will buy  
23 that mortgage. I think it's 417,000 which is their  
24 limit. But that's -- we only do those -- ours are  
25 typically in the, you know, 200,000, 225,000 range.



1           ATTORNEY GENERAL McCOLLUM: All right. Thank  
2 you. I just wanted that general explanation,  
3 unless somebody has a question. Maybe the CFO  
4 does.

5           GOVERNOR CRIST: That's great. Thank you.

6           ATTORNEY GENERAL McCOLLUM: And the  
7 multifamily is a whole 'nother story. You do that  
8 as well.

9           MS. GOLTZ: Yes, it is. Thank you.

10          ATTORNEY GENERAL McCOLLUM: Be just as brief.  
11 I'm just looking for putting it on the record, but  
12 what is it you do?

13          MR. CONNER: Thank you very much. My name is  
14 Wayne Conner, and I'm responsible for the  
15 multifamily bond program.

16          And again, the State of Florida, as all states  
17 in the United States, receives a private activity  
18 bond allocation from the Federal Government in  
19 which we're able to issue tax-exempt bonds. We do  
20 that in connection with developers around the  
21 state, or even housing authorities, and develop and  
22 do the financing to help build apartment complexes  
23 for rent of our citizens in the State of Florida.

24          ATTORNEY GENERAL McCOLLUM: Thank you very  
25 much. Thank you, Governor.

1                   GOVERNOR CRIST: Thank you, General. Thank  
2                   you very much. Have a great day.

3                   (Proceedings concluded at 10:00 a.m.)  
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CERTIFICATE OF REPORTER

STATE OF FLORIDA:

COUNTY OF LEON:

I, MARY ALLEN NEEL, Registered Professional Reporter, do hereby certify that the foregoing proceedings were taken before me at the time and place therein designated; that my shorthand notes were thereafter translated under my supervision; and the foregoing pages numbered 1 through 34 are a true and correct record of the aforesaid proceedings.

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

DATED THIS 10th day of September, 2007.

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