

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, OFFICE OF
FINANCIAL REGULATION
DEPARTMENT OF REVENUE
DEPARTMENT OF LAW ENFORCEMENT
ADMINISTRATION COMMISSION
FLORIDA LAND AND WATER ADJUDICATORY COMMISSION
BOARD OF TRUSTEES, INTERNAL IMPROVEMENT TRUST FUND
STATE BOARD OF ADMINISTRATION

The above agencies came to be heard before
THE FLORIDA CABINET, Honorable Governor Crist
presiding, in the Cabinet Meeting Room, LL-03, The
Capitol, Tallahassee, Florida, on Tuesday, April 29,
2008, commencing at 9:15 a.m.

Reported by:
JO LANGSTON
Registered Professional Reporter
Notary Public

ACCURATE STENOGRAPHY REPORTERS, INC.
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APPEARANCES:

Representing the Florida Cabinet:

CHARLIE CRIST
Governor

CHARLES H. BRONSON
Commissioner of Agriculture

BILL McCOLLUM
Attorney General

ALEX SINK
Chief Financial Officer
(Appearing via telephone)

* * *

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ACCURATE STENOGRAPHY REPORTERS, INC.

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

2 * * *

3 (Agenda items commenced at 9:25 a.m.)

4 GOVERNOR CRIST: Division of Bond Finance, Ben
5 Watkins. Morning, Ben.6 MR. WATKINS: Morning, Governor, Cabinet
members.7 Item Number 1 is approval of minutes of the April
15th meeting.
8

9 GOVERNOR CRIST: Is there a motion?

10 COMMISSIONER BRONSON: Motion on Item 1.

11 ATTORNEY GENERAL McCOLLUM: Second.

12 GOVERNOR CRIST: Moved and seconded. Show it
13 approved without objection.14 MR. WATKINS: Item Number 2 is a resolution
15 authorizing the competitive sale of \$42,445,000 in
16 Education Capital Outlay Bonds for school
construction
17 at local districts.

18 ATTORNEY GENERAL McCOLLUM: I move Item 2.

19 COMMISSIONER BRONSON: Second.

20 GOVERNOR CRIST: Moved and seconded. Show it
21 approved without objection.22 MR. WATKINS: Item Number 3 is a recommendation
23 for a prequalified pool of financial advisors for the

based

24 Division of Bond Finance. The recommendation is
25 on the evaluation of responses to an RFP and the

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1 ranking of firms pursuant to that evaluation process.

2 The recommendation is for the top five firms to
be
3 qualified to serve as financial advisor on an as-
needed
4 basis for the Division.

5 COMMISSIONER BRONSON: Motion on Item 3.

6 ATTORNEY GENERAL McCOLLUM: Second.

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

9 MR. WATKINS: And lastly, Item 4 is a report of
10 award on the competitive sale of \$98,490,000 of
11 Everglades Restoration Revenue Refunding Bonds. The
12 bonds were sold at competitive sale at a true
interest
13 cost of approximately 4.27 percent. And this
completes
14 the fixing of the rates of variable rate Everglades
15 bonds whose interest rate had increased because of
the
16 questions about the underlying bond insurer.

17 So we've completed this transaction, and this
18 fixes the rate on \$100 million of bonds.

19 ATTORNEY GENERAL McCOLLUM: I move Item 4.

20 COMMISSIONER BRONSON: Second.

21 GOVERNOR CRIST: Moved and seconded. Show it
22 approved without objection. Thank you.

23

MR. WATKINS: Thank you very much.

24

GOVERNOR CRIST: You bet.

25

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1 GOVERNOR CRIST: Office of Financial Regulation,
2 Commissioner Saxon. Good morning, Don.

3 MR. SAXON: Morning Governor, members. Item 1,
4 minutes to the January 31st, 2008 meeting, we request
5 they be approved.

6 COMMISSIONER BRONSON: Motion on Item 1.

7 ATTORNEY GENERAL MCCOLLUM: I second it.

8 GOVERNOR CRIST: Moved and seconded. Show Item
1 approved without objection.
9

10 MR. SAXON: Thank you. Item 2 is a discussion,
11 the quarterly report ending March 31st, if I could
just
12 make a few comments.

