

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

Representing:

DIVISION OF BOND FINANCE
FINANCIAL SERVICES COMMISSION, INSURANCE REGULATION
DEPARTMENT OF REVENUE
DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES
FLORIDA DEPARTMENT OF LAW ENFORCEMENT
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, February 26, 2008,
commencing at approximately 9:05 a.m.

Reported by:

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APPEARANCES:

Representing the Florida Cabinet:

CHARLIE CRIST
Governor

CHARLES H. BRONSON
Commissioner of Agriculture

BILL McCOLLUM
Attorney General

ALEX SINK
Chief Financial Officer

* * *

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P R O C E E D I N G S

(The agenda items commenced at 9:44 a.m.)

GOVERNOR CRIST: The next cabinet meeting will be Tuesday, March 11th. Bond Finance, Ben Watkins.

CFO SINK: Governor, I have an issue to bring up. I can bring it up anytime, but --

GOVERNOR CRIST: Why don't you do it now?

CFO SINK: Okay. I was thinking maybe I was going to go before Bond Finance.

Governor and Cabinet members, this is about the issue of the appointment of our first head for the Agency for Enterprise Information Technology, AEIT. This is a position that we identified, we collectively identified as really important for the State to have a very high level IT professional help guide and direct all the state agencies in our decisions about enterprise technology. It kind of came about as a result of the problems that we had with our own Project Aspire, the MyFlorida Marketplace, the People First program.

Your appointment -- I'm your appointment on the Council for Efficient Government that Linda South is running, and they're doing really good work. But the four of us did agree last summer -- actually, we've been working on this since last

1 July to put a search out for a very high level IT
2 executive. And we've been really fortunate that
3 Jim Zingale was willing to come in and serve as the
4 interim director and help guide the search process.

5 And so the reason I'm bringing this up today
6 is because, in the words of Bob Edgar, we do kind
7 of have the urgency of now, because a couple of
8 candidates were identified. All of our staffs have
9 interviewed the candidates, and it appears that our
10 staffs are at an impasse, and that's why it's -- I
11 think we need to raise the level of conversation to
12 the four of us.

13 We have a very, very strong candidate. In
14 fact, according to my staff people who participated
15 in the interviews, they came back after every
16 interview and said just how terrific this
17 candidate, Jim Wilson, is and how lucky we would be
18 to get him working for the State of Florida at the
19 salary level which we advertised. And, of course,
20 we advertised a range of salary, and his
21 requirements are within that range.

22 The issue is, and the reason I'm bringing this
23 up today is that he did send a message back to our
24 staff that he has other job opportunities and that
25 he's within a matter of a couple of days of

1 accepting another opportunity, because we've kind
2 of drug this process on for a long time. And you
3 -- I think that the way I understand it, though, it
4 has to be a majority vote of the four of us to
5 appoint someone, but you have to be on the
6 prevailing side.

7 And I just -- and I'm sure Commissioner
8 Bronson and General McCollum have gotten some
9 feedback from their staff. They probably, I hope,
10 want to weigh in too. But at least from my
11 perspective, if we can find somebody that's of this
12 high caliber who has gone through a very extensive
13 interview process -- he's within the salary range
14 that we advertised. I don't think we want to start
15 advertising salary ranges and then go back and tell
16 somebody, "Well, it's not really that range. It's
17 something different."

18 GOVERNOR CRIST: Do you recall the range
19 offhand? Does anybody know the range?

20 CABINET STAFF: 120.

21 GOVERNOR CRIST: 120 to what?

22 CFO SINK: A minimum of 120 and up. But
23 this --

24 GOVERNOR CRIST: Was their a ceiling?

25 CFO SINK: No, there was not a ceiling.

1 GOVERNOR CRIST: So we advertised 120? All
2 right.

3 CFO SINK: A minimum of 120. It's my
4 understanding that this candidate is asking for the
5 165 range, 160. And from everything I understand,
6 he's worth every penny of it. And I know that's a
7 little bit higher range. It's a higher range than
8 we may be paying maybe other state agency heads,
9 but none of those other state agency heads could go
10 and take this job, because it's in IT, and the
11 demand for accomplished IT professionals -- in
12 fact, for this particular job, everything we're
13 asking this person to do, in the private sector, of
14 course, it would be a \$300,000 job.

15 So I think that -- personally, I think we
16 shouldn't be quibbling over 10 or \$20,000. And I
17 just want to encourage you directly -- I would be
18 doing this in the privacy of your office if we
19 didn't operate under the sunshine, as Common Cause
20 says.

21 GOVERNOR CRIST: I like it. That's why I ran.

22 CFO SINK: And I agree with you. I think it's
23 a good thing. And I just invite -- of course, I'm
24 just one vote and one opinion, and perhaps the
25 other Cabinet members want to weigh in here.

1 GOVERNOR CRIST: General.

2 ATTORNEY GENERAL McCOLLUM: If I could,
3 Governor, I've had my staff too talk to me about
4 this, and apparently all the staffs are very
5 impressed, I think including yours, with this
6 particular candidate. The issue is all salary, as
7 I understand it, and I gather -- again this is all
8 staff discussion with me, because we can't, as Alex
9 says, talk privately -- over the fact that I think
10 120 is sort of the max or that range that currently
11 we pay Cabinet officers or people that are in your
12 Cabinet, the secretaries of various departments.

13 And so I think the concern was where we go,
14 and I'm sure it is a policy issue with making
15 exceptions to that for people who have really
16 specialized training. This probably won't be the
17 only time we face this. I think when we're looking
18 now at the State Board of Administration issues, we
19 face a similar thing, maybe at a higher level than
20 this. This is relatively modest compared to what
21 we might have to pay to get the talent that the
22 outside world has.

23 So my judgment is -- of course, this is just
24 me too, but is that we need to be capturing the
25 best people we can. We couldn't pay this guy 3 or

1 \$400,000, but he could be making that probably on
2 the outside, from what my staff tells me. And
3 consequently, to pay him what he wants, the 160,
4 for the talent that he brings to this particular
5 job as opposed to all the other candidates that
6 have been looked at, it strikes me that it's a good
7 deal.

8 And we need to establish, at least I would
9 like to see us do it, a few policy guidelines where
10 we make exceptions for people in talented areas
11 that are in great demand on the outside and where
12 we simply can't get this kind of person for this
13 particular talent they have for the kind of range
14 that we would normally have for administration and
15 executive functions of our agencies that are, you
16 know, things that we -- for better or for worse, we
17 have a lot of good people willing to come serve for
18 a lot less than maybe they would get on the
19 outside, but in the tech world, it's hard to find
20 that person who will come in here. And this is a
21 tech job, just as the SBA is a technical job.

22 So I would encourage some latitude here,
23 consideration of a range beyond the 120 figure or
24 the 130 figure, whatever it is right now with your
25 staff, that I understand is where it is.

1 GOVERNOR CRIST: Commissioner.

2 COMMISSIONER BRONSON: Thank you, Governor.

3 You know, I looked at a number of issues that our
4 department has to handle on a regular basis, and of
5 course, IT is big in our department too. We have
6 specialized issues where we have to use developed
7 IT in our own department, and now I know that there
8 is the idea that we need to blend as much as
9 possible, as much cross-use in the IT world as we
10 can.

11 And considering that some of these issues are
12 hundreds of millions at the least, and billions on
13 the upper side of what we're looking at, at
14 possible either savings or costs to the State,
15 having a super, well-trained, high-tech IT person
16 is probably what we need to do to save us money and
17 not cost us money at the state level.

18 And I think when you consider that private
19 range compared to what we may get somebody at that
20 level for above 120, that maybe some consideration
21 might be given to that fact. I know what it has
22 cost us to do our IT, and it's been very expensive,
23 and we've got some very good people working on it.
24 I think it's going to get more expensive.

25 As you're well aware, Governor, when we were

1 in the Senate, I sat on the committee that talked
2 about 800 megahertz until I was blue in the face,
3 and that was a billion dollars worth of 800
4 megahertz, only to have 9/11 come along, and all
5 the emergency stuff is being switched to a totally
6 different system now. And we never quite got 800
7 megahertz to work like we were hoping to, and it
8 cost us that much money. I would hate to see us
9 get in that position again with IT, and I would
10 like to see reconsideration of that figure.

11 GOVERNOR CRIST: I hear your plea. I don't
12 think it's just a monetary issue, though, although
13 that certainly is one that's important. I know
14 it's important to the taxpayers out there. And I'm
15 certainly willing to consider it. You're right,
16 you do need my vote to do this.

17 But I think there's also another
18 consideration. My understanding is that there's
19 another applicant who is willing to take the
20 advertised 120. And so what I would like to do is
21 maybe have the opportunity to visit with this
22 individual, over the next couple of days if time is
23 of the essence, and then give it all due
24 consideration. I appreciate your bringing it to
25 our attention, to my attention.

1 CFO SINK: Governor, let me just add that
2 there was a second candidate, but just speaking
3 from my point of view, we would ask that if our --
4 if Mr. Wilson is not going to be able to be
5 secured, we're not agreeable with the second
6 candidate. We just didn't feel that he had the
7 strength or the qualifications required, and so we
8 would ask that the search be reopened. And, of
9 course, that means another 90 or 120 days, and all
10 of a sudden we've gone a whole year without filling
11 this important position.

