

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:

BOARD OF TRUSTEES, INTERNAL IMPROVEMENT TRUST FUND
DEPARTMENT OF REVENUE
OFFICE OF FINANCIAL REGULATION
DIVISION OF BOND FINANCE

The above agencies came to be heard before
THE FLORIDA CABINET, Honorable Governor Scott
presiding, in the Cabinet Meeting Room, LL-03,
The Capitol, Tallahassee, Florida, on Tuesday,
March 20, 2012, commencing at 10:03 a.m.

Reported by:
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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 10:03 a.m.)

GOVERNOR SCOTT: Members, as you're aware, the Senate did not take up several of our appointments for confirmation this session so I recommend that we reappoint Bernard Cohen as Parole Commissioner and Mike Prendergast as the Executive Director of the Department of Veteran's Affairs. All -- I think a --

ATTORNEY GENERAL BONDI: So moved, or second?

GOVERNOR SCOTT: I think we're going to do compensation at the same time.

ATTORNEY GENERAL BONDI: The same time.

GOVERNOR SCOTT: Okay. Is that all right? If you want to go ahead and approve them first, if that's all right. Do you want to do that first? So is there a motion?

CFO ATWATER: So it's only on confirmation?

GOVERNOR SCOTT: It's only on confirmation. Okay. Is there a second?

CFO ATWATER: So moved.

GOVERNOR SCOTT: Second?

ATTORNEY GENERAL BONDI: Second.

1 GOVERNOR SCOTT: Moved and seconded and
2 show it approved without objection.

3 Also, there is a proposal to align the
4 salaries of Jerry Bailey, Julie Jones,
5 Mike Prendergast, and Lisa Vickers at
6 \$133,157. Is there any discussion?

7 Commissioner?

8 COMMISSIONER PUTNAM: Governor, I would
9 like to see, because of the vast differences in
10 budget size, number of employees, number of
11 years in that position of some kind of a metric
12 that we could get a better feel for how we
13 ought to align their compensation.

14 I know that -- I know that like a lot of
15 state agency leaders, they're underpaid, but --
16 and I'm not opposed to this Cabinet considering
17 some kind of compensation adjustments. I guess
18 I would -- just given the huge differences
19 among the Cabinet agencies, I guess I'd like to
20 see some kind of conversation about metrics and
21 performance.

22 GOVERNOR SCOTT: Okay. How -- how would
23 you suggest we do it? Would -- so what would
24 you like, we would like to see -- from your
25 standpoint, we'd probably want to see what, a

1 presentation on the size, each of their
2 backgrounds, the years in service, typically
3 what you would do in a company, how you would
4 do it.

5 COMMISSIONER PUTNAM: I think so. I mean,
6 in particular the size of the agency, the
7 number of employees they manage, and the size
8 of the budget that they manage I think are all
9 factors that are relevant, as well as number of
10 years in that position.

11 GOVERNOR SCOTT: Okay. So let's just mark
12 it. We're going to look -- we want to see size
13 of budget, years in service, background, right?
14 What else? See, what do we normally do?

15 ATTORNEY GENERAL BONDI: Number of
16 employees, did we get that?

17 GOVERNOR SCOTT: Number of employees.

18 COMMISSIONER PUTNAM: And I also think,
19 you know, we've got some real progressive
20 Cabinet heads here who have saved the State
21 money, they've implemented some new efficiency
22 measures that have saved money that more than
23 pay for, you know, some of the increases that
24 are being considered. I think to the extent
25 that they're...

1 GOVERNOR SCOTT: So how do you want to do
2 that? Do you want to do savings, I guess?

3 CFO ATWATER: Governor, I might throw --
4 add in that we've -- and I think it's a real
5 credit to what you've been doing -- is that the
6 objective measures have been developing for
7 each one of these as we've come before their
8 annual contracts, I think those actually
9 outline some valuable measurements for us
10 looking at it.

11 And maybe the opportunity at that contract
12 time to be visiting -- might not be such a bad
13 idea either. That certainly is how many more
14 of us are used to having that compensation
15 conversation at the time of that -- that annual
16 review is taking place that could be
17 encompassing some of these other ideas.

18 GOVERNOR SCOTT: So we don't -- on that --
19 see, we don't do -- we don't do them all at the
20 same time, right?

21 CFO ATWATER: Right.

22 GOVERNOR SCOTT: We just do them
23 throughout the year.

24 CFO ATWATER: Right.

25 COMMISSIONER PUTNAM: Where would the

1 other -- the folks who aren't the true Cabinet
2 agency but report to the Cabinet, where would
3 they fall in this? Folks like Ben, Ash --

4 ATTORNEY GENERAL BONDI: Herschel.

5 COMMISSIONER PUTNAM: Well, yeah,
6 Herschel. I would certainly -- if we're going
7 to have the conversation, I would not want to
8 exclude --

9 GOVERNOR SCOTT: The others, yeah.

10 COMMISSIONER PUTNAM: -- the conversation
11 about the folks who are managing billions.

12 GOVERNOR SCOTT: All right. Then why
13 don't we do this: Okay. What's --

14 ATTORNEY GENERAL BONDI: And -- right.
15 And I'm just looking at Lisa Vickers just
16 because she's first on the list. I mean, as an
17 attorney, if I look at her background as a tax
18 attorney, I mean, she would be making three
19 times this in the private sector. And we
20 realize though that people, you know, make
21 sacrifices when they take government jobs, but
22 I think that's something we should also look
23 at.

24 And I think their background will take
25 that into account when we're looking at each of

1 these -- each of these agencies as well.

2 COMMISSIONER PUTNAM: In terms of
3 rebalancing, I don't -- you know, I don't know
4 if there's an interest in a conversation about,
5 at this time, a cap while we review potential
6 increases, if that's something that you want to
7 hold off on or --

8 GOVERNOR SCOTT: Why don't we do -- see if
9 this is okay. I think this is a good idea,
10 first off. I don't know if anybody else has
11 any problem with it, but I think it's a good
12 idea. I think what we ought to do is we ought
13 to ask our Cabinet aides to come up, and I'll
14 ask Marc to take -- Marc Slager to take the
15 lead.

