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THE CABINET
STATE OF FLORIDA

Representing:

STATE BOARD OF ADMINISTRATION

DEPARTMENT OF REVENUE

DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND

Reported by:
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APPEARANCES:

Representing the Florida Cabinet:

RICK SCOTT
Governor

ADAM H. PUTNAM
Commissioner of Agriculture

PAM BONDI
Attorney General

JEFF ATWATER
Chief Financial Officer

* * *

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P R O C E E D I N G S

* * *

(Agenda items commenced at 1:25 p.m.)

GOVERNOR SCOTT: So, now we'll come to the State Board of Administration. The first agenda is going to be presented by Chief Financial Officer Jeff Atwater.

CFO ATWATER: Governor, thank you. What we have today is the appointment to the Audit Committee, the SBA, and I would move the appointment of Rolf Engmann. Rolf has a career in the CPA field as a, in both the public and the private sector and has enthusiastically accepted the invitation to join the Audit Committee and serve us as members of the SBA.

GOVERNOR SCOTT: Great. Is there a motion to approve Item 1?

ATTORNEY GENERAL BONDI: Motion to approve.

GOVERNOR SCOTT: Is there a second?

CFO ATWATER: Second.

GOVERNOR SCOTT: Moved and seconded. Show Item 1 approved without objection. The next -- thank you very much, Jeff.

1 GOVERNOR SCOTT: The next agenda is the Department
2 of Revenue presented by Lisa Vickers. Good afternoon, how
3 are you doing?

4 MS. VICKERS: Good afternoon.

5 GOVERNOR SCOTT: Lisa had no problem, we were in a
6 race, we did a springtime festival race, and there was, she
7 didn't care that I was the Governor, she passed me like a
8 mile and a half into it, sort of laughs, speed up. Didn't
9 you say something like that?

10 MS. VICKERS: He reminds me of that so I will
11 never do it again. I said, go team, EOG.

12 GOVERNOR SCOTT: All right, thank you.

13 MS. VICKERS: Thank you. Governor and Members of
14 the Cabinet, the Department of Revenue respectfully requests
15 approval of the minutes from the February 22nd meeting.

16 GOVERNOR SCOTT: Is there a motion on the minutes?

17 ATTORNEY GENERAL BONDI: Move to approve.

18 GOVERNOR SCOTT: Is there a second? Is there a
19 second?

20 CFO ATWATER: Second.

21 GOVERNOR SCOTT: Moved and seconded. Show Item 1
22 approved without objection.

23 MS. VICKERS: Thank you. Item 2, the Department
24 requests approval and authority to publish Notice of
25 Proposed Rule Making for Timeshare Exchange Programs. These

1 rules will provide guidance to taxpayers on how to handle
2 the taxation of timeshare exchanges and products known as
3 regulated short-term products. When people stay at
4 timeshare exchange, they have a timeshare occupancy with,
5 it's coupled with the purchase of a timeshare program. We
6 recommend approval of this item.

7 GOVERNOR SCOTT: Is there a motion on Item 2?

8 CFO ATWATER: So moved.

9 GOVERNOR SCOTT: Second?

10 COMMISSIONER PUTNAM: Second.

11 GOVERNOR SCOTT: Moved and seconded. Show Item 2
12 approved without objection.

13 MS. VICKERS: Item 3 requests approval to adopt
14 and certify to the Secretary of State rules amending
15 sections related to Hotel Reward Points Programs. These
16 programs are used by hotels in exchange for stays of guests.
17 We do have one speaker on this rule, Mr. Jim Ervin,
18 representing Marriott International, would like to speak
19 briefly.

20 GOVERNOR SCOTT: Good afternoon.

21 MR. ERVIN: Good afternoon. Governor and Members
22 of the Cabinet, my name is Jim Ervin with the Holland and
23 Knight Law Firm, we represent Marriott International. I'm
24 also authorized to speak on behalf of the Hyatt Hilton
25 Intercontinental Hotels. We particularly want to thank the

1 Department for working with industry to resolve this issue
2 so that it can be addressed in the future, and there will be
3 no further difficulties. I know that sometimes rules have a
4 bad name, but I think, particularly, in the area of taxes,
5 it's often very helpful for businesses to know ahead of time
6 what's taxable, what's not, so that they can comply rather
7 than being surprised later in an audit. So, again, we
8 appreciate the Department's efforts to reach our industry
9 and work out a resolution for this problem. Thank you.

10 MS. VICKERS: Thank you. These rules should be
11 guidance to hotels to how, for how to handle Reward Point
12 Programs, we recommend approval of this rule.