12 And I would just like to say, to use one of my
13 expressions, a bird in the hand is worth two in the
14 bush, and we've got a good bird in the hand, we
15 believe, and I just encourage you very strongly to
16 meet with this top candidate and make your own
17 assessment.

18 GOVERNOR CRIST: Sure. Happy to do so. Thank
19 you very much.

20 CFO SINK: Thank you.
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1 GOVERNOR CRIST: Ben Watkins.

2 MR. WATKINS: Good morning, Governor and
3 Cabinet members. Item Number 1 is approval of the
4 minutes of the February 12th meeting.

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

7 COMMISSIONER BRONSON: Motion.

8 ATTORNEY GENERAL McCOLLUM: Second.

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

11 MR. WATKINS: Item Number 2 is a resolution
12 authorizing the issuance of up to \$43,656,000 of
13 Capital Outlay Bonds for school construction at the
14 local districts.

15 COMMISSIONER BRONSON: Motion on Item 2.

16 GOVERNOR CRIST: Is there a second?

17 ATTORNEY GENERAL McCOLLUM: Second.

18 GOVERNOR CRIST: Moved and seconded. Show
19 Item 2 approved without objection.

20 MR. WATKINS: Item Number 3 is a resolution
21 authorizing the distribution of a request for
22 proposal to engage in a competitive selection
23 process for a pool of qualified financial advisors.

24 ATTORNEY GENERAL McCOLLUM: I move Item 3.

25 COMMISSIONER BRONSON: Second.

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

3 CFO SINK: Governor, could I just ask Ben a
4 question?

5 GOVERNOR CRIST: CFO.

6 CFO SINK: Tell me about the composition of
7 the selection committee.

8 MR. WATKINS: We will formulate a selection
9 committee, and I invited representatives from your
10 offices to participate, as we customarily do. We
11 have a representative from your office and a
12 representative from the AG's office. Of course,
13 any office is welcome to participate. It also will
14 include representatives from my office. We'll
15 distribute an RFP, get them back, grade questions
16 that are asked independently, each member,
17 aggregate the scores, come up with a ranking, and
18 bring that ranking back to you as a recommendation
19 at a subsequent meeting.

20 CFO SINK: Okay. Thank you.

21 GOVERNOR CRIST: Thank you, Ben. Item 4.

22 MR. WATKINS: Item 4 is a report of award on
23 the competitive sale of \$300 million in Public
24 Education Capital Outlay Bonds. The bonds were
25 awarded to the low bidder at a true interest cost

1 of approximately 4.43 percent.

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

3 COMMISSIONER BRONSON: Motion on Item 4.

4 ATTORNEY GENERAL McCOLLUM: Second.

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

7 MR. WATKINS: And lastly, Item 5 is a
8 resolution authorizing the issuance and sale of up
9 \$220 million of Everglades Restoration Refunding
10 Bonds. The authorization is being requested in
11 connection with fixing the interest rate on the
12 Everglades funds which currently bear interest at a
13 weekly variable rate, which is higher than it
14 should be because of uncertainty in the markets
15 with bond insurance companies.

16 ATTORNEY GENERAL McCOLLUM: I move Item 5.

17 COMMISSIONER BRONSON: Second.

18 GOVERNOR CRIST: Moved and seconded. Show
19 Item 5 approved without objection. Thank you, Ben.

20 MR. WATKINS: Thank you very much.

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1 GOVERNOR CRIST: Financial Services
2 Commission, Commissioner McCarty. Good morning,
3 Commissioner. How are you this morning?

4 MR. McCARTY: Good morning, Governor and
5 Cabinet. Item Number 1 is approval of the minutes
6 from the December 18, 2007 meeting.

7 CFO SINK: Move approval.

8 COMMISSIONER BRONSON: Second.

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

11 MR. McCARTY: Agenda Item 2 is a request for
12 publication to repeal Rule 69P-2.001, .002. This
13 was the Property and Casualty Joint Underwriting
14 Association plan of operation. This was merged
15 into Citizens by action of the Legislature in 2007.
16 This merely repeals the plan of operation.

17 CFO SINK: Move it.

18 ATTORNEY GENERAL McCOLLUM: Second.

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

21 MR. McCARTY: Agenda Item 3 is approval for
22 publication of amendments to Rule 690-157.302, 3,
23 and 4 as it relates to long-term care. This rule
24 implements the provisions of Chapter 627.9407 which
25 was enacted by the Legislature in 2007 to protect

1 senior citizens from excessive rates and unfair
2 business practices. This establishes the 2008
3 rates.

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

5 COMMISSIONER BRONSON: Motion on Item 3.

6 CFO SINK: Second.

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

9 MR. McCARTY: Item 4 is a request for approval
10 for publication of the discount medical plan annual
11 report. This rule adopts the form to be used by
12 the discount medical organizations when filing
13 their annual reports with the Office of Insurance
14 Regulation.

15 ATTORNEY GENERAL McCOLLUM: Move Item 4.

16 CFO SINK: Second.

17 GOVERNOR CRIST: Move and seconded. Show Item
18 4 approved without objection. Thank you very much.

19 MR. McCARTY: Thank you, Governor.

20 GOVERNOR CRIST: Appreciate it, Commissioner.
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1 GOVERNOR CRIST: Next, Department of Revenue,
2 Lisa Echeverri. Did I say it right, Lisa?

3 MS. ECHEVERRI: Good morning. Yes, you did.

4 Item 1, we request approval of the minutes
5 from the January 31st, 2008 meeting.

6 COMMISSIONER BRONSON: Motion on Item 1.

7 CFO SINK: Second.

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

10 MS. ECHEVERRI: Item 2, we request approval of
11 rule amendments to adopt statutory changes making
12 it easier for businesses to purchase industrial
13 machinery and equipment under the sales tax
14 exemption provided by law.

15 GOVERNOR CRIST: Is there a motion for Item 2?

16 COMMISSIONER BRONSON: Motion on Item 2.

17 ATTORNEY GENERAL McCOLLUM: Second.

18 GOVERNOR CRIST: Moved and seconded. Show
19 Item 2 approved without objection. Thank you very
20 much.

21 MS. ECHEVERRI: Thank you.

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1 GOVERNOR CRIST: Highway Safety, Electra
2 Bustle. Good morning, Director. How are you?

3 MS. BUSTLE: Very well. How are you?

4 GOVERNOR CRIST: Doing great. Thanks.

5 MS. BUSTLE: Item Number 1, we specifically
6 submit the minutes for the approval of the November
7 14th, 2007 Cabinet meeting.

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

10 CFO SINK: Move it.

11 COMMISSIONER BRONSON: Second.

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

14 MS. BUSTLE: Item Number 2, submission of the
15 minutes for the December 18, 2007 Cabinet meeting.

16 CFO SINK: Move it.

17 ATTORNEY GENERAL McCOLLUM: Second.

18 COMMISSIONER BRONSON: Second.

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

21 MS. BUSTLE: Item Number 3 is our second
22 quarter performance report, and I just want to
23 spend just a couple of minutes on that.

24 GOVERNOR CRIST: Please.

25 MS. BUSTLE: We had a busy quarter. I would

1 like to take a few minutes to talk about a couple
2 of things in more depth. Specifically, on one of
3 the first pages we talk about the initiatives.
4 You'll see something called rapid ID, and I
5 provided you a little show-and-tell today on your
6 desk. This is actually the real device that we're
7 talking about. You have a stress reliever that was
8 created, not that any of you need it.

9 GOVERNOR CRIST: Yeah, right.

10 COMMISSIONER BRONSON: I need a bigger one.

11 MS. BUSTLE: But this is an amazing device.

12 This is in partnership with the Florida Department
13 of Law Enforcement. They created this capability,
14 and our troopers are utilizing it currently out on
15 the road. We have five of these devices out on the
16 road. They're worn on the troopers' belts, and
17 they are used to identify people roadside who may
18 not have identification or who may not be truthful
19 about who they are. It remotely sends one or two
20 digit fingerprints through FDLE, through their
21 automated fingerprint system. There are 16 million
22 fingerprints in that system, and in less than a
23 minute, the results go back to the trooper on the
24 road to let them know if they have in front of them
25 someone that had been arrested in the past and

1 fingerprints taken at a booking facility or
2 otherwise.

3 We've seen some great success stories. We've
4 arrested people with outstanding warrants. We have
5 actually arrested someone that was a fugitive from
6 another state, from Texas. We've also cleared a
7 driver who had no identification at a traffic stop,
8 but when we ran his name, it came up that he had
9 been arrested. Once we used the fingerprint
10 device, we realized that the fingerprints did not
11 match the fingerprints that were on file with the
12 Florida Department of Law Enforcement, and what
13 that means is someone had used this individual's
14 name while they were being arrested, but the
15 fingerprints were able to determine it was not the
16 same person. That individual was arrested on
17 additional charges, including fraud, and we were
18 able to clear the driver's identity.

19 So we see some great uses for this rapid
20 identification device, and we've asked for domestic
21 security grant dollars for additional devices, and
22 we're waiting to see how much of those dollars come
23 down.