16 But I think what -- putting this --
17 something together for all of us, and then
18 let's deal with it at the next Cabinet
19 meeting.

20 ATTORNEY GENERAL BONDI: Uh-huh.
21 Background, education, budget --

22 GOVERNOR SCOTT: So we've got it: I've
23 got size of budget, years of service -- and if
24 there's anything else anybody comes up with in
25 the meantime but --

1 COMMISSIONER PUTNAM: Sure.

2 ATTORNEY GENERAL BONDI: Right.

3 GOVERNOR SCOTT: Like we're clearly going
4 to look at size of budget; years of service;
5 background; number of employees; savings
6 achieved, I guess; and then objective
7 measures. And then I think we'll look -- we'll
8 also do it exactly this: We'll look at Ben,
9 Ash, Herschel, all of them.

10 ATTORNEY GENERAL BONDI: Uh-huh.

11 GOVERNOR SCOTT: Is that everybody? Marc,
12 is that everybody? Okay. All right.

13 ATTORNEY GENERAL BONDI: And you think we
14 can do this by the next Cabinet meeting?

15 GOVERNOR SCOTT: Yeah, we should be able
16 to do -- we have all the data. And we can do
17 it, exactly what the CFO said, we've got the
18 objective measures that they've done in the
19 past before. And we can look at their success
20 in those. All right. Okay. Right?

21 ATTORNEY GENERAL BONDI: That's great.
22 Thank you.

23 GOVERNOR SCOTT: All right. So we confirm
24 them, and then what we're going to do on that
25 is go back and look at that and we'll do it

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next session.

1 GOVERNOR SCOTT: All right. Thank you.
2 Now, I would like to recognize Secretary
3 Herschel Vinyard to present the Board of
4 Trustees agenda.

5 And by the way, I don't -- I think I can
6 say this, probably everybody else is hearing
7 the same thing. There is a complete change in
8 perception in the state with regard to
9 environmental protection as far as the
10 Department of Environmental Protection's
11 willingness to engage and sit down with people,
12 listen, and at the same time take care of the
13 resources that we have in the state. So I just
14 wanted to thank you and your entire team for
15 doing that, Herschel.

16 SECRETARY VINYARD: Thank you, Governor.
17 We do have a wonderful team at DEP.

18 Governor, Members of the Cabinet, we have
19 only one item for your consideration this
20 morning. It's a request to exercise the right
21 of first refusal to purchase two lots for
22 \$580,000. The lots are located next to
23 The Grove here in Tallahassee.

24 The Board of Trustees acquired The Grove
25 from former Governor Collins in 1985. As part

1 of that acquisition, the Board was granted the
2 right of first refusal to purchase three
3 adjacent lots.

4 DEP was recently notified of an offer of
5 \$580,000 for two of these lots. The Department
6 recommends that the Board of Trustees exercise
7 its right to purchase the lots. And we have --
8 Secretary of State Detzner is here today in the
9 event that y'all have any questions.

10 GOVERNOR SCOTT: Okay. So my
11 understanding, the lots are on Monroe, and
12 basically right now, other than the entrance
13 right in front of The Mansion, the only
14 entrance to The Grove is that street right in
15 front of The Mansion.

16 SECRETARY VINYARD: Yes, sir.

17 GOVERNOR SCOTT: So in theory this will
18 allow us -- and there's no parking at
19 The Grove.

20 SECRETARY VINYARD: So this will allow a
21 lot, greater public access to The Grove
22 property.

23 ATTORNEY GENERAL BONDI: And so the State
24 already owns all of the property surrounding
25 it, is that correct --

1 GOVERNOR SCOTT: Okay.

2 SECRETARY VINYARD: The --

3 ATTORNEY GENERAL BONDI: -- but for that
4 property.

5 SECRETARY VINYARD: The large parcel in
6 green is The Grove proper, and the two lots
7 with I believe the yellow highlight are the two
8 that would provide the access to the public.

9 GOVERNOR SCOTT: So right now -- make sure
10 on this -- my understanding is the only way to
11 get to The Grove right now is this road right
12 in front of The Mansion --

13 ATTORNEY GENERAL BONDI: Yes.

14 GOVERNOR SCOTT: -- is that right?

15 ATTORNEY GENERAL BONDI: Is that right,
16 Herschel?

17 SECRETARY VINYARD: Yes, sir.

18 GOVERNOR SCOTT: And so what this would do
19 potentially, this gives us another entrance. I
20 mean, there's no parking here at all.

21 SECRETARY VINYARD: Right.

22 COMMISSIONER PUTNAM: What about the road
23 off Monroe that was closed after 9/11, that's
24 access.

25 SECRETARY VINYARD: That's the -- off

1 Monroe Street up the hill next to the
2 plumbers -- excuse me.

3 GOVERNOR SCOTT: Commissioner, there is --
4 I don't think there's a turn there, but there
5 is a road right here. (Inaudible.) So
6 The Mansion's road I think is right there.
7 (Inaudible.)

8 COMMISSIONER PUTNAM: It's your house.
9 You know better than I do.

10 ATTORNEY GENERAL BONDI: I mean, I can
11 tell you, my staff and I have studied this
12 property, and I think to protect it for future
13 generations and to protect the integrity of
14 The Mansion, I think it's a great purchase for
15 the State of Florida, especially because we own
16 the surrounding land.

17 COMMISSIONER PUTNAM: What is the plan for
18 The Grove? What -- is this public access in
19 terms of ingress and egress, or a visitors'
20 center, or a parking lot? What is it that we
21 need it for?

22 SECRETARY VINYARD: Yes, sir. What we
23 need it for is access to The Grove. As the
24 Governor pointed out --

25 GOVERNOR SCOTT: Excuse me. Can you give

1 them a little background of The Grove?
2 The Grove was an 1830s house -- I hope
3 everybody knows -- The Grove is an 1830s
4 house. Leroy Collins, Governor Collins lived
5 there on this...