13 GOVERNOR SCOTT: Is there a motion on Item 3?

14 ATTORNEY GENERAL BONDI: Move to approve.

15 GOVERNOR SCOTT: Is there a second?

16 CFO ATWATER: Second.

17 GOVERNOR SCOTT: Move and seconded. Show Item 3
18 approved without objection.

19 MS. VICKERS: Finally, Item 4, request approval to
20 adopt and certify to the Secretary of State, amendments to
21 our rules to incorporate 2010 changes to Section 213.053,
22 which authorizes the Department to post lists of warrants
23 and liens of taxpayers who have outstanding obligations. We
24 request approval of this rule.

25 GOVERNOR SCOTT: Is there a motion on Item 4?

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COMMISSIONER PUTNAM: So moved.

GOVERNOR SCOTT: Is there a second?

CFO ATWATER: Second.

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

MS. VICKERS: Thank you.

GOVERNOR SCOTT: Thanks.

1 GOVERNOR SCOTT: All right, the next agenda is
2 from the Department of Aquaculture presented by Leslie
3 Palmer. Good afternoon.

4 MS. PALMER: Good afternoon. Division of
5 Aquaculture, Department of Agriculture and Consumer
6 Services.

7 GOVERNOR SCOTT: Oh, yeah, that's right.

8 MS. PALMER: My boss is sitting up there, so I
9 think it's important. Thank you, Cabinet. Before we move
10 to the agenda items, we thought we'd take a, just a couple
11 of minutes to give you a brief overview of aquaculture in
12 the State of Florida.

13 Next slide. Like all of Florida, aqua-, I mean,
14 agriculture, our aquaculture industry is extremely diverse
15 producing everything from ornamental or aquarium fish to
16 live rock and sturgeon to tilapia, alligators and turtles.
17 We have a very strong aquatic plant industry, and a robust
18 shellfish industry, oysters and clams.

19 Next slide, please. We just kind of put,
20 represented a map to show you that aquaculture is produced
21 in nearly every region of the State. As you can see along
22 the coast, it's obviously clams and oysters. Tropical fish,
23 just of interest, are usually located close to international
24 or major airports, Orlando, Tampa and Miami-Dade. They have
25 to get the fish out of the, out of the farm en route and to

1 the place within forty-eight hours, so it's very important
2 that that's where they're located.

3 Next slide, please. Slide, thanks. Just -- this
4 shows you where, the counties that we have leased, the
5 aquaculture submerged land leases that we're talking about
6 today. It's important to note that about 75 percent of
7 Florida's aquaculture industry is, is land based, and not
8 dependent on submerged land leases. So those are the
9 tropical fish, tilapia, sturgeon, things of that nature.
10 But for shellfish producers, particularly, our clam farmers,
11 the ability to lease sovereign submerged land from the State
12 is, is, frankly, elemental to their business. We administer
13 505 active aquaculture leases and 14 active live rock leases
14 in the State of Florida. I don't know if any of you know
15 what live rock is, you know, it's, it's a limestone coral
16 mixture that's not naturally occurring in Florida waters.
17 They get a lease, they put it in, in the water for about a
18 year, one year to several years, and marine microscopic
19 organisms form on it throughout the rock. It's then
20 harvested and it's put in aquariums, and it helps to
21 stabilize water chemistry. It's a natural filter, and it's
22 very pretty as well. So that's become kind of a new and
23 kind of an interesting business that's kind of grown from
24 our aquaculture leases.

25 Next slide, please. This is a 2007 census of

1 agriculture farm gate values. As you can see, ornamental
2 fish is half of the aquaculture industry in the State of
3 Florida with 25 percent being clams and oysters, and the
4 remainder made up from what you see there. It's important
5 to note that the United States is the third largest producer
6 of ornamental fish in the world, and Florida is the number
7 one producing state for the United States.

8 Next slide, please. And this is just kind of a
9 representative figure of the total economic impact annually
10 to the State from Florida aquaculture, a little less than a
11 quarter of a billion dollars. They -- it kind of keeps cash
12 flow in the community, a wide of range of businesses,
13 plastic tarps, coolers, cement barrel vaults, if any of you
14 have been on a tropical fish farm, they use cement barrel
15 vaults to produce the fish. So it's a really robust growing
16 industry, we're very proud of it, and we thank you for
17 letting us come here today.

18 GOVERNOR SCOTT: Great. Thank you.

19 MS. PALMER: Before we get to any questions, if
20 you have any, I'd like to turn it over to my boss,
21 Commissioner Putnam to see if he had anything he'd like to
22 add.