24 GOVERNOR CRIST: Strikes me as a real Homeland
25 Security issue.

1 MS. BUSTLE: It is. We're excited about it.
2 And this is a prototype.

3 CFO SINK: How much do they cost?

4 MS. BUSTLE: 1,200 a device. This is a
5 prototype here. The original ones were about the
6 size of a brick.

7 GOVERNOR CRIST: Safety is not cheap,
8 apparently.

9 MS. BUSTLE: On the customer service side, we
10 would -- like you, we're focused on improving our
11 service delivery. Effective January 2nd, 2008,
12 customers have the option to register their
13 vehicles for two years rather than one year, which
14 is a great customer convenience. And since it
15 became effective, we already have 58,000 people who
16 have taken advantage of this new option.

17 We've also expanded our review of our customer
18 satisfaction in our driver's licenses. Obviously,
19 we are tracking wait times, which is critical, but
20 we're also asking customers to rate their overall
21 experience, including attitudes of our members,
22 cleanliness of our facilities, ease of service, and
23 overall customer service. And in order to manage
24 this information more effectively, we've created a
25 customer service score card, which you have in your

1 packet there.

2 The score card is based on over 150,000
3 responses to our in-office and on-line surveys.
4 Customers have consistently rated our service as
5 very good and excellent in nearly all delivery
6 channels, which is great news. 80 percent of our
7 customers are reporting they are waiting 15 minutes
8 or less. 95 percent are reporting that they waited
9 less than 30 minutes. And in addition to that, our
10 inspector general went throughout the state in
11 December and January and timed actual transactions
12 in driver's license offices, and they validated the
13 survey results, finding an average of 12 minutes or
14 less wait time statewide.

15 We know we still have work to do, but we've
16 made great strides, and we're committing to
17 ensuring that our customers have the highest
18 quality experience in our offices.

19 I'm also happy to tell you that we will begin
20 accepting credit cards in our driver's license
21 offices April 1st, 2008. We're excited about this
22 new program and believe there will be not only
23 efficiencies gained for our business processes, our
24 folks not handling as much money, cash, as they do
25 every day, but our customers, obviously, it's a

1 great convenience for them.

2 CFO Sink, I want to specifically thank your
3 people who have really stepped up and helped us
4 navigate our way through to get these credit cards
5 on-line. We will have MasterCard, Discover, and
6 American Express effective April 1st, 2008, in our
7 offices.

8 In closing, let me just say that we're focused
9 on being a proactive, professional, and proud
10 department, and we want to lead the way to a safer
11 Florida. Thank you very much.

12 GOVERNOR CRIST: Thank you. Any questions?

13 CFO SINK: Yes, Governor, I have one.

14 GOVERNOR CRIST: CFO.

15 CFO SINK: I know that we went through a
16 little 60-day period there without PIP, and it was
17 reinstated January the 1st. Did you have any
18 transition issues? I know that one of the key
19 parts about the PIP law is that it enables you to
20 identify people who have lapses in insurance, and
21 that's why we have such a high insured motorist
22 rate in this state. What was your experience, if
23 any?

24 MS. BUSTLE: Actually, since January, we sent
25 62,000 letters, first notices telling people that

1 your license will be suspended if you don't produce
2 proof of insurance. 60,000 of those letters are
3 expected to be sent in February. We've had 24,000
4 suspensions since January, and we expect an equal
5 number in February. And we've collected
6 approximately 2.5 million from the folks who had
7 their license reinstated. We haven't seen any
8 hiccups in the system. We've been able to stand it
9 up and begin where we left off, no problems.

10 GOVERNOR CRIST: Electra, could you share with
11 us your hours of operation and the days that you're
12 open for driver's license, as a reminder?

13 MS. BUSTLE: Yes. For those watching, Monday
14 through Friday, 8:00 to 5:00, and Tuesday and
15 Thursday, 8:00 to 6:00.

16 GOVERNOR CRIST: What was it before then,
17 before you changed it?

18 MS. BUSTLE: It was for the most part four
19 days a week, 10 hours a day, so either Monday or
20 Friday it was closed.

21 GOVERNOR CRIST: The people appreciate your
22 change.

23 MS. BUSTLE: Thank you.

24 GOVERNOR CRIST: Thank you very much.

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1 GOVERNOR CRIST: Next we will hear from Jerry
2 Bailey, Commissioner, FDLE. Good morning,
3 Commissioner. How are you, sir?

4 MR. BAILEY: Good morning, Governor and
5 Cabinet. We have two items on the agenda this
6 morning. The first is our performance report and
7 purchases over \$100,000 for the second quarter.
8 You will see that we are on track or actually ahead
9 on all the performance measures, but I would like
10 to give you some significant achievements behind
11 those numbers.

12 Our crime laboratory, I know you're used to
13 hearing from me on that, and now I'm proud to
14 report that we've eliminated 70 percent of the
15 overall backlog, and in DNA, we've eliminated
16 50 percent of that backlog. The new DNA section in
17 the Fort Myers laboratory is up and running. It
18 started in December. We are now approaching a half
19 million profiles in the DNA database. This
20 continues to prove an invaluable tool for law
21 enforcement, and the more the base grows, the
22 better tool it is becoming.

23 On the heels of the release of our statewide
24 gang survey, a task force composed of FDLE, General
25 McCollum's office, and local law enforcement

1 arrested 20 gang members in Palm Beach and
2 Hillsborough Counties, and each of those
3 individuals have been charged with criminal
4 racketeering. You'll recall the local homicide of
5 a Marianna woman and her three young children. In
6 partnership with local law enforcement, we have
7 brought Wesley Williams to justice on that case.

8 I'll be happy to answer any of the questions
9 on our second quarter.

10 GOVERNOR CRIST: Any questions? General?

11 ATTORNEY GENERAL McCOLLUM: I have one comment
12 and one question. Commissioner Bailey, I first of
13 all want to commend you for efforts and work you've
14 been doing. Our office works with yours on a daily
15 basis on all kinds of things, and it has been going
16 very splendidly.

17 Secondly, I would like for you to comment on
18 the concerns that I know I share with you about
19 what happens to the efforts you've made in the last
20 year with regard to the backlog in labs if the
21 budget situation is not resolved in terms of this
22 legislative session. Could you tell the Cabinet
23 what you face on that issue alone?

24 MR. BAILEY: Yes. As we presented to the
25 House Safety and Security Council a few days ago --

1 I know you followed us in those presentations --
2 we're looking at a major hit to the crime lab
3 system. And because -- and it's because of the way
4 we're funded. Most of our general revenue funds,
5 which is the target for these cuts, are aimed at
6 two things, investigations and crime lab analysis.
7 So those are the two areas that are 95 percent
8 funded by those, so that's where we would have to
9 cut.

10 Generally, what we would be looking for in the
11 laboratory is a cutback in our drug chemistry
12 effort and in our crime scene. The crime scene
13 would primarily be reduced in the measurement
14 involving areas where we hope that those major
15 agencies could step in and take up the slack when
16 we were to move out.

17 The primary impact on that would be, for
18 instance, in Orange County, they have the ability
19 to do crime scenes, but those counties in that area
20 rely us to do officer-involved shootings, not
21 because they cannot do it, but because they want
22 the objectivity that FDLE brings if an officer
23 kills or hurts someone. As part of that
24 objectivity, we like to use our own crime scene.

25 So the cutbacks would be significant. We're

1 looking at, I think, 14 analysts in those two
2 disciplines, in drug chemistry and crime scene.

3 ATTORNEY GENERAL McCOLLUM: Well, when I came
4 to office as Attorney General, the primary
5 complaint I got from local law enforcement was the
6 backlog of the labs, and you worked hard to work
7 those off, and I'm just concerned that the cutbacks
8 you're describing might put the labs back into a
9 disrepair state so that the backlogs would grow
10 again. Do you have any assurances to us that you
11 can work within the proposed or expected cuts that
12 might come to you to keep that backlog from
13 redeveloping, or is it just going to be a fact that
14 it will?

15 MR. BAILEY: The assurances that I can give to
16 you is we will continue to work hard on doing that.
17 But I can almost guarantee you that in drug
18 chemistry and crime scene, those would become in
19 disrepair again. We would not be able to control
20 that.

21 ATTORNEY GENERAL McCOLLUM: Thank you.

22 MR. BAILEY: You have my assurance of the
23 effort, but the 70 percent that I was just bragging
24 to you about would turn around.

25 ATTORNEY GENERAL McCOLLUM: Well, all I can

1 say -- and I know some of my colleagues in the
2 Legislature may be watching today. I don't know if
3 any of them are, but it would seem to me that
4 public safety has to be a very high priority in
5 this state. And I know there are a lot of demands
6 in this particular constrained economic environment
7 we have, but I would certainly hope that they would
8 find a way as they work through this next couple of
9 months of session coming up to make sure we don't
10 fall back in that very critical area of lab,
11 because if the labs aren't producing the results,
12 then the cases aren't going forward, and we're not
13 getting these bad guys convicted in the courts and
14 off the streets. That's a really bad scene if that
15 occurs. So I hope that you're successful in
16 avoiding some of the kind of hits, as you call it,
17 in that arena particularly. Thank you.