6 SECRETARY VINYARD: Correct. And
7 Mrs. Collins remained there until she passed
8 away. Their intention was to always leave it
9 to the State of Florida. It was purchased by
10 the State of Florida. And the design -- we've
11 been under renovations now for about a year.
12 The Legislature appropriated additional moneys
13 this year. That piece of property is about
14 10.5 acres in total.

15 But if you drive around the block around
16 that, which I have, and in fact participated in
17 an archeological dig a couple of weeks ago
18 looking for anything we could find around the
19 properties, it's very difficult to access.
20 In fact, if you come up where the plumbing
21 store is up that hill, security at The Mansion
22 is such that a handicapped person, a person
23 with disabilities, or aged person would have a
24 very difficult time accessing the property.

25 We need to have full access so we can use

1 this as a heritage foundation location and use
2 this as a site, of which there is only one, to
3 showcase what is now the Governor's Mansion and
4 The Grove itself.

5 GOVERNOR SCOTT: Commissioner, what
6 they're doing now is -- what they're doing now
7 is they're redoing The Grove. I know they -- I
8 think they started it right after we all came
9 into office. So if you go over there now,
10 there's a lot of renovation going on so... And
11 my understanding, it's going to be used for a
12 museum, you'll be able to go visit it, it will
13 be -- you can hold events there, and things
14 like that.

15 SECRETARY VINYARD: Yes, Governor.
16 In fact, what we want to do is modernize the
17 concept of a museum rather than just a place
18 with artifacts. We want to make it
19 interactive, sustainable for something that
20 this community and the state can use as a
21 learning center, not just a museum. That's the
22 goal and the objective and the strategy. So
23 that's where we're at.

24 We're about halfway done. They're
25 restoring the exterior. The money we got from

1 the Legislature this year will complete the
2 exterior, clean the grounds up, but if we don't
3 have access for citizens to the property, the
4 property will not sustain, or it will not
5 realize its full potential. So that's why it's
6 important to get this public access to that
7 property.

8 COMMISSIONER PUTNAM: So will The Grove be
9 open with regular hours separate and apart from
10 The Mansion, or it will be part and parcel,
11 sort of an adjunct piece of The Mansion for
12 larger events? I mean, in other words, could
13 any member of the public get married at
14 The Grove, or rent it out for a business
15 meeting, and go take school groups through
16 there at any time; or is it part of The Mansion
17 complex?

18 SECRETARY VINYARD: The Mansion has to
19 sustain its own security. I'm not a security
20 expert. But this will be an open public museum
21 to any citizen in Florida, world traveler,
22 *et cetera*. So the goal is to create this
23 environment, this heritage site in Florida,
24 create in midtown a situation where people come
25 and have the opportunity to have access.

1 I would invite you to join me for a tour
2 of The Grove and the properties, and to see how
3 important access is. You can have the greatest
4 piece of property, the greatest gem in the
5 world, but if you don't have access to it and
6 allow people to get to it safely, you've
7 defeated your purpose and the investment that
8 we already have in those properties.

9 COMMISSIONER PUTNAM: So is this parking
10 or just ingress and egress that you're seeking
11 these parcels for?

12 SECRETARY VINYARD: There's parking. And
13 there also is a building there on the property
14 which has tremendous potential to be such
15 things as a visitors' center for Tallahassee,
16 for Florida, for Visit Florida, to showcase
17 many things, including agriculture,
18 Viva Florida.

19 So the potential of that property to
20 enhance the current property of The Grove is
21 tremendous and very much needed to showcase
22 this Grove property.

23 COMMISSIONER PUTNAM: What's the rights
24 retained parcel for?

25 SECRETARY VINYARD: I beg your pardon?

1 COMMISSIONER PUTNAM: The parcel in blue,
2 the rights retained parcel. What's the story
3 behind that?

4 SECRETARY VINYARD: I can check --

5 MR. BENDUS: I can.

6 SECRETARY VINYARD: I have Rob Bendus who
7 is with the Historic Resources Division of my
8 department. I really can't address that
9 specific --

10 COMMISSIONER PUTNAM: The third lot.

11 SECRETARY VINYARD: That's the third lot.

12 MR. BENDUS: Commissioners, the third lot,
13 there were three lots that -- where the Board
14 of Trustees accepted a right of first refusal,
15 and because there's another offer pending on
16 the other two lots, the yellow lots, is the
17 reason why we have to bring it to y'all to
18 decide whether to exercise this right. There
19 is no offer on the third lot yet so the Board
20 of Trustees retains the right of first refusal
21 until we re -- until the owners of the property
22 receive an offer.

23 GOVERNOR SCOTT: But, Commissioner, go
24 back, I think the plan on The Grove is it would
25 be totally separate from The Mansion.

1 COMMISSIONER PUTNAM: Okay.

2 GOVERNOR SCOTT: It would be -- you know,
3 there's a group that just seems to work at
4 The Grove -- or at The Mansion and it's open,
5 you know, all year round; I think The Grove
6 would be -- it's totally separate.

7 But right now, you know, if you go in
8 front of The Mansion, there's not a lot of
9 parking there, and so at some point we're going
10 to have to add more parking. You know,
11 probably the most logical place would be over
12 where the -- the lot that's to the -- towards
13 the Capitol, whichever way that is, there's a
14 lot that the state owns.

15 ATTORNEY GENERAL BONDI: And if we don't
16 exercise our right, we lose it because someone
17 wants to purchase it. That's why it came up
18 now, is that correct?

19 SECRETARY VINYARD: Correct.

20 COMMISSIONER PUTNAM: And what's the -- is
21 there some kind of litigation pending on this?

22 ATTORNEY GENERAL BONDI: No.

23 GOVERNOR SCOTT: I don't think so.

24 SECRETARY VINYARD: I was advised that
25 there is litigation that's been filed last

1 Thursday. I checked with my general counsel
2 this morning before I came over here. We've
3 not seen any documents on that. So at this
4 point in time, I could not address what the
5 litigation is specifically.

6 COMMISSIONER PUTNAM: Does anybody else
7 know if there's a --

8 ATTORNEY GENERAL BONDI: I don't know.

9 COMMISSIONER PUTNAM: -- suit pending or
10 something? Declaratory judgment?

11 GOVERNOR SCOTT: All right. Any other
12 questions?

13 (No response.)