23 COMMISSIONER PUTNAM: Thank you, Leslie. For
24 everything that you and your team with the Division of
25 Aquaculture do, and I know that you have a business item

1 before the Cabinet, but I appreciate the orientation to the
2 industry. I mean, really, the neat thing about Florida,
3 every day you learn some new interesting commodity or some
4 entrepreneurial corner of the world that we have, frankly, a
5 dominant role in, whether it's live rock or clams and
6 oysters, shrimp, ornamental tropical fish, which, for a long
7 time, were the number one export out of Tampa International
8 Airport. I mean, we are, we have something like 80 percent
9 of ornamental fish production for the United States in
10 Hillsborough County alone, much less what's in the Miami
11 area and the Orlando area. But when it, when it comes to
12 sampling and opening and closing these leases that this
13 Cabinet makes the decisions on, Leslie's team is out on the
14 water every day pulling water samples, analyzing those
15 samples to make food safety decisions about the shellfish
16 that we're harvesting in the State of Florida, and that,
17 that predates the spill. That is a, that is a program
18 separate and apart from what we're doing to continue to
19 assure the public of the, of the safety and wholesomeness of
20 what's coming out of our waters post-spill. They're making
21 decisions on, on closures based on the temperature of the
22 water and rainfall and things like that as an, as an
23 ordinary course of action. In addition to the sampling
24 that's going on that, that's making decisions and so far,
25 has found absolutely nothing of concern as it relates to, to

1 remnants of oil or dispersant. So she's got a great team, a
2 great set of laboratories that are analyzing that data and
3 doing a lot of good work to support this industry, which, as
4 you pointed out, farm gate is a quarter of a billion dollars
5 total fishing, total sport fish, commercial fish, it's five
6 and a half billion dollars, so, I mean, we're talking about
7 major economic impact, particularly focused in these coastal
8 communities and these working waterfronts, so we appreciate
9 the good work that you and your staff do.

10 MS. PALMER: Questions? All right. Governor, we
11 have two items on our agenda today. The first item is
12 approval of the Cabinet meeting minutes for October 26,
13 2010, and January 19th, 2011. We recommend approval.

14 GOVERNOR SCOTT: Okay. Is there a motion on Item
15 1?

16 ATTORNEY GENERAL BONDI: Move to approve.

17 COMMISSIONER PUTNAM: Second.

18 GOVERNOR SCOTT: Moved and seconded. Show Item 1
19 approved without objection.

20 MS. PALMER: Thank you, Governor. The second item
21 is a clarification of the Department's delegation from the
22 Board of Trustees. The purpose of this item is to allow the
23 Department to renew existing leases for one additional ten
24 year term, as long the other terms and conditions of the
25 lease are the same. The request is consistent with the

1 Statute and Board of Trustees' rules. If approved, this
2 item will allow the Department to renew approximately 150
3 aquaculture leases in the next three years without bringing
4 them to the Cabinet as individual items. Aquaculture is a
5 risky business and clarifying a lease renewal process will
6 provide greater certainty for business planning, as well as
7 sending an important message about the Board's support of
8 this industry. We ask for your approval of Item 2.

9 GOVERNOR SCOTT: Commissioner Putnam, is there
10 anything else you wanted to say on it?

11 COMMISSIONER PUTNAM: This is very much in line,
12 Governor, with the leadership that you've exhibited, not
13 only in, in streamlining the process and reducing the number
14 of things that are required to come before the Board of
15 Trustees, but also in terms of putting some certainty out
16 there for the business community, who have significant
17 investments in these leases, and by giving them that
18 certainty of the additional time, that they will have access
19 to those oyster and other shellfish leases. We're, we're
20 sustaining jobs and, and creating the potential for new
21 jobs. And I, it's actually my view, and it's a conversation
22 for another time, I think it should be a goal of this Board
23 of Trustees that we continue to expand the number of leases
24 available for us to make use of, of that submerged land
25 because it does create jobs, and by adding back those

1 resources, we're also doing an awful lot to improve water
2 quality. So you've got a win-win of supporting a robust
3 seafood industry, supporting the environment and, and
4 sustaining jobs.

5 GOVERNOR SCOTT: Anybody else, anything? Okay.
6 Is there a motion to approve Item 2?

7 ATTORNEY GENERAL BONDI: Move to approve.

8 GOVERNOR SCOTT: Is there a second?

9 CFO ATWATER: Second.

10 GOVERNOR SCOTT: Moved and seconded. Show Item 2
11 approved without objection.

12 MS. PALMER: Governors and Members of the Cabinet,
13 that concludes the Department's formal agenda. With your
14 permission, we have a brief presentation from Nelson
15 Mongiovi, who is our Director of Marketing for the
16 Department on the Gulf Safe marketing campaign.