18 MR. BAILEY: Thank you.

19 COMMISSIONER BRONSON: Governor.

20 GOVERNOR CRIST: Commissioner.

21 COMMISSIONER BRONSON: And I would like to
22 state to this Cabinet and those who may be watching
23 from the staff and the legislative process that
24 whether it's IT, which we talked about, which kind
25 of gives a lot of our agencies a chance to talk to

1 one another, especially on the law enforcement
2 side, I'm sitting in an advisory capacity right now
3 with both USDA's investigatory group as well as
4 Customs and Border Patrol in Washington on issues
5 of homeland security and safety, because our office
6 does essentially at the state level what the
7 Federal Customs and USDA does together at the
8 federal level. We do the whole function here out
9 of our office to protect the state of Florida, and
10 in passing that information on and using FDLE and
11 others as conduits so that everybody is working in
12 concert when we know something may be coming in
13 that needs to be checked.

14 And the reason for this is, other than strict
15 law enforcement, which we do have our law
16 enforcement division a part of that conversation,
17 is the pests and disease -- also, Dr. Holt, our
18 state veterinarian, is representing the national
19 veterinarians in that discussion as well, so we
20 have two from Florida on that advisory panel -- is
21 that pests and disease can cause us, if introduced
22 accidentally or on the purpose, billions of dollars
23 of economic damage to Florida as well as hundreds
24 of billions nationally. That's why it's so
25 important that we share information to keep that

1 type of thing from happening to our food supply and
2 to our economy as well as working together to stop
3 potential terrorists from coming in, when we
4 already know and can talk together as to who those
5 potentials are.

6 And so going back to the IT situation, we all
7 have to share all that information in the best way
8 possible so that we can secure the state. And I
9 wanted to bring that up, because we do work very
10 closely with our counterparts in law enforcement in
11 all areas, including Highway Patrol and sheriff's
12 departments and city police departments as well.

13 MR. BAILEY: And as you know, Commissioner,
14 your folks are involved with us on the FLEX project
15 on the state level, which is going to greatly
16 enhance that information sharing when that is
17 completely up and running.

18 GOVERNOR CRIST: Any other questions on the
19 report? Is there a motion to approve?

20 ATTORNEY GENERAL McCOLLUM: Yes. I so move.

21 GOVERNOR CRIST: Is there a second?

22 CFO SINK: Second.

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

25 MR. BAILEY: The second item is a notice of

1 proposed rule changes. We are proposing
2 enhancements to 13 rules. And these are primary
3 rules that impact the Criminal Justice Standards
4 and Training Commission, the implied consent
5 program, and the Medical Examiners Commission.
6 These 13 enhancements are due to legislative and
7 statutory changes, form revisions, clarification of
8 procedures, and just general housekeeping. And
9 also, Governor, we've taken the opportunity on
10 these enhancements to simplify the rules and forms
11 in response to your plain language initiative.

12 This is only step one in these enhancements.
13 If requested, a public hearing will be on
14 April 2nd, and assuming that goes away, and we
15 think it will, we'll be back before you with the
16 rules on April 29th. Because this process has just
17 begun, I will defer getting into the details unless
18 you have specific questions.

19 GOVERNOR CRIST: Any questions?

20 CFO SINK: Governor, I do have a question.

21 GOVERNOR CRIST: CFO.

22 CFO SINK: Jerry, I want to ask about the
23 Breathalyzer situation. Under one of these rules,
24 as I understand it, there have been issues when
25 people get into court saying that the Breathalyzers

1 weren't calibrated correctly or -- there are all
2 sorts of defense mechanisms.

3 But it appears that this -- that you're
4 recommending eliminating a minimum volume level of
5 blowing into the Breathalyzer and that that would
6 make us the only state that does not have this
7 minimum volume level. So I'm just concerned that
8 -- is it now possible that word will get around
9 that if you get stopped on suspicion of DUI, that
10 if you just blow a little bit of air into the
11 Breathalyzer, then it's not going to calibrate, so
12 your correct level of inebriation -- that we're
13 just asking for more problems than we need to?

14 MR. BAILEY: Florida uses the Intoxilyzer, and
15 as you referred to, the rule now does require a set
16 volume of breath to be blown into the machine. I
17 think it's 1.1 liters, and that's what the software
18 as applied now requires. However, that volume of
19 breath required does not accommodate some
20 individuals that may have diminished lung capacity
21 or are small in size. But the machine will -- in
22 lieu of the volume, the software will accommodate a
23 time sensitive expanse of air, two seconds. So
24 what this attempts to do is substitute time of
25 blowing in the machine for the currently required

1 1.1 liters of volume. So, in other words, we're
2 replacing time -- or we're replacing volume with
3 time.

4 CFO SINK: Okay. So somebody who is truly
5 inebriated is not going to be able to game the
6 system, you believe?

7 MR. BAILEY: That's our understanding, and
8 that's from the experts and from the manufacturers.
9 I do have an Intoxilyzer expert with me here today
10 that can actually tell you more on the situation
11 than I can if you would like to hear from her.

12 CFO SINK: We can do that off-line.

13 GOVERNOR CRIST: Okay. Thank you. Are there
14 any more questions on Item 2? Is there a motion?

15 ATTORNEY GENERAL McCOLLUM: So move.

16 COMMISSIONER BRONSON: Second.

17 GOVERNOR CRIST: Moved and seconded. Show it
18 approved without objection. Commissioner, thank
19 you very much.

20 MR. BAILEY: Thank you.

21 GOVERNOR CRIST: Appreciate it.

22 ATTORNEY GENERAL McCOLLUM: Governor, before
23 we move on, I'm not sure we approved the quarterly
24 performance report of the Department of Highway
25 Safety and Motor Vehicles. Did we vote on that?

1 GOVERNOR CRIST: I think we did. Did we? I'm
2 seeing a nodding head.

3 ATTORNEY GENERAL McCOLLUM: All right. I
4 didn't think we had. Thank you. Just double
5 checking.

6 GOVERNOR CRIST: If we didn't, we'll do it
7 next meeting. I think we did it. Thank you,
8 though. Appreciate it.

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1 GOVERNOR CRIST: Board of Trustees. Secretary
2 Sole, how are you?

3 MR. SOLE: Governor, good morning. I'm doing
4 well. Thank you.

5 We have two items. Item Number 1 requests
6 adoption of rule amendments to portions of Chapters
7 18-1, 18-2, 18-21, and 18-24, Florida
8 Administrative Code. These rule changes are being
9 amended as a result of a 2005 Auditor General
10 report and review of the agency's appraisal work.
11 They primarily update our appraisal procurement
12 procedures, our actual appraisal requirements for
13 private easements, codify some provisions for
14 amending boundaries of the Florida Forever
15 projects, and updates and clarifies other rule
16 provisions.

17 I think it's important to make it clear, since
18 we are in rulemaking on some other issues, this
19 rulemaking effort does not increase lease fees, and
20 in fact, through some actual improvements, reduces
21 and simplifies lease fees associated with private
22 single-family easements. All requirements have
23 been met. We've gone through and published the
24 notices and had previous workshops. The agency is
25 recommending adoption of these rules.

1 GOVERNOR CRIST: General.

2 ATTORNEY GENERAL McCOLLUM: I move Item 1.

3 CFO SINK: Second.

4 GOVERNOR CRIST: Moved and seconded. Show
5 Item 1 approved without objection. Item 2.

6 MR. SOLE: Thank you, Gov. Item Number 2
7 requests acceptance of the February 2008 Florida
8 Forever report and approval of the 2008 Florida
9 Forever priority list. This report is provided
10 pursuant to Chapter 259 and is produced by our
11 Acquisition and Restoration Council. It identifies
12 those projects and amendments to the Florida
13 Forever list. It includes adding three new
14 projects to the Florida Forever list, which
15 includes Cross Bar/Al Bar Ranch, which is some
16 12,000 acres in Pasco County, the Myakka
17 ranchlands, which is an 18,000-acre parcel in
18 Sarasota County, and a small one-acre parcel
19 referred to as Pillsbury Mound, which is located in
20 Manatee County, and it is an Indian mound.

21 In addition, there's a recommendation that
22 includes the removal of one project, moving four
23 projects from the A group to the B group, and
24 actually moving one project from Group B, which is
25 a project referred to as the West Aucilla River

1 Buffer to the Group A list.

2 Finally, there's a handful of projects, four
3 projects where we have amended the boundaries of
4 the existing projects. It's also worth noting that
5 the Acquisition and Restoration Council had
6 identified some 21 projects within the Group A list
7 as a measure of focusing or recommending or
8 providing guidance to the Department to focus our
9 acquisition efforts.

10 As of December 2007, the State of Florida has
11 protected over 600,000 acres of land with
12 \$2.1 billion of Florida Forever funds. As we move
13 towards or near the end of Florida Forever, the
14 identification or prioritization of those
15 acquisitions is helpful to the agency as we move
16 forward. But I do want to be clear: This
17 prioritization is merely guidance to the agency.
18 All the Group A list projects that have been
19 identified by the Acquisition and Restoration
20 Council will continue to be considered for
21 acquisition as we continue the Florida Forever
22 project.