14 GOVERNOR SCOTT: All right. Is there a
15 motion to approve Item 1?

16 ATTORNEY GENERAL BONDI: Move to approve.

17 GOVERNOR SCOTT: Is there a second?

18 CFO ATWATER: Second.

19 GOVERNOR SCOTT: Moved and seconded,
20 Item 1 is approved without objection. Thank
21 you, Herschel.

22 SECRETARY VINYARD: Yes, sir.

23

24

25

1 GOVERNOR SCOTT: Now, I would like to
2 recognize Lisa Vickers with the Department of
3 Revenue. I can't just say nice things about
4 Hersch without saying great things about Lisa.
5 They're doing a great job.

6 EXECUTIVE DIRECTOR VICKERS: Thank you.

7 GOVERNOR SCOTT: And revenues are up a
8 little bit, right, above projection?

9 EXECUTIVE DIRECTOR VICKERS: Everything is
10 moving in the right direction.

11 GOVERNOR SCOTT: Yeah.

12 EXECUTIVE DIRECTOR VICKERS: Item 1 is a
13 request for approval of the minutes from the
14 December 6, 2011, meeting.

15 GOVERNOR SCOTT: Is there a motion to
16 approve Item 1?

17 ATTORNEY GENERAL BONDI: Move to approve.

18 GOVERNOR SCOTT: Is there a second?

19 CFO ATWATER: Second.

20 GOVERNOR SCOTT: Moved and seconded,
21 Item 1 is approved without objection.

22 EXECUTIVE DIRECTOR VICKERS: Item 2 is a
23 request for permission to notice proposed
24 rulemaking to amend a number of property tax
25 rules administered by the Department. The

1 rules would -- changes would encompass
2 amendments to conform rules to recent
3 legislative changes related to mapping,
4 exemptions, definitions, Save Our Homes,
5 portability, as well as a number of
6 administrative issues.

7 These proposed rules do include some minor
8 changes to rules related to the value
9 adjustment board process. As a side note,
10 you're aware that we made some major changes to
11 rules related to the value adjustment boards in
12 2010, and we have received a number of
13 challenges from property appraisers and their
14 associations regarding our implementation of
15 these statutory changes to the VAB process.

16 Two of the most controversial areas relate
17 to the exchange of evidence and adjustments
18 that value adjustment boards should make to
19 arrive at just valuation. These issues will be
20 addressed in future rule changes.

21 We continue to advise value adjustment
22 boards, board attorneys, and board clerks on
23 the statutory requirements to ensure due
24 process and promote a high level of public
25 trust and confidence in the process.

1 In a few weeks we will begin publishing a
2 score card on value adjustment board process
3 that compares the types of information that
4 they make available in electronic form and on
5 Internet sites to taxpayers, information
6 regarding the training that has been received
7 by value adjustment board attorneys and special
8 magistrates and clerks, and we'll also provide
9 some data regarding the outcome of petitions in
10 front of value adjustment boards.

11 We have two individuals who have requested
12 to speak this morning on this item,
13 Sheila Anderson and Mr. Todd Jones.

14 GOVERNOR SCOTT: Good morning. How are
15 you today?

16 MS. ANDERSON: I'm fine, thank you. I'd
17 like to briefly congratulate Mrs. Vickers on
18 the birth of her granddaughter, and I'll try to
19 make it brief because I know she's anxious to
20 see the baby who looks beautiful in the
21 pictures.

22 I have -- and I'm going to ask some
23 assistance from clerks -- some documents to
24 give to each of you, and they are marked
25 Governor, AGO, CFO, and others.

1 In the Attorney General's envelope there's
2 a CD and it's specifically -- thanks -- gives
3 you -- these are three documents that affect
4 the public policies that you all have adopted
5 specifically to encourage businesses to move to
6 Florida, to hold the line on property taxes,
7 and to have an ethical process in every respect
8 in the state.

9 The documents that are in the folder
10 undermine those public policies in a variety of
11 ways. And the reason I'm here today is to ask
12 you to make clear to anyone on the local level
13 that you are the heads of state; that you are
14 the Department of Revenue; and that when you
15 speak through your voice, Department of Revenue
16 or some other agency, that they are expressing
17 your policies, and those policies should be
18 adhered to by the people who are charged with
19 implementing them.

20 On the local level, to protect taxpayers
21 from overtaxation, we have a process called the
22 value adjustment board. They are just some
23 voices, one in each county, should be
24 independent and objective and should -- should
25 make sure the laws governing assessments are

1 followed.

2 If the value adjustment boards are in
3 touch with property appraisers, there tends to
4 be and has been for about 30 years a bias in
5 the process. The result of that, somebody knew
6 Senator Atwater in -- I think it was 2008 or '9
7 now, I don't remember -- was helpful in getting
8 something adopted called House Bill 909. House
9 Bill 909 charged the Department of Revenue to
10 adopt rules and regs to make sure the process
11 was ethical and independent and taxpayers
12 rights to due process were protected.

13 You'll see in the first document, which
14 was written by an attorney who represents
15 property appraisers around the state, his
16 conclusion is, from some of the litigation that
17 the Department of Revenue need not be
18 respected. To me that means that you need not
19 be respected because he suggests there is no
20 enforcement authority for the Department of
21 Revenue to come in and say to a value
22 adjustment board, you need to follow the
23 certain rules that we have promulgated.

24 Whether or not there is a connection
25 lawfully or -- or obviously between the

1 property appraisers and the value adjustment
2 boards, as you'll see the second document,
3 Hillsborough County, received a letter from
4 DOR. The CD that is in the package I gave to
5 the Attorney General is the meeting on
6 March 1st where that letter was on the agenda.
7 They did not do a thing. They scheduled a
8 workshop in the end of June. So there are
9 3,000 petitioners who may not have had lawful
10 hearings. If you don't have lawful hearings
11 and you're overpaying taxes, that's one harm.