13 GOVERNOR CRIST: Please.

14 MR. SAXON: Some of the highlights of that
report,
15 the first one would be we have implemented the first
16 phase of the Regulatory Enforcement and Licensing,
17 REAL, System. This is our automated licensing system
18 that will process applications electronically for our
19 mortgage brokers and our mortgage lenders.

20 By year's end we will also be able to
21 electronically allow for the filing electronically of
22 all applications for our nondepository institutions.
23 These would be our consumer finance companies, retail
24 lenders, check cashers, deferred presentments, things

25 of this type.

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1 The other good thing about this system is it's
2 also going to allow us not only to do the licensing
3 function, but it's going to allow us to track all
4 customer complaints, it's going to allow us to
monitor
5 all of our examinations and investigations that are
6 going on, and will assist us in doing risk
assessments
7 of where we need to be targeting examinations.

8 Essentially it's going to be our database, if
you
9 will, for all of our functionality within the office
10 regarding all of our nondepository institution
11 activities.

12 The second issue I wanted to talk about was we
13 have been assisting the Department of Education in
14 getting a grant of 175,000. What they're going to be
15 doing is developing a mathematical program for the
high
16 schools.

17 And as part of that mathematical program, there
18 will be some information there about financial
19 literacy, talk to people about how to go about
getting
20 a loan, how to figure out amortization on a loan, how
21 to figure out compound interest, simple interest,
22 things of this type.

23
organization

We worked out a graph by a non-profit
called the Investor Protection Trust Company. And we
believe the first line of defense of all of our

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1 consumers in the state of Florida is education, and
2 what we can do in our high schools and middle schools
3 and even our elementary schools to educate people
about
4 financial literacy we think is imperative. And as
Ben
5 Franklin once said, an investment in knowledge always
6 pays the best interest.

7 The last thing I wanted to talk about was we are
8 finding ourselves getting more involved in the
9 prosecution of cases out there involving mortgage
10 fraud. If I could just cite to you a few cases.

11 In Miami we worked a joint investigation with
the
12 Attorney General's Office involving rescue
foreclosure
13 scams. This case involved 80 people that were
14 victimized of over one and a half million dollars.

15 We had a case we worked with the U.S. Attorney's
16 Office in Fort Lauderdale. Six defendants pled
guilty
17 to mortgage fraud involving properties in Broward
18 County. They're facing ten years in prison.

19 We're also part of a special task force in South
20 Florida with the U.S. Attorney's Office, the U.S.
21 Postal Office, Inspector's Office, the Florida
22 Department of Law Enforcement and the Secret Service.
23 We have one case so far that resulted in a federal

24 indictment. Eight people were found guilty and were
25 sentenced to ten years in prison.

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with
have
1 We have a case in Jacksonville we're working
2 the Duval County State Attorney's Office. Arrests
3 been made for mortgage fraud and conducting an
4 organized scheme to defraud. This case is pending at
5 this time.

a
6 We have another case in Miami where three people
7 were arrested and charged with one count of organized
8 scheme to defraud. These arrests were the result of
9 joint investigation with the Fort Lauderdale Police
10 Department. We arrested one mortgage broker and two
11 mortgage loan originators.

12 We have a case working with the statewide
13 prosecutor in Orlando. Two individuals were arrested
14 and charged with multiple counts of grand theft,
15 totaling over \$3 million.

16 And we have another case we're working in West
17 Palm Beach with the Statewide Prosecutor's Office and
18 Florida's Department of Financial Services. One
19 pled guilty and one person pled -- one person pled
20 guilty to a count of organized scheme to defraud.
21 These charges stem from various mortgage frauds
22 committed in Hialeah and West Palm Beach.

23 One codefendant has recently been sentenced to
18

three 24 months in prison and another one was sentenced to
25 years in prison and ordered to pay restitution of

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1 \$1.4 million.