23 GOVERNOR CRIST: Great. Any questions?

24 CFO SINK: Yes, I've got one.

25 GOVERNOR CRIST: CFO.

1 CFO SINK: I did have an opportunity to speak
2 just briefly with Secretary Sole this morning about
3 the formation of this highest priority grouping,
4 and I think a number of people have approached me
5 with questions about the procedural aspects of it.
6 It appears that Secretary Sole just did say there
7 would not be preference, but I just want it on the
8 record that we are not in fact establishing a third
9 category of priority, because if we are, then that
10 means that you've got these 21 highest priority
11 projects that in my opinion haven't gone through an
12 appropriate process, that we haven't perhaps given
13 the other interested parties of the other eight
14 projects an opportunity to opine about why their
15 project might not deserve to be in this highest
16 priority category.

17 And most importantly, we're putting -- we're
18 identifying these 21 projects that, according to my
19 notes, are here just because three of the eight
20 members of the ARC voted for them as being high
21 priority. That's not a majority. So it just is
22 kind of counterintuitive to me that if a project
23 got three votes and not two more or not a majority
24 of the total membership of the ARC, that we would
25 be giving it some kind of different classification.

1 So I'm troubled by this idea that we're approving
2 the priority list with stars beside the names of
3 the few projects that didn't really receive a
4 majority of the votes of the ARC.

5 GOVERNOR CRIST: Secretary, can you respond?

6 MR. SOLE: Yes, I would like to. Let me
7 remind the Governor and the Cabinet that currently
8 we have 62 projects again on what we call the A
9 list, and this is the list of projects that we are
10 pursuing acquisition. We have willing sellers. We
11 have identified through the Acquisition and
12 Restoration Council that these projects hold both
13 ecological and conservation values that are worthy
14 of the State's pursuit. That 62 list of projects
15 equates to some 1.3 million acres and over
16 \$11 billion of potential resources needed to
17 acquire. I think we have a great Acquisition and
18 Restoration Council, and those members that are
19 appointed are there to provide recommendations and
20 guidance to the Department as we move forward with
21 this effort.

22 I want to be clear, and I hope this helps the
23 CFO with her concerns. It is merely guidance as we
24 pursue these \$11 billion worth of lands, to
25 identify potential priorities that I think are

1 helpful to the agency. But they do not, and I want
2 to be very clear, they do not bridle the State of
3 Florida as we move forward and look towards
4 acquisitions of those parcels on the A list.

5 ATTORNEY GENERAL McCOLLUM: I would move this
6 item.

7 COMMISSIONER BRONSON: Second.

8 GOVERNOR CRIST: Moved and seconded. Do you
9 have any follow-up, CFO?

10 CFO SINK: Well, I'm just going to --

11 GOVERNOR CRIST: I don't want you to be
12 troubled.

13 CFO SINK: I'm not going to make trouble.

14 GOVERNOR CRIST: No, no. You can make all the
15 trouble you want. I don't want you to be troubled.
16 I want you to be comfortable.

17 CFO SINK: I am going to vote against it,
18 because I believe that if we are going to identify
19 the highest priority projects, that in my opinion,
20 you ought to go back and identify those projects
21 that received at least five of the eight votes of
22 the ARC members as opposed to merely three votes
23 out of the eight. I'm sure I'm going down on this,
24 but --

25 GOVERNOR CRIST: I'm not so sure.

1 CFO SINK: I just wanted to register that I
2 don't think -- I think the process is flawed here.

3 GOVERNOR CRIST: Let me follow up with you
4 then, Secretary. Are there some projects that got
5 more than three votes that didn't get placed on
6 this highest priority list?

7 MR. SOLE: Not to my knowledge, Governor. I
8 could double-check that.

9 GOVERNOR CRIST: Well, the CFO has suggested
10 some may have gotten five votes, and I'm just
11 trying to double-check.

12 MR. SOLE: I think what the CFO is referencing
13 is, as we reviewed the Acquisition and Restoration
14 Council's recommendations, what we noted was that
15 there was a certain breakpoint under the
16 prioritization. Each of them ranked, I think, some
17 top 15 of their projects that they felt were key
18 for continued review and pursuit. As we looked at
19 their ranking and recommendations, there was a very
20 clear breakpoint of the top 21. We didn't ask,
21 "Please rank your top 21." It was more, "Please
22 give us your prioritizations. It will help us as
23 we move forward and pursue these critical sensitive
24 lands." But the top 21 showed a very clear
25 demarcation in the amount of support that was

1 identified, and that was the basis for looking
2 through and listing these 21 projects.

3 It's also worth noting that as part of that
4 process, each of the Group A list were briefed in
5 front of the Acquisition and Restoration Council,
6 so it was a review of all the Group A list. It
7 wasn't just a minor review of some of the projects.
8 So all those projects were discussed in that
9 process.

10 CFO SINK: Excuse me. Governor, I guess
11 according to my notes that have been put together,
12 and this may not accurate, it's that -- was Greg
13 Brock the one who participated in adding up the
14 tallies, so to speak, that there were 13 projects
15 that did have four or more votes? And I don't even
16 know which ones they are, so I don't have any
17 special interest in any one of these projects. It
18 just didn't make sense to me that if you were going
19 to create the highest priority list that you
20 wouldn't say, "These are the projects that got a
21 majority of the votes. A majority of the people in
22 the ARC did think that these should be highest
23 priority." That was the information that I had.

24 GOVERNOR CRIST: Please.

25 MR. SOLE: Real brief, let me respond. There

1 were 13 above four, as the CFO identified, that had
2 four or more. There were 21 that had three or more
3 prioritizations. And then we got into a long list
4 of both one or two members voting. And that's why
5 I say there was a very clear break at the 21.

6 GOVERNOR CRIST: And how many are highest
7 priority, Secretary?

8 MR. SOLE: Again -- say again, Governor. I'm
9 sorry.

10 GOVERNOR CRIST: How many are designated
11 highest priority?

12 MR. SOLE: The recommendation is a listing of
13 the top 21 projects that the Acquisition and
14 Restoration --

15 GOVERNOR CRIST: So all of them that got three
16 or more votes are in this highest priority
17 category?

18 MR. SOLE: Yes, sir. All that got three or
19 more votes are considered to be. And again, I also
20 think it's worthwhile -- and I want to emphasize
21 this is guidance to the State of Florida. This is
22 not, "You shall only pursue these projects." But
23 it was helpful in light of the remaining funds that
24 we have in Florida Forever, and obviously, the
25 significant amount of land that is desired to be

1 pursued.

2 GOVERNOR CRIST: And just to be clear, none of
3 them that would have gotten greater than three are
4 not listed as highest priority?

5 MR. SOLE: That is correct, Governor.

6 GOVERNOR CRIST: Okay. Any other questions or
7 comments? Commissioner.

8 COMMISSIONER BRONSON: Governor, it shows that
9 the ARC committee, which is very diverse in their
10 sitting on that committee to start with, each
11 single person on that could have an opinion based
12 on their background and their studies and so forth
13 of why one is higher, in their opinion higher than
14 another. That's the reason why we ask when we
15 select our Top Conservationist of the Year awards
16 in the Department of Agriculture that we do at the
17 awards breakfast every year with Farm Bureau, that
18 we have DEP, water management districts,
19 universities. We include a lot of people to sit
20 and rank them, and we know basically how they're
21 ranking, and then we take the whole ranking and put
22 it together and say, "These are the top three based
23 on everybody's opinion of their ranking."

24 And, of course, that's going to happen from
25 now on. Those who are interested in timber, like

1 our forestry guys, are going to be looking at
2 timber tracts probably a whole lot different than
3 somebody else, and water is going to take a big --
4 so as long as we don't -- and what I was more
5 concerned about, if one of these top 21 is ready to
6 go and everybody is in agreement, you know, it may
7 be number 13 on the list, but I don't want to hold
8 number 13 up if it's ready to go and it's listed as
9 one of the top 21 because number 1 and 2 are still
10 being debated on as to whether they want to agree
11 to the deal or not. I think if it's ready to go,
12 if it is a good situation for the State, it should
13 be considered right away as soon as it's ready.
14 That's the one I was the most concerned with, is
15 that we don't hold everything up because the top
16 five or ten don't want to come through and agree.

17 CFO SINK: And, Governor, would this be true
18 of number 40 on the list?

19 MR. SOLE: Yes. Governor, real brief, let me
20 just respond to both the Commissioner and the CFO.
21 Without question, this is not a pursuit in priority
22 order. This is merely guidance. So as
23 Commissioner Bronson pointed out, if number 13 is
24 ready to go and we think it's a good deal on behalf
25 of the State of Florida, we want to move that and

1 recommend that to the Board of Trustees. As CFO
2 Sink noted, if number 40 is a good project and a
3 good economic deal for the State of Florida and
4 we're ready to go, we similarly will want to bring
5 that to the Board of Trustees for consideration.
6 That does not result in us eliminating those that
7 are not on the top 21.

8 ATTORNEY GENERAL McCOLLUM: I do have one --

9 MR. SOLE: And I do have two speakers, by the
10 way.

11 GOVERNOR CRIST: Sure. General, go ahead.

12 ATTORNEY GENERAL McCOLLUM: Before you do
13 that, I just have one point of clarification having
14 nothing to do with the technical part of this. But
15 am I right, we don't actually have the money to buy
16 much of any of this right now? Hopefully, we will.
17 Hopefully, we will. Hopefully, the Legislature
18 will find a way for us to do it. But I just wanted
19 to make that comment. I'm ready to go do it. I'm
20 ready to go do it.