12 If you are a bond investor in bonds,
13 whether or not the full faith and credit of the
14 taxing authority is included and upheld in the
15 bonds that may be issued, if the dollars
16 collected don't comply with the law is a
17 question I can't answer.

18 But I invest in bonds on occasion, some of
19 them from Florida, and I have questions about
20 whether or not now those tax dollars really
21 represent the full faith and credit of the
22 taxing jurisdiction, if this process which
23 affects a couple of hundred thousand people
24 around the state every year is not following
25 the law. So there is a ripple effect when the

1 laws are not being followed.

2 And you have said, we want fair taxation;
3 you have said, we want to encourage business;
4 you have said that you want the ethics of the
5 state to be complied with. And it's
6 unfortunate when a local jurisdiction thinks it
7 does not need to do that and it does not
8 respond when the Department of Revenue speaks.
9 Not just in Hillsborough, Hernando County,
10 Monroe County, Palm Beach County,
11 Broward County, it's everywhere throughout the
12 state that there are people who seem to think
13 they don't have to follow what the Department
14 of Revenue is telling them.

15 And again from my perspective as the
16 taxpayer, I see you as the Department of
17 Revenue as the head of state. So when they
18 speak, it's because you have given them the
19 authority, and it needs to be respected by
20 everybody if you want businesses to want to
21 come here.

22 One of the things that drives businesses
23 away or scares them is the third document.
24 There is a rule that says, confidential
25 information including federal tax returns need

1 not be provided or should not be requested
2 unless there is a need for them, and the
3 assessments cannot be developed without that
4 information.

5 One of the letters is attached behind the
6 rule. I'm told by somebody who is here today
7 who may not speak that one letter that has been
8 circulated over the years actually threatened
9 taxpayers, and said if you don't give us the
10 information, we will raise your assessment,
11 which means raise your taxes. Kind of
12 threatening and would scare businesses.

13 And I talk to people from all over the
14 country on a regular basis who call and want to
15 know what they need to know about Florida, and
16 if you have that kind of document in
17 circulation, you can be sure it undermines your
18 efforts to attract business. And no one is
19 going to tell you that that's going to happen
20 to them, they may not even be aware of it
21 specifically but there's an environment that
22 needs to be addressed.

23 So at the bottom of the cover sheet, there
24 are some things that would be helpful if you
25 considered them. One of them, very important,

1 is stand up and support property tax
2 oversight. It's the difference between taxing
3 people without limit and holding the line and
4 keeping things lawful and fair. That's
5 critical.

6 And it needs to be clear to everybody in
7 the state that the Department of Revenue, and
8 PTOs specifically, speak on your behalf and
9 that you do have authority, and if people break
10 the law you'll step up and intervene, and that
11 you expect the local jurisdictions to follow
12 what the state has spent a great deal of time
13 and money developing which are the rules of
14 procedure that Mrs. Vickers referred to today.

15 We've all spent a great deal of time,
16 years in fact, working on having a fair process
17 that's ethical and comes out protecting
18 government as well as individual taxpayers so
19 that everybody should be comfortable that
20 everything that takes place in a hearing is
21 fair.

22 There is one document, it's called
23 12D-10.003, *Florida Administrative Code*, it is
24 part of the rules that were adopted when 909
25 took effect. And that document of findings,

1 the findings of hearings, if the findings are
2 clear and follow that rule, then everybody
3 would know whether or not the hearings are fair
4 and whether or not the resulting taxes are
5 appropriate.

6 So I have suggested in -- on this page
7 that some procedures are implemented to review
8 the 12D-10 relationship with the findings; and
9 if the findings are found to be lacking, that
10 they be sent back and corrected until they
11 comply. If they comply, then everybody will
12 know what took place and whether or not it's
13 lawful.

14 So I defer to Todd Jones. But they do a
15 really good job, have done a really good job in
16 PTO. They are critical if you want to attract
17 business to the state to make sure that every
18 business that comes here knows that you are
19 watching this process and are prepared to
20 protect.

21 GOVERNOR SCOTT: Thank you very much. And
22 I see you have a number of actions requested
23 for each one of us. We'll each look at this.

24 MS. ANDERSON: Thank you very much.

25 GOVERNOR SCOTT: All right. Thank you

1 very much.

2 MR. JONES: Good morning. I'll be brief.
3 I'm appearing this morning as the President of
4 the Florida Association of Property Tax
5 Professionals. I've been in the -- involved in
6 this arena, the value adjustment board arena
7 and property tax in general, for about
8 27 years. I teach at the University of Florida
9 in the business school, and for about
10 eight years I was a member of the largest
11 property tax practice in the world.

12 First of all, I want to make sure that
13 each of you understand what a pleasure it is
14 dealing with the Department these days. Under
15 Ms. Vickers' leadership we have seen a playing
16 field that is open-armed and more evenhanded
17 than by any of her predecessors. So major vote
18 of confidence from the general public, if you
19 will, those who are intimate in terms of
20 dealing with them on a regular basis.

21 That said, I cannot agree more with the
22 comments that Ms. Anderson just made. The
23 private sector job creation and economic
24 development is being hampered by the fact that
25 essentially the foxes are guarding the hen

1 house. Florida's property tax system is
2 structurally flawed. I've had discussions over
3 in the Legislature where we have some ideas on
4 how to -- how to improve things.

5 The bottom line is the founders created
6 three branches of government for a reason.
7 Right now we don't have that kind of judicial
8 independence in this important function that
9 impacts every property owner in the state, most
10 of whom are voters.

11 So not to belabor the issue, there's one
12 other point that I think needs to be addressed,
13 and that is voters don't have a clue how much
14 money, their money is being spent by property
15 appraisers in litigation over issues because
16 they don't like the statutes. They don't like
17 the way that the Department has interpreted the
18 statutes.

19 In a case that was recently settled in the
20 Department [sic] of Administrative Hearings,
21 *Turner vs. DOR*, 65 of our 67 property
22 appraisers piled on on this thing. They had no
23 less than eight lawyers involved; the
24 Department had one. There was an amicus
25 representation and one associate -- business

1 association that also weighed in as an amicus.