2 We are continuing many other cases out there
3 involving mortgage fraud in the state. Obviously we
4 have some concerns there, and we're trying to utilize
5 our resources as best as we can, and we're trying to
6 work with as many law enforcement agencies out there
as
7 possible.

8 As you recall, last year we passed a mortgage
9 broker fraud bill. And as part of that bill, it
into
10 required additional disclosure for people getting
11 mortgages involving subprime lending, but also
12 important was the fact that it also gave us the
13 authority to enforce federal provisions of lending
14 guidelines established by the Federal Reserve.

15 And, finally, we increased the penalties under
the
16 fraud provisions of Chapter 817 so that if you're
17 involved in any kind of mortgage lending that
involves
18 fraud, it is now a third degree felony. And
currently
19 there is a bill going through the legislative process
20 which is going to increase it to a second degree
21 felony.

22 And with that, that concludes my comments on the
23 quarterly report.

24
Governor.

ATTORNEY GENERAL McCOLLUM: If I might,

25

I just want to commend Commissioner Saxon on the

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1 efforts, especially of mortgage fraud. He's quite
2 correct. His office and our office have worked
closely
3 together, arguably so. Our Office of Statewide
4 Prosecution, as you indicated, is engaged with you in
a
5 number of cases. We also have the Economic Crimes
6 Division doing quite a bit of civil work with respect
7 to unfair and deceptive trade practices in the same
8 arena as the mortgage fraud.

9 It's unfortunate that there's such a volume of
10 that right now, but with the foreclosures as high as
11 they are in our state, the pressures on individuals,
12 scams particularly related to those people who are
13 under stress like this are very common.

14 And we find people on the Internet soliciting
this
15 kind of business. There are people who are involved
16 legitimately in rescue -- mortgage rescue operations,
17 but there are an awful lot of them out there who are
18 trying to tell people that they can take their
19 mortgage, help them a whole lot if they'll just
20 transfer their title to them.

21 And instead of doing what they say they're going
22 to do and return it to them in a year or so, they
wind
23 up skimming equity off of it, oftentimes building up
an

24 additional loan and then bailing out of the property,
25 making the situation even worse.

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1 And those are the type things that,
Commissioner,
2 you're going after, we're going after, and I'm very
3 proud to work with you as a team. And Chief
Financial
4 Officer Sink has been very engaged as well,
especially
5 with regard to this legislation that you and I have
6 been pushing with her. Thank you.

7 MR. SAXON: Thank you very much.

8 GOVERNOR CRIST: Let me echo those comments. I
9 want to thank you, General, for your great leadership
10 in this regard. Partnering with the Commissioner and
11 the CFO's office to protect the people is exactly the
12 right thing to do. And through your Office of
13 Statewide Prosecutor, which you appoint and you've
14 selected well, it continues to protect the people,
and
15 thank you for your great work, General.

16 ATTORNEY GENERAL McCOLLUM: Thank you, Governor.

17 GOVERNOR CRIST: Thanks for that report. Item
3.
18 You're done. Excellent. Deferred. Item 3 is
19 deferred? Is there a motion to defer Item 3?

20 COMMISSIONER BRONSON: Motion on Item 3 to
defer.

21 ATTORNEY GENERAL McCOLLUM: Second.

22 GOVERNOR CRIST: Moved and seconded. Show it

23 deferred without objection.

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1 GOVERNOR CRIST: Department of Revenue. Lisa,
2 good morning.

3 MS. ECHEVERRI: Good morning, Governor. Good
4 morning, members of the Cabinet.

5 GOVERNOR CRIST: Echeverri. Is that right?

6 MS. ECHEVERRI: That's right.

7 GOVERNOR CRIST: Okay, good.

8 MS. ECHEVERRI: We have three items on our
agenda.

9 Item Number 1 is the approval of the minutes from the
10 February 26th meeting. We recommend approval.

11 ATTORNEY GENERAL McCOLLUM: I move Item 1.

12 COMMISSIONER BRONSON: Second.

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

15 MS. ECHEVERRI: Item 2 is amendments to our
16 communications services tax rule. These amendments
17 provide a procedure for communications services tax
18 providers to verify resale exemptions, both online
and

19 telephonically. We recommend approval of Item 2.