21 GOVERNOR CRIST: The Governor's Office has
22 found a way that they can do it.

23 You have two speakers?

24 MR. SOLE: Three speakers, Governor.

25 GOVERNOR CRIST: Three.

1 MR. SOLE: I have Chairman Ted Schrader with
2 the Pasco County Board of County Commissioners.

3 GOVERNOR CRIST: Mr. Chairman, et al.

4 MR. SCHRADER: Good morning, Governor and
5 members of the Cabinet. It's my esteemed honor to
6 be before you today to ask your formal request to
7 keep the Cross Bar/Al Bar Ranch parcel on the A
8 list of Florida Forever.

9 GOVERNOR CRIST: Would you be kind enough to
10 introduce your --

11 MR. SCHRADER: That's what I was getting ready
12 to do, Governor.

13 GOVERNOR CRIST: I'm sorry.

14 MR. SCHRADER: With me today I have my vice
15 chair, Commissioner Jack Mariano, Commissioner Ann
16 Hildebrand, Commissioner Michael Cox, Pasco County
17 Administrator John Gallagher, as well as our
18 two-person land acquisition team, Ron Daniel and
19 Rene Wiesner there in the back, as well as members
20 of the Pinellas County staff are here with us
21 today.

22 Governor and members of the Cabinet, like I
23 said, it's my pleasure to be before you today. The
24 Cross Bar Ranch and Al Bar Ranch was property that
25 was purchased by Pinellas County back in 1976.

1 They acquired the Al Bar Ranch additionally in
2 1986, I believe. Over 5,000 acres of the property
3 have been planted in pine timber. They're now
4 generating a pine straw raking operation where
5 they're now generating in excess of a half a
6 million dollars a year in revenue off the property.
7 It's Pinellas County's desire to liquidate the
8 property. The Pinellas County utility department
9 is the owner of this property. It is their desire
10 to -- they have capital needs in Pinellas County,
11 and it's their desire to have this property remain
12 in public ownership.

13 Pasco County is committed to the acquisition
14 of the Cross Bar Ranch with your assistance. In
15 March of 2004, the Pasco County voters approved "A
16 Penny for Pasco." A portion of that money goes
17 towards land acquisition, and we have committed
18 that money towards several projects, and this one
19 is certainly high on our priority list. I know
20 that we have met with the Governor as well as other
21 members of the Cabinet and your staff to make
22 presentations to you all individually. I hope
23 you've had an opportunity to review a portion of
24 the presentation that we gave you.

25 As a fourth generation citrus grower, third

1 generation cattle rancher, past member of the FFA,
2 I guess I could be considered a Florida cracker.
3 Land and land ownership is certainly very desirable
4 to myself. It is extremely critical that we remain
5 -- that we keep these properties in public
6 ownership for future generations to be able to
7 enjoy. As I say, as I have grown up in Pasco
8 County and remember driving across Pasco county,
9 there are many times that I would just want to be
10 able to have future generations enjoy some of the
11 same attributes that I've enjoyed over my lifetime,
12 having grown up in Pasco County.

13 Once again, I'm here to ask for your support
14 in keeping the Cross Bar Ranch and the Al Bar Ranch
15 on the A list of the Florida Forever program.

16 ATTORNEY GENERAL McCOLLUM: If I might,
17 Governor, I personally am familiar with the piece
18 of property and am really glad it's on the list
19 today. I grew up in Hernando County and visited
20 the Bar Door Ranch next door and visited this
21 property in the past. It's a beautiful piece for
22 the State, and hopefully we'll be able to get the
23 funds and ultimately acquire it.

24 MR. SCHRADER: I think we have it up on the
25 Elmo. As you can see, General McCollum, you're

1 absolutely correct. The Cross Bar Ranch is located
2 in central Pasco County. It's just south of the
3 Hernando County line. It is adjacent to many
4 wildlife corridors that have already been
5 established with the acquisition through the Water
6 Management District's assistance.

7 The Cross Bar Ranch is also home to 17 species
8 of endangered animals, one of which is the whooping
9 crane which was recently noted and identified on
10 the ranch just recently. These pictures were taken
11 within the last 30 days. It's my understanding
12 that there are only 400 of these animals or of
13 these birds located throughout the world. So it's
14 extremely critical --

15 GOVERNOR CRIST: And you've got two.

16 MR. SCHRADER: And we've got two, at least
17 two.

18 GOVERNOR CRIST: Any other questions?
19 Anything else you want to add?

20 MR. SCHRADER: No. Once again, we just offer
21 our support, and we hope that you all support
22 keeping this project on the A list.

23 GOVERNOR CRIST: Great. Thank you, Chairman.
24 Commissioners, thank you for being here.
25 Appreciate it.

1 MR. SOLE: Thank you, Chairman.

2 Our next speaker is Chris Caballero in support
3 of the West Aucilla River Buffer. Chris.

4 MR. CABALLERO: Good morning, Governor and
5 Cabinet. Chris Caballero representing Mr. and
6 Mrs. Joiner, who own the West Aucilla River Buffer
7 project, which is one of the ones that's getting
8 moved over with your approval to the A list. And
9 I'll be brief, but please don't misinterpret my
10 brevity for a lack of zeal for an exciting project.

11 For as long as I can remember, even when I was
12 a Cabinet aide, we had discussions about access,
13 public access to conservation easements, and we've
14 had it over and over and over again. I remember
15 wrestling with my colleagues back there, how do we
16 get this done. And I think this particular project
17 presents a very unique opportunity.

18 Mr. and Mrs. Joiner are willing to provide
19 some sort of public access. And the idea we've
20 come up with, which I think is a wonderful idea, is
21 to provide Florida's veterans with an opportunity
22 to use the property for hunting purposes. So what
23 you have is an opportunity to really celebrate our
24 committed women and men in our military and also
25 conserve additional property which is critical to

1 the State. Even Secretary Sole as a former
2 military person himself could go out and hunt on
3 the property, which would be wonderful. And it's a
4 small project, 721 acres.

5 GOVERNOR CRIST: Sounds like a deal, Chris.

6 MR. CABALLERO: Well, I do what I can,
7 Governor. I remember these days.

8 It's a small project. It's small enough so
9 that if we prioritize it correctly, it's one of
10 those that's small enough that we can probably
11 afford it as a state, and it provides a unique
12 opportunity for the State to start this public
13 access discussion and execute a particular
14 acquisition that would get us further along that
15 line.

16 And I realize that ARC has a very tough job.
17 They do a wonderful job doing that they do. But
18 the ultimate decision lies with this body, and this
19 body has the opportunity to set policy and allow
20 this particular project to not only celebrate
21 conservation, but our Florida veterans, which are
22 obviously a phenomenal asset to the state.

23 So with that, I would appreciate your time and
24 thank you very much.

25 GOVERNOR CRIST: Any questions? Thank you.

1 MR. SOLE: Finally, Governor and Cabinet, I
2 would like to ask Keith Fountain with the Nature
3 Conservancy to come up. Thanks, Keith.

4 GOVERNOR CRIST: Good morning.

5 MR. FOUNTAIN: Good morning, Governor and
6 Cabinet members. Thank you for the active
7 conversation on this subject. It's important to
8 all of the conservation community.

9 First of all this morning, I would like to
10 applaud you, Governor, for including in your
11 proposed budget the continuation of Florida Forever
12 so that we can continue the good work that has been
13 done in this state to date. I would also like to
14 thank DEP both for their openness in the remaining
15 funds or lack thereof that remain in the program,
16 as well as the attempts of DEP and the Acquisition
17 and Restoration Council to really provide close
18 scrutiny as to where these remaining funds are
19 being spent.

20 However, the Nature Conservancy, the state
21 agencies, and the other conservation groups all
22 recognize that there's a larger suite of lands out
23 there that need to be protected if we're going to
24 protect the resources of this state. These are
25 large landscapes, and these landscapes are going to

1 provide the water, the wildlife, and the outdoor
2 recreational opportunities for future generations
3 of Floridians. Very simply, the remaining funds in
4 Florida Forever will not get this job done.

5 I'm the director of land acquisition for the
6 Nature Conservancy, so I'm in a pretty good
7 position to talk to you about the urgency for
8 additional funding. When we emerged from this hot
9 real estate market, it has left us now today with
10 an unprecedented opportunity to make a statement
11 about conservation in this state by protecting a
12 suite of projects that really would be a legacy for
13 future generations.

14 While we've been contacted by many, many
15 landowners, if I look at just a small grouping of
16 less than 10, these are landowners that have
17 probably lands well over \$300 million in value.
18 And I'm not talking about just good lands, not just
19 great lands, but I'm talking about projects -- and
20 these are all top-tier Florida Forever projects.
21 These are projects that are the cream of the crop.
22 These are the jewels for conservation in the state.
23 All of these properties are adjacent to or
24 connected to large landscapes that are already in
25 public conservation. Several of these projects

1 provide connectivity between large landscapes where
2 we have a significant investment. In fact, I refer
3 to at least one of these as being analogous to the
4 golden spike in the transcontinental railroad and
5 putting together that last piece.