17 GOVERNOR SCOTT: Great, thank you.

18 MS. PALMER: Thank you so much.

19 GOVERNOR SCOTT: Thanks, Leslie.

20 MR. MONGIOVI: Thank you, Leslie. Good afternoon,
21 Governor.

22 GOVERNOR SCOTT: How are you doing?

23 MR. MONGIOVI: Members of the Cabinet. Boss.

24 COMMISSIONER PUTNAM: Nelson.

25 MR. MONGIOVI: I appreciate the opportunity to

1 come before you today and talk to you about the seafood
2 industry and what's going on with consumer confidence. I'll
3 start off by just telling you that there's good news and
4 there's bad news, and I can probably wrap it into one quick
5 statement.

6 The fact is Florida has the most wholesome,
7 abundant, nutritious, healthy, highest tested seafood in the
8 world. And for some people, that's just not good enough or
9 they haven't heard the message yet, and that's what I'm
10 hoping starts today -- well, last week, it really started,
11 and I'll stay on a positive note for a second, but the Gulf
12 Safe message is out there. That's what you see on the
13 screen. That's what you see on our Cabinet Members. You
14 have to love all the fishing shirts in the room. I
15 appreciate you wearing the Gulf Safe logo. And for many of
16 you, is there a button I can push to advance that slide?
17 That'd be great.

18 I hope you had an opportunity when you were
19 driving in -- you know what -- the green one? Oh, do I look
20 bad up here or what?

21 COMMISSIONER PUTNAM: It's a well-oiled machine,
22 Governor, I promise.

23 GOVERNOR SCOTT: It was going so well.

24 COMMISSIONER PUTNAM: That's right.

25 MR. MONGIOVI: I know, you know, just one of

1 those.

2 ATTORNEY GENERAL BONDI: Are you on his fishing
3 team?

4 MR. MONGIOVI: I'll be checking your live wells
5 before you go out.

6 GOVERNOR SCOTT: That's what they're called, live
7 wells.

8 MR. MONGIOVI: I hope you did have an opportunity,
9 when you were driving in, to see the billboards. We have
10 them on I-10 and, coming both east and west, and they're
11 here in town because the Gulf Safe message was launched in
12 the Panhandle this past week. We're up on television for
13 right now. We made a very hefty local buy. Statewide, on
14 cable. Newspapers. Commissioner, I think you have
15 something up there for folks to see.

16 COMMISSIONER PUTNAM: Today's USA Today, in
17 anticipation of the, the anniversary coverage, which tends
18 to be negative, and unfortunately, for our tourism industry,
19 our seafood industry, for everybody in the Panhandle, they
20 tend to use file footage, so in anticipation of that,
21 Nelson's shop preempted them with a full-page ad in USA
22 Today, which ran nationally, so this is hitting all the
23 markets of, markets of origin for travelers who end up
24 vacationing in the Panhandle, the seafood purchasers, who
25 are making their decisions for their restaurants and their

1 wholesale distribution, distribution operations out of
2 Florida to get this message out on a national basis. So
3 they've launched this campaign with a bang, and we're real
4 proud of what its potential is.

5 GOVERNOR SCOTT: That's great.

6 MR. MONGIOVI: Wait until you see the television,
7 it's even better. It actually moves and there is some
8 beautiful scenes from the Great Northwest up here that I
9 think you're going to enjoy, and I hope that it reaches
10 folks and brings confidence back to the table because that's
11 really what we're dealing with right now. The fact is, in
12 the last year since the oil spill, there have been zero,
13 zero health problems with any Florida seafood as it relates
14 to oil spilled in the Gulf. I've talked to our State
15 Toxicology people, our food lab people, all those folks who
16 wear white coats and sit out there at this huge machinery
17 actually hoping something will pop up because that's what
18 these scientists do out there. And the message that I get
19 back from them is sorry, Nelson, zero, zip, nada, there is
20 no problem with Florida seafood. And that's a great message
21 as far as the marketer is concerned, and we need to get that
22 message out there even further.

23 Last week, just to, you know -- could someone
24 change the slide, please?

25 ATTORNEY GENERAL BONDI: Governor --

1 GOVERNOR SCOTT: This is a big deal, the turn
2 over.

3 ATTORNEY GENERAL BONDI: -- I will take him on my
4 fishing team now that he got that ad in USA Today, that was
5 great.