20 GOVERNOR CRIST: Is there a motion?

21 COMMISSIONER BRONSON: Motion on Item 2.

22 ATTORNEY GENERAL McCOLLUM: I second it.

23 GOVERNOR CRIST: Moved and seconded. Show it
24 approved without objection.

sales 25

MS. ECHEVERRI: Item 3 are amendments to our

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1 tax rules. These amendments implement and provide
2 guidance on two of our programs, resource recovery
and on
3 renewable energy. These programs provide exemptions
on
4 machinery and equipment in both of those areas. And
we
5 also are amending our sales tax rules related to
bonds
6 and security deposits for dealers. We recommend
7 approval of Item 3.

8 ATTORNEY GENERAL MCCOLLUM: I move Item 3.

9 COMMISSIONER BRONSON: Second.

10 GOVERNOR CRIST: Moved and seconded. Show it
11 approved without objection.

12 MS. ECHEVERRI: Thank you.

13 GOVERNOR CRIST: Thank you very much.

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1 GOVERNOR CRIST: Department of Law Enforcement,
2 Commissioner Bailey. Good morning, Commissioner.

How

3 are you?

4 MR. BAILEY: Good morning. How are you?

5 GOVERNOR CRIST: Good. Thank you, sir.

6 MR. BAILEY: We have two items on the agenda
7 today. First is the approval of the minutes for our
8 January 31 and February 26 meetings.

9 COMMISSIONER BRONSON: Motion on Item 1.

10 ATTORNEY GENERAL McCOLLUM: Second.

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

13 MR. BAILEY: The second item is the approval of
14 proposed rule changes. As I shared with you at that
15 February 26 meeting, we are proposing enhancements to
16 12 rules, and they're primarily rules for the
17 Criminal
18 Justice Standards and Training Commission.

Criminal

18 Again, it's primarily housekeeping and statutory
19 changes. In addition, we took the opportunity to
bring
20 some of the forms and notifications in line with the
21 plain language initiative.

22 ATTORNEY GENERAL McCOLLUM: I move Item 2.

23 COMMISSIONER BRONSON: Second.

24 GOVERNOR CRIST: Moved and seconded. Show it

25

approved without objection.

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1 MR. BAILEY: Thank you.

2 GOVERNOR CRIST: Thanks, Commissioner. Keep up
3 the great work.

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ACCURATE STENOTYPE REPORTERS, INC.

1 GOVERNOR CRIST: Administration Commission.

Lisa

2 Saliba. Good morning, Lisa. How are you?

3 MS. SALIBA: Good morning, Governor. Thank you.

4 Administration Commission agenda has one item. We

5 recommend the approval of the Miami-Dade College's

6 request to exercise the power of eminent domain in

7 order to acquire property that is adjacent to their

8 current buildings.

9 GOVERNOR CRIST: What is the purpose for it?

10 MS. SALIBA: The purpose is to expand for

11 classroom and other space. We do have their

12 representatives here today to answer any questions

that

13 you might have on this issue.

14 GOVERNOR CRIST: I think we like classrooms. Is

15 there a motion on Item 1?

16 COMMISSIONER BRONSON: Motion on Item 1.

17 ATTORNEY GENERAL McCOLLUM: Second.

18 GOVERNOR CRIST: Moved and seconded. Show it

19 approved without objection. Thank you, Lisa.

20 MS. SALIBA: Thank you.

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1 GOVERNOR CRIST: Florida Land and Water
2 Adjudicatory Commission agenda. Lisa.

3 MS. SALIBA: Good morning again.

4 GOVERNOR CRIST: Good morning again.

5 MS. SALIBA: We have two items on the agenda
6 today. One is recommendation for approval of minutes
7 for the January 31st meeting.