6 In this era of lack of funds right now, the
7 Conservancy, like many others, is looking very
8 actively to private funding. But make no mistake
9 about it, we're going to need public funds to get
10 this job done. And it leads me to the conclusion
11 that I really believe action is necessary now. You
12 have an opportunity in front of you that I haven't
13 seen in my 15 years with the Nature Conservancy as
14 far as the high quality and landscape importance of
15 the lands that are on the table for sale. But to
16 secure the protection of these properties, your
17 partners, be it the Nature Conservancy that's
18 looking to protect something, or whether it's that
19 landowner that's trying to make a decision, do they
20 want their sell lands, do they just want to put it
21 on the market today, or do they see government
22 funds right around the corner, and perhaps they
23 want to wait for that sale to the State. Action is
24 now. You know, those funds, the funds coming over
25 that pipeline need to be visible to all.

1 Again, thank you all for your support, and we
2 appreciate it. Thank you.

3 GOVERNOR CRIST: Thank you, Keith.

4 COMMISSIONER BRONSON: Governor, could I make
5 a comment?

6 GOVERNOR CRIST: Commissioner, sure.

7 COMMISSIONER BRONSON: I'm sorry.

8 CFO SINK: No, no. Go ahead.

9 COMMISSIONER BRONSON: I think this
10 conversation probably needs to be very extensive,
11 and I'm sure the legislative process is going to be
12 looking at it as well as to where we go, as well as
13 yourself as to where we're going to go on
14 conservation lands acquisitions. We know we have
15 bought a lot of land so far. I mean, if you take
16 all the forest land, all of the other conservation
17 lands, and all the federal land that's out there,
18 that's quite a few million acres of lands out there
19 in the State of Florida.

20 There are other programs other than outright
21 acquisition, rural and family lands and some other
22 programs out there that basically could save huge
23 tracts of land and its natural resources by working
24 out agreements with those landowners to keep their
25 family farming, for instance, on land, and actually

1 paying to have the land taken care of, which is one
2 of our problems today. We don't have enough money
3 for management. So some of those programs need to
4 be very much discussed as to what their potential
5 is for the State of Florida.

6 And I bring this up especially now as we see
7 our economy beginning to sag a little bit. And
8 we're not the only one. It's happening nationally
9 as well. But you've got to remember, as good as
10 some of these pieces of land were that we have
11 bought over the past almost 15, 17 years, whatever
12 it is, that land was taken off the tax roll. All
13 the goods and services raised on that land is gone.
14 The jobs that were on that land went with it. It
15 has a cumulative effect on our economy as well.

16 And if we can work out some programs that do
17 what we want to do, which is save as much green
18 space and natural resources as possible, then we
19 ought to highly consider doing some of these other
20 programs, which some have actually been approved by
21 the Legislature, but there has been no money for
22 it, so that we can work with DCA and others on the
23 correct or what everybody thinks is the proper
24 development side, but the saving of the rest of
25 that property in perpetuity so that all those

1 natural resources and green spaces will remain
2 there. And there are other programs where we won't
3 have to pay to whole upfront full price for the
4 land value and we can keep our economy going.

5 I've been saying this for years, and I've got
6 a lot of people who think I've got another motive
7 in mind, but my point has been from the beginning
8 and it is still today that you can't get rid of all
9 of those jobs and buying power and all of the
10 production on those pieces of property, whether
11 it's cattle, whether it's farming of different
12 types, whether it's timber, and call it a good
13 tradeoff for the State of Florida, because we're
14 feeling that pinch right now. We're feeling the
15 loss of that income and that buying power.

16 So I would say when we get into this
17 discussion, let's talk about the whole package and
18 what we can gain or not maybe gain from doing some
19 of these proposals rather than just outright
20 acquisition where we can't pay to take care of it
21 and non-native species take over and all those bad
22 things happen to us as well. So I hope that this
23 conversation will keep going and we can talk about
24 this in the future.

25 GOVERNOR CRIST: Very good.

1 CFO SINK: Governor.

2 GOVERNOR CRIST: CFO.

3 CFO SINK: Commissioner Bronson, I completely
4 agree with you, and I'm hopeful that maybe we'll
5 find a way to put more aggressive purchases of
6 conservation easements back on the table, because
7 we have taken a lot of land off the property tax
8 rolls, and you're right about the jobs. And I too
9 am concerned about the stewardship of these lands.
10 It's very important for us to preserve these lands,
11 because if you go back and you look at the Cross
12 Bar Ranch and the number of wellfields that are
13 there, we are -- Governor, you're living it right
14 now. We're going to have serious water problems.
15 Georgia is trying to steal our water from us.

16 GOVERNOR CRIST: We're going to? What do --

17 CFO SINK: We're going to have our own water
18 problems here in the not too very distant future,
19 and a lot of these lands that we preserve represent
20 fantastic sources of preserving that water supply.

21 And given that Secretary Sole has put it on
22 the record that the priority list is not really a
23 priority list if something else comes up out of the
24 A list, when we get ready to vote, I'm going to
25 change my vote. But you're on the record.

1 MR. SOLE: Yes, ma'am. I'm okay with that.

2 GOVERNOR CRIST: Any other comments? Is there
3 a motion? Do you have another speaker, or you
4 don't?

5 MR. SOLE: I have no more speakers, Governor,
6 but if I could just briefly respond to the
7 Commissioner's point, without question, the Board
8 of Trustees has moved forward with projects that
9 have dealt with acquiring a conservation easement.
10 Dr. Broussard recently came in front of the Board
11 of Trustees, and you moved that project. So I just
12 want to be clear that the Florida Forever
13 initiative is not solely a fee title acquisition
14 project, but we have moved forward with some of the
15 conservation easement scenarios that the
16 Commissioner has brought up where there's good
17 public access. So I just want to put that on the
18 record as well. Thank you, Governor.

19 GOVERNOR CRIST: Great. Is there a motion
20 then on Item 2?

21 COMMISSIONER BRONSON: Motion on Item 2.

22 ATTORNEY GENERAL McCOLLUM: I think I did
23 earlier.

24 GOVERNOR CRIST: I think the General may have
25 made one.

1 ATTORNEY GENERAL McCOLLUM: And you seconded
2 it.

3 GOVERNOR CRIST: And you seconded it, so we
4 have a motion and a second. All in favor please
5 say aye.

6 (Affirmative responses.)

7 GOVERNOR CRIST: Opposed, like sign. Show it
8 approved unanimously.

9 MR. SOLE: Governor, thank you.

10 GOVERNOR CRIST: Thank you very much,
11 Secretary. Appreciate it.

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1 GOVERNOR CRIST: State Board of
2 Administration, General Milligan.

3 General, good morning.

4 GENERAL MILLIGAN: Good morning, Governor.
5 Shall we proceed? I see CFO Sink --

6 GOVERNOR CRIST: I think we can at least look
7 at the minutes.

8 GENERAL MILLIGAN: We can do the minutes?

9 GOVERNOR CRIST: Sure.

10 GENERAL MILLIGAN: Item 1, request approval of
11 the minutes of February 12, 2008.

12 GOVERNOR CRIST: Is there a motion on the
13 minutes?

14 ATTORNEY GENERAL McCOLLUM: So move.

15 GOVERNOR CRIST: Second it. Show the minutes
16 approved without objection.

17 GENERAL MILLIGAN: Item 2 is request approval
18 of a fiscal determination of an amount not
19 exceeding \$7 million tax-exempt Florida Housing
20 Finance Corporation Multifamily Mortgage Revenue
21 Bonds.

22 ATTORNEY GENERAL McCOLLUM: I move Item 2.

23 GOVERNOR CRIST: I'll second it. Show it
24 approved without objection.

25 GENERAL MILLIGAN: I would like to go the

1 companion item, Item 8, to Bond Finance, and work
2 Item 8 right now, which is request approval of a
3 fiscal sufficiency of an amount not exceeding \$220
4 million State of Florida, Department of
5 Environmental Protection Everglades Restoration
6 Revenue Refunding Bonds.

7 ATTORNEY GENERAL McCOLLUM: I move Item 8.

8 CFO SINK: Second.

9 GENERAL MILLIGAN: Item 3 and Item 4 have been
10 withdrawn at the request of the bond counsel.

11 GOVERNOR CRIST: Do you need a motion for
12 that?

13 GENERAL MILLIGAN: Sir?

14 GOVERNOR CRIST: Do you need a motion for
15 that, General?

16 GENERAL MILLIGAN: No, sir, I do not.

17 CFO SINK: I think you do.

18 GOVERNOR CRIST: I think you do. Why don't we
19 move it?

20 CFO SINK: I move it.

21 ATTORNEY GENERAL McCOLLUM: I move it, or you
22 move it.

23 CFO SINK: Second.

24 ATTORNEY GENERAL McCOLLUM: Whatever. I
25 seconded and you moved it.

1 GOVERNOR CRIST: The CFO moved for the
2 withdrawal of Items 3 and 4 with a second by
3 General McCollum. Without objection, show the
4 items withdrawn.