6 GOVERNOR SCOTT: Or that he recognized that a
7 woman could do the job.

8 ATTORNEY GENERAL BONDI: That's right.

9 GOVERNOR SCOTT: Go ahead.

10 ATTORNEY GENERAL BONDI: That's right.

11 MR. MONGIOVI: Just for the record --

12 ATTORNEY GENERAL BONDI: It's not you.

13 MR. MONGIOVI: Just for the record, teamwork
14 works. Last week in Destin, to show you how industry and
15 the State of Florida has come together, we put together a
16 public-private partnership, and this is the kind of
17 progressive technology that people are bringing to the table
18 right now.

19 Over in Destin, there's a group over there called
20 the -- Martin, what is the name?

21 MARTIN: Shareholders Alliance.

22 MR. MONGIOVI: Shareholders Alliance. They
23 actually came up with a tagging program, and if you'll look
24 at the red snapper up here on the gill plate, each one of
25 them has a little tag attached to it, and on that tag,

1 there's a URL with a code number. You get that fish in a
2 fish store, you go online, you put that code number in,
3 voila, and this is what happens. You can actually see where
4 that fish was caught, where it was brought in, and you can
5 look on the lefthand side, the fisherman that caught the
6 fish and a little bit about his business. Now, this is
7 incredible stuff. You know, there's a silver lining to
8 everything, and this, I think, is a fantastic thing in terms
9 of transparency and it's really going to help move Florida
10 seafood. And I think the folks in Destin deserve a round of
11 applause for that one.

12 Okay, now the bad news. We still have a
13 perception problem. We closed our polls Sunday, so what
14 you're seeing here now is the latest information that's been
15 processed. It is the most accurate. We actually doubled
16 our polling sample in this last poll to see where consumers
17 are as it relates to Florida seafood, their confidence level
18 basically. I've got to tell you the numbers, unfortunately,
19 are going in the wrong direction. We polled in May when the
20 oil spill occurred. We polled in October, then in January,
21 and this most recent one, again, the numbers are sliding in
22 the wrong direction, which is even more reason to get out
23 here and aggressively go with this marketing campaign and do
24 battle with this perception. On availability, you see that
25 43, 44 percent of the folks out there are concerned about

1 availability. Price, which probably relates to the economy,
2 I think we're all feeling that sting, that's up to 60
3 percent. The third bar in the middle is the one that is
4 most distressing and the one that we have to deal with and
5 it is simply a perception problem, safety. Safety on
6 seafood has now gone up to 63 percent. Historically, let me
7 tell you what happened. When the oil spill occurred, safety
8 tested at 88 percent. Of course, that's what you'd expect.
9 When they capped the well, it came down to 57, we felt much
10 better about that. In January, 48. So we were feeling
11 good, but it appears now that what we were dealing with is
12 the public just temporarily, maybe we were distracted with
13 the elections, the holiday season, Super Bowl, it's hard to
14 tell, but now what's happening with the anniversary, with
15 the media, everything, all the old file footage that's being
16 resurrected, the safety concern is back up to 63 percent,
17 and it's something we need to deal with. Now, that safety
18 concern is not on the coast of Florida, the interesting
19 thing is it seems to be all inland, and we're tearing apart
20 the demographics right now to find out specifically who the
21 folks are, what their issues are so that we can address them
22 immediately. Because this is what we need to do, as the
23 Commission has said, restore and improve Florida seafood
24 sales and the livelihood of everybody associated with this
25 industry, and the only way to do that is --

1 GOVERNOR SCOTT: I've just got a question. Do you
2 have numbers on safety for pre-oil spill?

3 MR. MONGIOVI: Yes, sir.

4 GOVERNOR SCOTT: What were, what were those
5 numbers --

6 MR. MONGIOVI: Pre-oil spill --

7 GOVERNOR SCOTT: -- for safety?

8 MR. MONGIOVI: -- they were double digits, but
9 they were in the teens. And most of those related to
10 specific things like mercury among pregnant women. We had
11 those numbers and can compare them, but we definitely took a
12 hit. In terms of overall consumption, 30, 32 percent down
13 across the State. Predominantly, in restaurants, what most
14 people don't know is half of the seafood in this State is
15 eaten in a restaurant. So with the tourism battle, they're
16 just not out there, they're just not doing it. But we do
17 have a tool at our disposal, you're wearing it on your shirt
18 today. Thank you very much. It's actually flying on the
19 flagpole out there right now. Thank you very much. Gulf
20 Safe is the message. And in fact, when we tested this logo,
21 the good news is 58 percent of the consumers out there in
22 the State of Florida said if they saw this logo on a
23 product, they would be more likely to purchase it. So we
24 are going after every producer, every retailer and every
25 wholesaler we can to put this out there.