8 GOVERNOR CRIST: Is there a motion on 1?

9 ATTORNEY GENERAL McCOLLUM: I move Item 1.

10 GOVERNOR CRIST: Is there a second on Item 1?

11 COMMISSIONER BRONSON: Second.

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

14 MS. SALIBA: Item Number 2, we are recommending
15 deferral of this item today in conjunction with a
16 request from the petitioner. They were working on
17 some documentation.

18 GOVERNOR CRIST: Is there a motion to defer?

19 COMMISSIONER BRONSON: Motion to defer.

20 ATTORNEY GENERAL McCOLLUM: Second.

21 GOVERNOR CRIST: Moved and seconded. Show Item
22 deferred without objection.

23 MS. SALIBA: Thank you very much.

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ACCURATE STENOGRAPHY REPORTERS, INC.

1 GOVERNOR CRIST: Board of Trustees of Internal
2 Improvement Trust Fund. Secretary Mike Sole.

3 MR. SOLE: Good morning, Governor, Cabinet. I
4 have seven items this morning. Item Number 1 is
5 request for approval of the minutes from the March
6 and March 25th, 2008, Cabinet meetings.

7 COMMISSIONER BRONSON: Motion on Item 1.

8 ATTORNEY GENERAL MCCOLLUM: Second.

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

11 MR. SOLE: Item Number 2 is a request for
12 of a ten-year sovereignty submerged lands lease to
13 City of Key West. This is for a 188-slip marina and
14 commercial docking facility located in Key West Bight
15 in Monroe County.

16 This is an increase by 39 slips. It's a
17 working waterfront. It will be open, 90 percent open
18 to the public. The approval will also authorize the
19 removal of some 7,500 cubic yards of sovereignty
20 material.

21 As part of the process, there were some concerns
22 raised by Conch Harbor Condo Association with respect

11th

1

approval

the

historic

and

23 to navigability. We've been able to work with them

foot

24 have amended the item to include an additional 25-

25 offset from the riparian lines to help ease that.

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1 We have three speakers today. We have Mayor
2 Morgan McPherson available. Mayor McPherson.

3 GOVERNOR CRIST: Morning, Mr. Mayor.

4 MR. MCPHERSON: Good morning, Governor.

5 GOVERNOR CRIST: How are you doing? You
traveled
6 a long way.

7 MR. MCPHERSON: A little bit, just to see you.
I
8 just wanted to thank you, Governor and Cabinet, for
the
9 time and the energy that you put into this. I want
to

10 thank your staff for their incredible
professionalism,

11 and I wanted to show you a Key West commitment to
being
12 a good neighbor as well as to the environment.

13 We're working on our designation of clean
marina,

14 and it's a no-brainer for us. And we appreciate your
15 time and energy, and I just wanted to share that.
16 Thank you.

17 GOVERNOR CRIST: Thank you, Mayor. You're doing
18 great work. Keep it up.

19 MR. SOLE: Also with us here today is Beth
Kigel,
20 representing Conch Harbor Condo Association.

21 GOVERNOR CRIST: Good morning, Beth. Welcome
back

22 to the Capitol.

the 23 MS. KIGEL: Good morning, Governor, members of
24 Cabinet. As you know, my name is Beth Kigel. I
25 actually represent Hook Investments. They are the

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1 owner of two slips at Conch Harbor Marina
Condominiums,
2 and they're also partial owner of the submerged land
as
3 well as the uplands that are adjacent to the state
4 property that is being utilized in this lease.

5 We had raised some concerns with regards to
6 riparian rights and safe ingress and egress to our
7 property. And I'm happy to report that we have
worked
8 through these issues with DEP, as well as with the
City
9 of Key West. And as Secretary Sole mentioned, the
10 25-foot setback from the riparian lines, we
appreciate
11 that accommodation.

12 And also we've been assured that the City's
13 application survey, which indicates the structures,
the
14 category and size of the vessels and the location of
15 those vessels, as well as the activity, will be
16 included in the actual lease agreement and will be
17 binding upon the City.

18 So, again, I just want to thank the DEP staff,
as
19 well as the City of Key West. It really was a very
20 cooperative and cordial communication, so we
appreciate
21 it very much. Thank you.