2 Where is that money coming from, how much
3 are they spending? It's quite frankly
4 offensive as a taxpayer to know that somebody I
5 voted for or somebody who is holding elected
6 office has an agenda that is anti-taxpayer.

7 That said, we would like to suggest that a
8 comprehensive accounting of all local
9 government expenditures on property tax
10 lobbying and litigation over the last 10 years
11 be conducted, like to bring that into the
12 sunshine, because it's not readily available.
13 And, in fact, pulling it together has met with
14 a number of obstacles.

15 Also, just echoing Ms. Anderson's
16 comments, the -- Mr. Governor, Cabinet, however
17 it's appropriate, some type of executive order
18 directed at the officials participating in the
19 value adjustment board process, the county
20 commissioners, school board members, clerks who
21 are by virtue of the memo that was just
22 provided to you from one of the property
23 appraisers associations, which in effect is the
24 voice of the property appraisers, is advocating
25 they need not adhere to Florida law. I don't

1 know how you can stand by and tolerate that.

2 Thank you for your time.

3 GOVERNOR SCOTT: Thank you very much. All
4 right.

5 EXECUTIVE DIRECTOR VICKERS: We request
6 approval of the authority to move forward with
7 these proposed rules that really are minor
8 changes to the various provisions, but we
9 recognize the very significant concern that is
10 continuing to be expressed regarding the public
11 and the value adjustment board process but we
12 recognize the -- and the faith and trust in
13 that process.

14 GOVERNOR SCOTT: Okay. All right. Is
15 there a motion to approve Item 2?

16 COMMISSIONER PUTNAM: So moved.

17 GOVERNOR SCOTT: Is there a second?

18 CFO ATWATER: Second.

19 GOVERNOR SCOTT: Moved and seconded,
20 Item 2 is approved without objection.

21 EXECUTIVE DIRECTOR VICKERS: Thank you.
22 Item 3 requests authority to adopt rule
23 amendments to rules 12B-4.003 and .060
24 clarifying the application of documentary stamp
25 tax to transfers of ownership interests in

1 legal entities to which real property was
2 transferred without tax on full consideration.
3 We recommend approval of this rule.

4 GOVERNOR SCOTT: Is there a motion to
5 approve Item 3?

6 CFO ATWATER: So moved.

7 GOVERNOR SCOTT: Is there a second?

8 ATTORNEY GENERAL BONDI: Second.

9 GOVERNOR SCOTT: Moved and seconded,
10 Item 3 is approved without objection. Anything
11 else, Lisa?

12 EXECUTIVE DIRECTOR VICKERS: That's it.

13 GOVERNOR SCOTT: All right. Thank you
14 very much.

15 EXECUTIVE DIRECTOR VICKERS: Thank you.

16 COMMISSIONER PUTNAM: Congratulations.

17 EXECUTIVE DIRECTOR VICKERS: Oh, thank
18 you. My stepson's first baby.

19 ATTORNEY GENERAL BONDI: You're not old
20 enough.

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1 GOVERNOR SCOTT: All right. Next on our
2 agenda is the appointment of an interim
3 commissioner for the Office of Financial
4 Regulation. Linda Charity has over 32 years
5 experience at the Office of Financial
6 Regulation and currently is the Division
7 Director for Financial Institutions.

8 Linda has served as the interim
9 commissioner previously and she is well suited
10 to head the organization while we consider
11 candidates for a permanent appointment. Is
12 there a motion to appoint Linda as interim
13 commissioner of the Office of Financial
14 Regulation?

15 ATTORNEY GENERAL BONDI: So moved.

16 GOVERNOR SCOTT: Is there a second?

17 CFO ATWATER: Second.

18 GOVERNOR SCOTT: All in favor, say aye.

19 (All responded in the affirmative.)

20 GOVERNOR SCOTT: Anyone opposed?

21 (No response.)

22 GOVERNOR SCOTT: The motion carries.

23 Congratulations, Linda, and thank you for
24 serving. Please come forward and present OFR's
25 agenda.

1 INTERIM COMMISSIONER CHARITY: Thank you,
2 Governor, and CFO Atwater, Attorney General
3 Bondi, and Commissioner Putnam. I appreciate
4 your support and I look forward to working with
5 you in this new capacity.

6 On the agenda for OFR today we have three
7 items. The first is requesting approval for
8 the minutes of the Cabinet -- the Financial
9 Service Commission on September 20, 2011.

10 CFO ATWATER: So moved.

11 INTERIM COMMISSIONER CHARITY: Thank you.
12 Item number 2 --

13 ATTORNEY GENERAL BONDI: Oh, I'm sorry. I
14 didn't realize the Governor left. Is there a
15 motion?

16 CFO ATWATER: So moved.

17 ATTORNEY GENERAL BONDI: Is there a
18 second?

19 COMMISSIONER PUTNAM: Second.

20 ATTORNEY GENERAL BONDI: Okay. Passed.
21 Continue, please.

22 INTERIM COMMISSIONER CHARITY: Thank you.
23 Item number 2, we have three parts to this.
24 What I would like to do is recommend -- request
25 that we withdraw the rule repeal section.

1 There are some technical issues that we want to
2 readdress and I plan to bring that back before
3 the commission very shortly.

4 So I would like to request approval to
5 publish a notice of proposed rules in two
6 areas: One has to do with fingerprint
7 processing fees. We want to lower the cost of
8 fingerprint processing fees for applicants.
9 The Department of Justice has reduced their
10 fees so we want to pass this along to our
11 applicants.

12 The second piece of part 2 is a change --
13 slight change in organizational structure. We
14 have been moving to streamline and realign some
15 of our processes, and we would like to publish
16 an amendment to, you know, set just the basic
17 structure of the OFR. So I request approval of
18 those two pieces.

19 GOVERNOR SCOTT: All right. Is there a
20 motion to approve?

21 ATTORNEY GENERAL BONDI: And, Governor,
22 while you were out, I think first we need to do
23 a motion to withdraw the first part of Item
24 number 2.

25 GOVERNOR SCOTT: Okay. All right. All

1 right. All right. Is there a motion to
2 withdraw?