1 Thirty-three percent of those people said if it were on
2 there, they'd have more confidence in the overall product.
3 So we have a tool, we just need to get the Gulf Safe message
4 out.

5 It's a little difficult to read, but our target
6 right now, the big circle is restaurant consumers because
7 they eat half the food out there, wholesale buyers, home
8 cooking folks, fish markets, restaurants, and of course,
9 tourists play into this whole thing.

10 We have a number of approaches,
11 business-to-business initiatives, restaurants, we'll be in
12 the restaurants, retail fish markets. Media, media, media
13 including social media, social media. It's amazing how
14 perceptions are formed on the social media circuit these
15 days. We're out there on Facebook; we're out there on
16 Twitter, and we're sending the Gulf, Gulf Safe message
17 aggressively.

18 And celebrity promotions. We're lucky that we
19 have some celebrities in this State that really care about
20 the environment and our fishery and are willing to
21 participate.

22 These are just some of the strategies. I'm not
23 going to go into all of them, I'll just touch on some of the
24 highlights.

25 One of them is fisherman's media training. We

1 learned this from our colleagues up in Alaska. They told
2 us, hey, you need to get out there and talk to your
3 fisherman and teach them how to deal with the media. I
4 think we solved some of those problems during the oil spill,
5 and we want to work with them, get them on board with a good
6 message. Other things, reverse buyer missions and wholesale
7 missions. We're sending our reps in the Department into
8 areas like Maryland, Virginia to sell blue crab. New York,
9 Canada to sell fin fish. Going back to make sure we protect
10 those markets where we had a toehold and not let it get away
11 from us. At the same time, we're going to be bringing their
12 buyers to Florida. There's still an allure here. They want
13 to come. We want to show them our product in detail and
14 we're open for business.

15 Restaurants, we're going to train wait staff how
16 to deal with the tough problems when somebody from Minnesota
17 comes in and wants to know, what's the deal with the
18 seafood. We're actually putting together an interactive
19 program that will be distributed to the Florida Restaurant
20 Association to help the wait staff deal with those issues.

21 Groupons, if you're on the internet, you know what
22 groupons are about. If you're not on the internet, it's a
23 coupon, but you get it on the internet. Fish markets,
24 in-store points of sale, just tons of stuff. Please.

25 Media print, social promotions, I talked about all

1 that, I won't go through all of them other than to tell you
2 you see a big splash this year on college football, in hotel
3 rooms, hotel programming, when you go in and you actually
4 see the television broadcasts that are coming into the hotel
5 rooms, they have their own little network, we'll be
6 broadcasting there, consumer confidence ads, outdoor, and
7 even on toll booths. Everywhere we can put the message out,
8 we're going to have it out.

9 Celebrities, there are some out there who want to
10 work with us. I'll give you a sneak tease. We're talking
11 to a musician, can't say any names. We're talking to a
12 sports figure, I can't say any names. And we have a
13 gentleman who's known worldwide for his sea life art, who is
14 working with us, and you may have noticed some of his
15 influence in that logo up front, but I can't mention any
16 names yet.

17 The budgeting is an issue. As you know, BP gave
18 us 10 million dollars to start this thing. We were hoping
19 to spend 2 million of it between now and July, and then turn
20 around and throw 4 million at it in July to keep the
21 momentum going. Unfortunately, we do not have the authority
22 to spend some of that money. We're hoping the LBC will
23 gather and release some of those dollars. We found some
24 authority in-house, and kind of carved it out of our hide to
25 get this thing started, but in the next few weeks, we need

1 to keep it going with as much momentum as we can get.

2 GOVERNOR SCOTT: Can you say that again? The
3 10 million dollars, because you have to have the House
4 approve, is that what?

5 COMMISSIONER PUTNAM: That's correct, the money is
6 wired and in possession of, of the state in Mr. Atwater's
7 account. We're not authorized to access it without approval
8 from the LBC or the budget, whichever comes first, and
9 Chairman Alexander has indicated that if the LBC doesn't
10 meet before the end of session, they'll write it into the
11 budget.