22 GOVERNOR CRIST: Thank you very much. Any
23 questions? Thank you, Beth.

24 MR. SOLE: And finally we have with us today
Mark
25 Summers, also representing Hook Investments.

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1 MR. SUMMERS: Governor, members of the Cabinet,
2 thank you very much. I'd like to reiterate what Beth
3 said very quickly in thanking the City and
particularly
4 the DEP staff throughout the course of this,
5 particularly the Fort Myers office and Mark Miller,
who
6 have always been very cooperative and quick to answer
7 my inquiries and help me get better understandings of
8 that. They're doing a great job.

9 And, again, with the changes to the setback and
10 the clarification on allowed activities, Hook
11 Investments doesn't have any objection to this lease
12 going forward.

13 I can't bind any of the other members or the
Conch
14 Harbor Condo board, but as the developer that
initiated
15 this process with the condo board, I will strongly
16 recommend to all the members in the condo board that
17 this is a fair and equitable resolution. Thank you
18 very much.

19 GOVERNOR CRIST: Thank you, sir.

20 COMMISSIONER BRONSON: Motion on Item 2.

21 ATTORNEY GENERAL McCOLLUM: Second.

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

24 CFO SINK: Governor?

25 GOVERNOR CRIST: Yes, CFO Sink.

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1 CFO SINK: Could I just ask a couple of
questions?

2 I'm in agreement with the vote, of course. But it's
my
3 understanding that there have been some enforcement
4 issues related to this marina in the past. And I'd
5 just like for Secretary Sole to address what the --
6 what indeed he is going to be able to do in terms of
7 just monitoring enforcement going forward, and you
8 might say a few words about your enforcement
resources
9 in the Keys.

10 And I'd like to hear that the City of Key West
is
11 committed to staying in compliance on all the
12 enforcement provisions going forward on this marina.

13 GOVERNOR CRIST: Sure. Secretary.

14 MR. SOLE: Governor, this is a working
waterfront,
15 and there have been some prior noncompliance issues
16 that were noted by the Department. And working with
17 the City, we were able to get them, under a consent
18 order, to resolve those compliance issues.

19 We did do an inspection prior to bringing this
20 item back to the Board of Trustees. And they were,
as
21 of that inspection, compliant with the temporary use
22 agreement and the consent order that was executed.

23 One of the things that we also intend to do,
CFO,

24 is in light of the large facility and prior
challenges,

25 we plan to go out there within a year and do a

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1 follow-on inspection to ensure that the City is
2 operating and making sure that they meet the
3 requirements of the lease.

4 CFO SINK: Thank you.

5 GOVERNOR CRIST: I think it was moved and
6 seconded. And I think you announced your approval.

So

7 show it approved without objection.

8 MR. SOLE: Thank you. Item Number 3, the
9 Department is requesting deferral of this item.

10 ATTORNEY GENERAL McCOLLUM: I move deferral.

11 COMMISSIONER BRONSON: Second.

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

14 MR. SOLE: Item Number 4 is request approval to
15 sell 52.02 acres of state-owned Racketeer Influence

and

16 Corrupt Organization land, which is located in Aiken
17 County, South Carolina. The sale will be to Mr. John
18 R. Miller. The buyer's purchase price is 132,000,
19 which is 110 percent above the appraised or approved
20 value.

21 ATTORNEY GENERAL McCOLLUM: I move Item 4.

22 COMMISSIONER BRONSON: Second.

23 GOVERNOR CRIST: Moved and seconded. Show it
24 approved without objection.

25

MR. SOLE: Thank you. Item Number 5 is request

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1 approval of a 30-year lease --

2 GOVERNOR CRIST: Thank you, Mayor. See you
soon.

3 I'm sorry.

4 MR. SOLE: Yes, sir. Item Number 5, request
5 approval of a 30-year lease with two 30-year
renewable

6 options to Miami-Dade County for a 4.922-acre parcel.
7 In accordance with the statute, the annual lease fee
8 will be one dollar per year.