5 GENERAL MILLIGAN: Item 5 is request approval
6 of the appointment of John H. Hill, Jr. to the
7 Investment Advisory Council. John Hill replaces
8 Don Burton, whose term expired December 2007.

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

10 CFO SINK: I move it.

11 ATTORNEY GENERAL McCOLLUM: Second.

12 GOVERNOR CRIST: Moved and seconded. Show
13 Item 5 approved without objection.

14 GENERAL MILLIGAN: Item 6. As you know, I
15 have been meeting with the Local Government
16 Investment Pool beneficiaries and investors around
17 the state. On 14 February, I met with the Advisory
18 Committee, and they specifically asked if they
19 could provide an update, and the chair of the Local
20 Government Investment Pool Advisory Committee,
21 Jeannie Garner, is here to do just that.

22 GOVERNOR CRIST: Good morning.

23 MS. GARNER: Good morning. Thank you. As
24 General Milligan said, the Participant Advisory
25 Committee had a meeting February 14th in Tampa.

1 There were about 55 people in attendance and
2 countless others listening in on the audio. In an
3 effort to reach out to all participants in the
4 state, we have three other meetings scheduled
5 across the state over the next three months in
6 Orlando, Fort Lauderdale, and Jacksonville. After
7 those meetings, we hope to meet at least quarterly
8 or more frequently on an as-needed basis.

9 We want to thank you for the opportunity to
10 share some of the discussion and concerns that we
11 had at this meeting. I would like to start by
12 saying that we greatly appreciate the time, energy,
13 and leadership that General Milligan has given the
14 issues facing the LGIP, and we really feel that he
15 has added tremendous support in advancement of the
16 growth and stabilization of the fund.

17 We also applaud the hiring of Federated and
18 are encouraged with their experience and
19 credentials and are confident that they will
20 enhance the professionalism and communication of
21 the pool. We look forward to working with them.

22 There's still a lot of work to be done. We
23 want to make sure that you understand that this
24 pool has been important to local governments.
25 We've enjoyed the safety, ease of administration,

1 and above average returns for over 25 years.

2 Almost every local government in the State of
3 Florida has had money invested in the LGIP at some
4 point in time. The economies of scale created by
5 the pool is invaluable to us, bringing lower fees
6 and an opportunity for efficiencies in
7 administration. For these reasons, we believe that
8 it should be important to you, as well as us, that
9 the LGIP continue to be an available option to
10 complement our investment strategies.

11 Unfortunately, life has changed forever for
12 us. We remain fearful that the past events could
13 happen again. We still have many concerns, as I'm
14 sure that you do as well. In an effort to restore
15 confidence and trust in the pool and in the SBA, we
16 hope we can work with you to address these
17 concerns.

18 First of all, number one, first and foremost,
19 we have from the beginning and still feel that the
20 State holds a responsibility for the purchase of
21 the downgraded and defaulted investments, and more
22 importantly, for the lack of communication to us
23 regarding these holdings that ultimately led to
24 November's run on the fund. We strongly feel that
25 the State should step in and ensure that

1 participants are made whole with principal and
2 interest, including earnings that were withheld in
3 November for current and past participants that was
4 withheld to create a loss reserve for Fund B. We
5 urge the Trustees to recommend a budget allocation
6 to provide the funds necessary to accomplish this.
7 While the exact amount may be unknown at this time,
8 a commitment from the Trustees that participants
9 will not lose principal and interest would be a
10 huge step in restoring this confidence.

11 Number two, a thorough review of the past six
12 months, what happened, what changes need to be made
13 to assure the safety of public funds and prevent a
14 future run on the fund and future fund losses. We
15 look forward to the results of the audit and of the
16 current investigations and encourage the Trustees
17 to make the appropriate changes recommended.

18 Number three, we must at all times have total
19 transparency of the investment policy and holdings.

20 Number four, we must be advised immediately
21 and completely of concerns or adverse market
22 conditions related to the public's investments.
23 Timely communication is so important to us.

24 Number five, we want to be a part of the
25 process. These are our constituents' public money,

1 and we want to have input on how these funds are
2 invested.

3 Number six, we invite and encourage the
4 Trustees' staff to attend our meetings and
5 participate in the process to enhance our
6 communication to you.

7 Number seven, Federated has agreed to do a
8 poll of participants to gauge liquidity
9 requirements. We encourage the Trustees to analyze
10 these results and work towards providing the needed
11 liquidity, even possibly through creative
12 alternative strategies. You have the opportunity
13 to restore faith in the investors. We believe the
14 execution of these steps are necessary for any
15 chance of significant deposits back in the fund.

16 In closing, it's critical that the Trustees
17 recognize the significance of the LGIP to so many
18 governments and provide your commitment to the
19 stabilization and continued ongoing support of the
20 fund. The past events can actually be a valuable
21 learning experience for pool participants, the SBA,
22 and the Trustees. We're looking for a commitment
23 from you that the necessary resources and attention
24 will be provided to ensure the survival of what was
25 once for many years the largest local government

1 pool in the nation. It is a great responsibility
2 and one that provides a wealth of advantages to
3 local governments and to the citizens of the State
4 of Florida. However, absent your full commitment
5 to the pool, why would you expect local governments
6 to reinvest the public funds entrusted to them?

7 Thank you very much. And I'll be happy to
8 answer any questions that you may have.

9 GOVERNOR CRIST: Thank you. Excellent
10 presentation, Ms. Garner. Are there any questions
11 or comments? Thank you very much.

12 MS. GARNER: Thank you.

13 GENERAL MILLIGAN: That concludes Item 7
14 unless there are some questions or comments.

15 GOVERNOR CRIST: I think that was Item 6.

16 GENERAL MILLIGAN: Sir?

17 GOVERNOR CRIST: Unless there is something for
18 Item 7 too. Melinda?

19 GENERAL MILLIGAN: Excuse me. That was Item
20 6. I jumped to Item 7 prematurely. That concluded
21 Item 6, and Item 7 is, of course, a presentation by
22 the Audit Committee.

23 GOVERNOR CRIST: Yes, sir. Great. Melinda
24 Miguel. Good morning.

25 MS. MIGUEL: Good morning. Good morning,

1 Governor. Good morning, Attorney General and CFO.
2 I want to thank you for the opportunity to present
3 to you today.

4 I'm very pleased to announce that the Audit
5 Committee for the State Board of Administration
6 voted unanimously on February the 15th to select an
7 outside independent legal firm, Berger Singerman,
8 to provide counsel to the Audit Committee. And we
9 also voted unanimously on February the 21st to
10 select Clifton Gunderson as the audit firm to work
11 on behalf of the committee to conduct a performance
12 audit as requested by CFO Sink.

13 I'm pleased also to announce that we did vote
14 yesterday at our publicly held meeting to approve
15 the final contracts for those two particular firms,
16 Clifton Gunderson and Berger Singerman. On Friday,
17 February the 29th, the audit plan will be approved
18 by the Audit Committee, and on March the 3rd, the
19 field work will begin, and we expect to have a
20 draft report to you by April the 15th.

21 Our next meeting, which is tomorrow, is to put
22 finishing touches on an annual report that will
23 come to you. It is also to review preliminary and
24 tentative findings as issued by the chief internal
25 auditor for the State Board of Administration, and

1 also to rotate the chair position to my colleague,
2 Kim Ferrell. Kim Ferrell is the Attorney General's
3 appointee to the committee. She is a CPA, and she
4 is also the chief auditor for the Medicaid Fraud
5 Control Unit. Also on that date we will rotate our
6 vice chair position to Doug Darling. Doug Darling
7 is CFO Sink's appointee to the committee, and he is
8 also a respected colleague who oversees accounting
9 and auditing and facilitating units for the
10 Department of Financial Services.

11 We look forward to providing the results of
12 this particular performance audit with our
13 independent legal counsel. And in the event that
14 you may have any questions, I'm happy to service
15 them.

16 GOVERNOR CRIST: Any questions? CFO.

17 CFO SINK: No, not a question, Governor, but I
18 do want to thank Melinda for her leadership.

19 MS. MIGUEL: Thank you.

20 CFO SINK: This has been kind of a difficult
21 and trying time and more than any of the three of
22 you asked for to have on your plate, and I'm just
23 so pleased. It seems that we've been pulling teeth
24 since last December to get to the point where you
25 were able to identify an independently selected law

1 firm and accounting firm to represent us. And I
2 understand that in both cases, the selections were
3 unanimous. And I'm just, Governor, very encouraged
4 that it looks like we'll some initial report by
5 April the 15th. And if you've seen the
6 requirements of the law firm and the accounting
7 firm, this will be a very broad and thorough
8 investigation. So, Melinda, thank you for your
9 leadership.

10 MS. MIGUEL: Thank you, CFO. I certainly
11 appreciate your comments.

12 GOVERNOR CRIST: I echo those comments.

13 MS. MIGUEL: Thank you, Governor. Thank you,
14 Attorney General.

15 GOVERNOR CRIST: General, is that it?

16 GENERAL MILLIGAN: That concludes the SBA
17 agenda, sir.

18 GOVERNOR CRIST: Thank you very much. We
19 stand adjourned.

20 (Proceedings concluded at 11:04 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 75 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 March, 2008.

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