12 MR. MONGIOVI: Ten million dollars doesn't sound
13 like a whole lot of money in the advertising world, but I
14 want to assure you in this case, it is, and it's because we
15 have so many great partners in the State of Florida.
16 Working with the Department of Transportation and Florida
17 Restaurant Association, Visit Florida, all the folks out
18 there bringing all of our agendas together and sharing with
19 one another, we can leverage those dollars to really make a
20 big bang with the 10 million dollars that we have. In fact,
21 our estimate right up front is that that 10 million dollar
22 initial hit will definitely be valued at 40 million dollars
23 or more.

24 Basically, here's how it works, with the Florida
25 Cable Association, we buy television at a four-to-one ratio.

1 For every 1,000 dollars we spend, they actually run 4,000
2 dollars worth of television for us because we're a
3 governmental agency. Then they usually throw bonus time on
4 top of that, and historically, I've watched them for ten or
5 fifteen years, they typically bring a six-to-one return back
6 to us, and we get really good saturation across the State.

7 I can assure you, we will measure everything we do
8 because the Commissioner said, you will measure everything
9 you do. And his line was, if you can't measure it, we
10 shouldn't be doing it. And the way we will measure it is in
11 dollars and cents. We will definitely measure consumer
12 impressions and all those things that people talk about in
13 marketing, but at the same time, we're going to watch the
14 revenue. We're going to watch the gross sales. We're going
15 to follow up in six, nine, twelve and eighteen months and
16 make sure that the residual sales are following a track and
17 that we are making money and restoring this industry.

18 Here's why, we have to or this industry is going
19 to perish. The industry has been suffering for years. The
20 BP oil spill just added insult to injury. But the silver
21 lining is like I said, the progressive techniques that the
22 folks like in Destin are putting together, what Commissioner
23 Putnam has done in terms of making this a priority inside of
24 our Division of Marketing, we're going to move ahead, and
25 Gulf Safe is definitely going to be something that you're

1 going to see in the next year. Thank you.

2 GOVERNOR SCOTT: Thank you very much, Nelson.
3 Congratulations. That's a good job.

4 COMMISSIONER PUTNAM: Governor, this is a team
5 effort, our, we can't do this as, as an individual silo, and
6 the support that Nick Wiley and the FWC have provided, the
7 support that Visit Florida supplies DOT with the
8 partnerships at the toll booths. And then, of course, our
9 private sector partners and the local chambers here in
10 Northwest Florida and around the State. Restaurateurs, who
11 we look forward to developing relationships with for the
12 table-top promotions and the, the wait staff training, all
13 of these things, I mean, we're all in this boat together,
14 and if we all pick up an oar and row together, I think we're
15 going to come out of this in strong shape with actually some
16 pretty progressive new ideas like what you're seeing come
17 out of here. So thank, thank you for the, for the support
18 that your agencies have given us, Governor.

19 GOVERNOR SCOTT: Congratulations. Isn't this a
20 great start? So good luck.

21 COMMISSIONER PUTNAM: Thank you.

22 GOVERNOR SCOTT: So, Commissioner Putnam, is there
23 anything else you'd like to add?

24 COMMISSIONER PUTNAM: I think we've covered it.

25 GOVERNOR SCOTT: Okay. So good job.

1 GOVERNOR SCOTT: All right, the next agenda is the
2 Board of Trustees presented by Herschel Vinyard. Herschel,
3 you're at every meeting.

4 MR. VINYARD: I obviously didn't get the memo on
5 dress code though. I'm sure the shirt's lost in the mail,
6 right, Commissioner?

7 COMMISSIONER PUTNAM: We'll take care of you, Mr.
8 Secretary.

9 MR. VINYARD: Governor, we have two items for the
10 agenda today. The first is submittal for your approval, the
11 minutes from our February 22nd meeting.

12 GOVERNOR SCOTT: Is there a motion on Item 1?

13 COMMISSIONER PUTNAM: So moved.

14 GOVERNOR SCOTT: Is there a second?

15 ATTORNEY GENERAL BONDI: Second.

16 GOVERNOR SCOTT: Moved and seconded. Show Item 1
17 approved without objection.

18 MR. VINYARD: Item Number 2 is known as SSA
19 Developers, Board of Trustees Option Agreement. This is a
20 consideration of an option agreement to acquire
21 approximately 172 acres in Santa Rosa County around Whiting
22 Field Naval Air Station. This purchase will reduce the
23 chances that there will be incompatible encroachment around
24 the air station. Obviously, this will protect a significant
25 economic engine for this, for this region, and it obviously

1 helps our Naval aviators with their training. Since we're
2 doing 50 percent off, we're proud to announce that the Navy
3 is a fifty-fifty cost share partner in this acquisition that
4 will reduce the purchase price of 800,000 dollars or
5 approximately 4600 dollars per acre to about 400 grand for
6 the State of Florida. The Navy's contribution is currently
7 deposited in an escrow account with the, with the title
8 company. If y'all approve this today, this will be managed
9 by the Division of Forestry, and of course, the Department
10 recommends approval. We have two speakers today in support
11 of this acquisition. The first, we have Commander Joseph
12 Hutchinson with NES Whiting Field in support.