3 COMMISSIONER PUTNAM: So moved.

4 GOVERNOR SCOTT: Is there a second?

5 ATTORNEY GENERAL BONDI: Second.

6 GOVERNOR SCOTT: All in favor, aye.

7 ATTORNEY GENERAL BONDI: Aye.

8 GOVERNOR SCOTT: Moved -- okay.

9 INTERIM COMMISSIONER CHARITY: Okay. And
10 then I request permission to --

11 GOVERNOR SCOTT: Withdraw --

12 INTERIM COMMISSIONER CHARITY: -- to
13 publish changes to the organizational structure
14 for OFR. They're minor changes but they help
15 to streamline our processes and try to improve
16 efficiency.

17 And also we would like to propose a
18 reduction in fingerprint processing fees for
19 our applicants. The Department of Justice
20 recently reduced the cost to us of processing
21 applicant fees so we would like to pass that on
22 to -- to applicants.

23 GOVERNOR SCOTT: Okay. Is there a motion
24 to approve Item 2, which is the fingerprinting
25 process fees?

1 ATTORNEY GENERAL BONDI: So moved.

2 GOVERNOR SCOTT: Is there a second?

3 CFO ATWATER: Second.

4 GOVERNOR SCOTT: Moved and seconded,
5 Item 2 is approved without objection.

6 INTERIM COMMISSIONER CHARITY: Thank you.

7 Item 3, we would like to publish a notice of
8 intent to adopt some federal standards. The
9 SEC has recently implemented uniform forms for
10 broker-dealers and investment advisers. We
11 will be using an expedited process to establish
12 these federal standards. This should lead to
13 increased efficiencies and help our applicants
14 get their licenses more quickly so they can
15 engage in a business.

16 GOVERNOR SCOTT: Okay.

17 INTERIM COMMISSIONER CHARITY: So I would
18 request approval.

19 GOVERNOR SCOTT: Is there a motion to
20 approve Item 3?

21 COMMISSIONER PUTNAM: So moved.

22 GOVERNOR SCOTT: Is there a second?

23 ATTORNEY GENERAL BONDI: Second.

24 GOVERNOR SCOTT: Moved and seconded,
25 Item 3 is approved without objection.

1 INTERIM COMMISSIONER CHARITY: Thank you
2 very much. I appreciate it.

3 GOVERNOR SCOTT: You have a great
4 reputation and I know you're going to do a
5 great job.

6 INTERIM COMMISSIONER CHARITY: Thank you.

7 GOVERNOR SCOTT: Congratulations.

8 INTERIM COMMISSIONER CHARITY: I look
9 forward to working with you.

10 GOVERNOR SCOTT: Thanks. Absolutely.

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1 GOVERNOR SCOTT: All right. Now, I would
2 like to recognize Ben Watkins with the Division
3 of Bond Finance. Are we still paying down
4 debt, Ben?

5 DIRECTOR WATKINS: Yes, sir. As fast as
6 we can go. Item number 1 is approval of the
7 minutes of the January 18th meeting.

8 GOVERNOR SCOTT: Is there a motion to
9 approve Item 1?

10 ATTORNEY GENERAL BONDI: So moved.

11 GOVERNOR SCOTT: Is there a second?

12 ATTORNEY GENERAL BONDI: Second.

13 GOVERNOR SCOTT: Moved and seconded,
14 Item 1 is approved without objection.

15 DIRECTOR WATKINS: Item number 2 are -- is
16 a resolution authorizing the issuance and
17 competitive sale of \$310 million of right-of-
18 way refunding bonds for debt service savings.

19 GOVERNOR SCOTT: Is there a motion to
20 approve Item 2?

21 ATTORNEY GENERAL BONDI: So move.

22 GOVERNOR SCOTT: Is there a second?

23 COMMISSIONER PUTNAM: Second.

24 GOVERNOR SCOTT: Moved and seconded,
25 Item 2 is approved without objection.

1 DIRECTOR WATKINS: Item number 3 are
2 resolutions authorizing the issuance and
3 competitive sale of \$47-and-a-half million of
4 dormitory revenue bonds for a new dorm and
5 related parking at Florida International
6 University. And there's also a \$7 million
7 refunding piece for debt service savings.

8 GOVERNOR SCOTT: Is the State of Florida
9 responsible for these?

10 DIRECTOR WATKINS: No, sir. These are
11 secured by rental fees for students at the
12 dormitories at FIU.

13 GOVERNOR SCOTT: All right. Is there a
14 motion to approve Item 3?

15 ATTORNEY GENERAL BONDI: So moved.

16 GOVERNOR SCOTT: Is there a second?

17 COMMISSIONER PUTNAM: Second.

18 GOVERNOR SCOTT: Moved and seconded,
19 Item 3 is approved without objection.

20 DIRECTOR WATKINS: Item number 4 are
21 resolutions authorizing the issuance and
22 competitive sale of up to \$31 million in
23 dormitory revenue bonds for the University of
24 Florida for renovation of existing housing
25 facilities at Florida. And these again are

1 secured by revenues of the housing system at
2 the University of Florida.

3 GOVERNOR SCOTT: Okay. Is the State
4 responsible for these bonds?

5 DIRECTOR WATKINS: No, sir. They are
6 secured by housing revenues of the University
7 of Florida.

8 GOVERNOR SCOTT: All right. Is there a
9 motion to approve Item 4?

10 COMMISSIONER PUTNAM: So moved.

11 GOVERNOR SCOTT: Is there a second?

12 ATTORNEY GENERAL BONDI: Second.

13 GOVERNOR SCOTT: Moved and seconded,
14 Item 4 is approved without objection.

15 DIRECTOR WATKINS: Item number 5 is a
16 resolution authorizing the redemption of
17 Jacksonville Transportation Authority revenue
18 bonds. The effect of this item is to pay off
19 bonds that we had issued on behalf of the
20 Jacksonville Transportation Authority to take
21 the debt off the State's balance sheet.