9 This is a site that's currently occupied and
10 leased to Department of Children and Families. They
11 are moving to a new facility in Florida City.
12 Miami-Dade is planning on using this as part of their
13 expanded jail diversion program.

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

15 COMMISSIONER BRONSON: Motion on Item 5.

16 ATTORNEY GENERAL McCOLLUM: Second.

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

19 MR. SOLE: Thank you. Item Number 6 is request
20 approval of a two-phase exchange agreement with
Indian
21 River County to widen CR 512 from two to four lanes
and
22 realign 102nd Terrace into 101st Street.

23 This action is located in the St. Sebastian
River

24 State Park. There's a current road. There's a
25 proposal to move that road, which is part of the

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9.63 1 exchange. As part of the exchange, it will impact
2 acres of conservation lands.

3 The determination by the Board of Trustees that
4 this land is no longer needed for conservation
purposes 5 will be needed, as well as a determination the
6 exchange, which will be for 16 acres of additional
land 7 to the Board of Trustees, will be a net positive
8 conservation benefit to the State of Florida.

9 ATTORNEY GENERAL MCCOLLUM: I move Item 6.

10 COMMISSIONER BRONSON: Second.

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

13 MR. SOLE: And, Governor, on that item, I just
14 want to recognize that Commissioner Wesley Davis of
15 Indian River County was here with us today --

16 GOVERNOR CRIST: Good morning, Commissioner.

17 MR. SOLE: -- and I'm grateful for his help and
18 work on this project.

19 GOVERNOR CRIST: Thank you.

20 MR. SOLE: Governor, the last item, Item Number
7
21 is request approval to extend the City of Pahokee's
22 lease an additional 25 years and add 87.51 acres, for
a

extend 23 total of 134 acres. In addition, this item will
24 Everglades Venture, LLC's sublease through December
totaling 25 14th, 2056, and add an additional 67.4 acres,

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project

1 134 acres.

2 This is an important economic development

3 located in the City of Pahokee. We have with us here

4 today John Sprague if there's any questions.

5 GOVERNOR CRIST: Is there a motion on Item 7?

6 COMMISSIONER BRONSON: Motion on Item 7.

7 ATTORNEY GENERAL MCCOLLUM: Second.

8 GOVERNOR CRIST: Moved and seconded. Show it

9 approved without objection.

10 MR. SOLE: That concludes Board of Trustees.

11 Thank you, sir.

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1 ATTORNEY GENERAL McCOLLUM: Governor?

2 GOVERNOR CRIST: General.

reopen

3 ATTORNEY GENERAL McCOLLUM: I would move to

4 or reconsider Item 2 of the Florida Department of Law

5 Enforcement agenda. My understanding is there is a

6 matter that Commissioner Bailey was going to have

7 altered in that item, and I guess I floored you by

I

8 moving it so early and you didn't get to do that. So

9 guess I'm going to give you the opportunity, assuming

10 that you concur that we'd reopen it.

11 COMMISSIONER BRONSON: I second that.

12 GOVERNOR CRIST: Moved and seconded to revisit

Show

13 Item 2 for Florida Department of Law Enforcement.

14 that motion approved without objection. Commissioner

15 Bailey.

have

16 MR. BAILEY: Within that rules change package,

17 Item 11D-8, having to do with implied consent, we

18 a DUI work group in the state made up of local state

19 law enforcement judges and states attorneys.

20 I would like to have that group further consider

21 that rule before we move forward with it. So I would

22 like to withdraw that one piece of that package.

23 ATTORNEY GENERAL McCOLLUM: I would move to

24 approve Item 2 with that alteration that Commissioner
25 Bailey just set forth with regard to that one rule.

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1 GOVERNOR CRIST: To withdraw that rule.

2 COMMISSIONER BRONSON: Second.

3 GOVERNOR CRIST: Moved and seconded. Show it
4 approved without objection. Commissioner, thank you,
5 sir. Thank you, General.