13 COMMANDER HUTCHINSON: Good afternoon, sir. I
14 just -- the partnership is great for us. Like, like
15 Mr. Vinyard said, it would help eliminate the incompatible
16 development, and it would, it'll help Whiting Field continue
17 its mission to train future, future Naval aviators as we go
18 forward into the future. More aviators, as you know, most,
19 all helicopter aviators come out of Whiting Field, whether
20 they're Navy, Coast Guard or Marine Corps, so we train a
21 good portion of the helicopter aviators. And this would
22 help us continue that mission as the years go forward.

23 GOVERNOR SCOTT: Thank you very much.

24 MR. VINYARD: The second speaker is Kevin Wood,
25 who's a citizen of the State of Florida and he would like

1 speak for up to two minutes in support.

2 MR. WOOD: Governor. Cabinet Members. You know,
3 my father was stationed at Whiting Field, and as I
4 understand it from rumor, my brother was conceived at
5 Whiting Field and then born in New York. But you know, as
6 a former Air Force officer from Tyndall Air Force Base and
7 from Eglin Air Force Base, you know, the partnership between
8 the military and, and the civilian community and, and the
9 amount that the civilian community relies upon this
10 partnership, you know, is, is an important part of the
11 subsistence of our security, our National security, as well
12 as our national, as well as our local communities, you know.
13 And Whiting Field, as I understand it, I believe it was
14 founded around 1949, you know, and since that time, it's
15 been nothing but a partnership between Whiting Field and the
16 local community, and I believe that we should look at the
17 agreement. I mean, I've looked at the agreement between the
18 Department of Environmental Protection and Whiting Field,
19 and I've never seen such a good agreement because the Navy
20 has, you know, submitted to certain liability if certain
21 things happen, you know, and of course, the DEP and the
22 State of Florida has also put in their, their part. So I
23 stand here in, you know, in total support of the agreement,
24 and I would have hoped that the DEP's efforts and the
25 agreement would be ratified here today.

1 GOVERNOR SCOTT: Thank you very much.

2 MR. WOOD: Thank you, Governor.

3 GOVERNOR SCOTT: Thanks. All right, you know,
4 I'll tell you, I've done two base commander meetings, we
5 have twenty military bases in the State, and at every, in
6 both meetings so far, encroachment is a big issue for, and
7 if we don't do it, then it's going to have an impact, impact
8 on our bases in a number of military, the military in our
9 State, and it is 7.5, the military and defense is
10 7.5 percent of our economy right now, so it's a major job
11 creator and it creates a lot, you know, keeps a lot of
12 people busy in the State, so we need to take care of these,
13 the military. So is there a motion on Item 2?

14 COMMISSIONER PUTNAM: So moved.

15 GOVERNOR SCOTT: Is there a second?

16 ATTORNEY GENERAL BONDI: Second.

17 GOVERNOR SCOTT: Moved and seconded. Show Item 2
18 approved without objection. Thank you, Herschel. So this
19 concludes our cabinet meeting.

20 (Whereupon, the meeting was concluded at 2:00 p.m.)
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1 CERTIFICATE OF REPORTER

2 STATE OF FLORIDA

3 COUNTY OF BAY

4 I, Floie Lynn Sexton, a Court Reporter and Notary
5 Public in and for the State of Florida at Large:6 DO HEREBY CERTIFY that the foregoing meeting was taken
7 before me at the time and place therein designated; that the
8 meeting was taken stenographically and digitally recorded,
9 and thereafter reduced to typewriting; and the foregoing
10 pages numbered four (4) through thirty-two (32) are true and
11 correct to the best of my ability.12 I FURTHER CERTIFY that I am not a relative, employee,
13 attorney or counsel of any of the parties, nor a relative
14 or employee of such attorney or counsel, nor financially
15 interested in the foregoing action.16 WITNESS my hand and official seal this 4th day of
17 May, 2011.18
19 _____
20 Floie Lynn Sexton
21 Notary Public - State of Florida
22 My Commission No. DD810919
23 Expires: September 6, 2012
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