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

3 MR. MILLIGAN: Good morning, sir. And good
4 morning, CFO Sink, wherever you may be.

5 GOVERNOR CRIST: On the phone. She's
ubiquitous.

6 MR. MILLIGAN: And give my fellow Marine my
best,

7 will you, and tell him to get well.

8 CFO SINK: I will. Thank you, General.

9 MR. MILLIGAN: Item 1 is request approval of the
10 minutes of April 15, 2008.

11 CFO SINK: Move it.

12 ATTORNEY GENERAL McCOLLUM: Second.

13 GOVERNOR CRIST: Moved and seconded. Show Item
1

14 approved without objection.

15 MR. MILLIGAN: Item 2, request approval of a
16 fiscal sufficiency of an amount not exceeding
17 42,445,000 State of Florida, Full Faith and Credit,
18 State Board of Education Capital Outlay Bonds.

19 ATTORNEY GENERAL McCOLLUM: I move Item 2.

20 CFO SINK: Second.

21 GOVERNOR CRIST: Moved and seconded. Show Item
2

22 approved without objection.

23 MR. MILLIGAN: Item 3, request approval of the

24 Florida Retirement System's Defined Benefit Plan
25 Investment Policy Statement. The Investment Advisory

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1 Council reviewed and unanimously approved the revised
2 investment policy at a public meeting on April 17,
3 2008, regarding divestiture-related proposed changes
to
4 the FRS Defined Benefit Plan Investment Policy
5 Statement.

6 Basically, it was to bring in line the fact that
7 we are divesting some assets and to have the proper
8 benchmarks.

9 CFO SINK: Move it.

10 ATTORNEY GENERAL MCCOLLUM: I second.

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

13 MR. MILLIGAN: I've got two update items. In
14 addition to the effort by the Office of Financial
15 Regulation, the SBA has engaged a law firm to
16 investigate the sale to the SBA of the KKR, Ottimo
and
17 Axon notes from several broker-dealers. These notes
18 later defaulted after purchase by the SBA.

19 The investigation will be undertaken in order to
20 determine whether any legal action against the
21 broker-dealers should be brought by the SBA. The
22 investigation will be concluded within a month.

23 A second item deals with the executive director
24 search. We expect to have four or five nominees in

25

mid-May.

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if 1 GOVERNOR CRIST: Before you go there, General,

2 I might.

3 MR. MILLIGAN: Yes, sir.

4 GOVERNOR CRIST: Before you go there, could you
5 share with us the firm you retained to do the
6 investigation?

DeValerio, 7 MR. MILLIGAN: Yes, sir. It is Berman,

8 Pease, Tabacco, Burt & Pucillo of West Palm Beach, a
9 first class litigation firm and a first class firm.

10 GOVERNOR CRIST: Thank you very much, General.
11 I'm sorry.

four 12 MR. MILLIGAN: The executive director search,

13 or five nominees we should have in mid-May. The
14 screening committee is expected to meet in early June
15 and should have two or three candidates to the
trustees
16 to interview and make a selection in June sometime.

17 GOVERNOR CRIST: Great.

18 MR. MILLIGAN: That concludes my portion.

19 ATTORNEY GENERAL McCOLLUM: Thank you. No
20 questions.

21 GOVERNOR CRIST: Any questions, CFO?

22 CFO SINK: No. I'm fine. Thank you, Governor.

you 23 GOVERNOR CRIST: Okay. Look forward to seeing

24 soon. We are done. Thank you, General.

25 (Whereupon, the meeting was concluded at 9:55 a.m.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

Reporter,

counsel

I, Jo Langston, Registered Professional

do hereby certify that the foregoing pages 5 through 33,
both inclusive, comprise a true and correct transcript of
the proceeding; that said proceeding was taken by me
stenographically and transcribed by me as it now appears;
that I am not a relative or employee or attorney or
of the parties, or a relative or employee of such attorney
or counsel, nor am I interested in this proceeding or its
outcome.

IN WITNESS WHEREOF, I have hereunto set my hand
this 13th day of May 2008.

JO LANGSTON
Registered Professional Reporter

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