22 GOVERNOR SCOTT: Well, that sounds good.
23 Is there a motion to approve Item 5?

24 ATTORNEY GENERAL BONDI: So moved.

25 GOVERNOR SCOTT: Is there a second?

1 COMMISSIONER PUTNAM: Second.

2 GOVERNOR SCOTT: Moved and seconded,
3 Item 5 is approved without objection.

4 DIRECTOR WATKINS: Item number 6 is a
5 report of award on the sale of approximately
6 \$243.8 million of right of way and bridge
7 construction bonds. This is a mixed issue of
8 both new money as well as refunding on the
9 mixed issue of approximately a hundred million,
10 was 41 percent of the transaction; and the
11 refunding piece was 143.8 million.

12 A The bonds were sold at -- to the low bidder
13 at a true interest cost of approximately 3.5
14 percent. And the refunding piece reduced the
15 interest rate from 4.96 percent to 3.38 percent
16 generating debt service savings of \$38.1 million,
17 present value savings of 26.7 million or
18 17-and-a-half percent of the principal amount of the
19 outstanding bonds.

20 GOVERNOR SCOTT: That's great.
21 Congratulations.

22 DIRECTOR WATKINS: Thank you, sir. Item
23 number 7 is a report of award on the
24 competitive sale of \$66.6 million in dormitory
25 revenue bonds. The bonds were awarded to the

1 low bidder at a true interest cost of
2 approximately 3.70 percent. This also was a
3 mixed issue of new money as well as a refunding
4 piece. The new money piece was \$43.2 million
5 and the refunding piece was approximately
6 23.4 million.

7 We were able to reduce the interest rate
8 on the refunded bonds from 5.1 percent to
9 3.16 percent, generating gross debt service
10 savings of 6 million, present value savings of
11 4.3 million, or 17.3 percent of the principal
12 amount of the outstanding amount.

13 GOVERNOR SCOTT: Then we don't need to
14 approve these, right? This is a --

15 DIRECTOR WATKINS: No, sir. This is a
16 report of award. Historically and typically
17 you had. But as a technical matter, this is
18 just simply reporting back to you the results
19 of previous authorizations.

20 GOVERNOR SCOTT: Good job.

21 DIRECTOR WATKINS: Thank you, sir. Item
22 number 8 is a report of award on the
23 competitive sale of \$285.8 million in PECO
24 refunding bonds. The bonds were awarded to the
25 low bidder at a true interest cost of

1 approximately 1.38 percent. The transaction --

2 GOVERNOR SCOTT: 1.38? 1.38 percent.

3 DIRECTOR WATKINS: 1.38 percent on a
4 10-year loan. Interest rates had been
5 extraordinarily favorable. So -- and we're the
6 beneficiary of that. So we will continue to,
7 as these opportunities are available, move
8 aggressively to take advantage of the market --
9 the rates that markets are -- the markets are
10 offering.

11 The refunding enabled us to reduce the
12 interest rate on outstanding bonds from
13 5.17 percent to 1.39 percent, generating gross
14 debt service savings of \$60.9 million or
15 \$57.2 million on a present value basis or
16 17.7 percent of the principal amount of the
17 bonds that were being refunded.

18 GOVERNOR SCOTT: That's great.

19 DIRECTOR WATKINS: The last item is a
20 report of award on the competitive sale of
21 \$10 million of capital improvement revenue
22 bonds for the Florida State College System.
23 This particular transaction was for Palm Beach
24 State College for construction of a public
25 safety training facility. The bonds were

1 awarded to the low bidder at a true interest
2 cost of 3.199 percent.

3 GOVERNOR SCOTT: And then how much did we
4 pay down the State debt last year? Do you
5 remember the number?

6 DIRECTOR WATKINS: \$2.2 billion,
7 generating savings of approximately
8 \$175 million.

9 GOVERNOR SCOTT: And net reduction in
10 State debt was how much?

11 DIRECTOR WATKINS: Approximately half a
12 million dollars.

13 GOVERNOR SCOTT: Yeah, just a little less
14 than half a billion, right?

15 DIRECTOR WATKINS: Correct.

16 GOVERNOR SCOTT: And right now through
17 June of this year we expect how much we will
18 pay down additional this year?

19 DIRECTOR WATKINS: So in terms of
20 refunding -- so really two different things --
21 the refunding for debt service savings was
22 executed about \$450 million of refundings,
23 generating about a hundred million dollars in
24 debt service savings.

25 On the amortization of our existing debt,

1 it is -- we repay about a billion-and-a-half a
2 year, between a billion and a billion-
3 and-a-half a year. If we don't do any new
4 money issues, then -- then the amount that we
5 pay off annually is between a billion and a
6 billion-and-a-half dollars.

7 GOVERNOR SCOTT: That's great.

8 DIRECTOR WATKINS: And we have been doing
9 very little new money issuance as you well
10 know.

11 GOVERNOR SCOTT: Right.

12 DIRECTOR WATKINS: With -- so we've been
13 both taking advantage -- we've been doing two
14 things to help the State financially: One is
15 refunding debt at lower interest rates, saving
16 the State money, and reducing the amount that
17 we have to pay annually in terms of debt
18 servicing. And that's what you see here.

19 And the other thing that we've been doing
20 is paying off existing debt and not issuing as
21 much new debt, so the combination of those
22 things are both positive from a financial
23 perspective for the State, Governor.

24 GOVERNOR SCOTT: And right now the rating
25 agencies, what's their perception of the

1 State?

2 DIRECTOR WATKINS: We -- you know, we're
3 in the slow grind. We've touched bottom and
4 are coming back. And in terms of the financial
5 management and the way we've been managed, it's
6 a very positive reception. We'll -- we've
7 got -- we haven't briefed them in detail yet on
8 the recently completed appropriations act, but
9 we will be doing that within the next 60 days
10 after you complete your work in reviewing
11 that.

12 And so revenues are improving, the State's
13 managed well through the downturn, we've
14 maintained reserves at reasonable levels,
15 haven't used a lot of one-shots or nonrecurring
16 revenues to balance the budget with. All of
17 those are positive.

18 The question again is the pace of economic
19 recovery and how that manifests itself and --
20 for the State. So things are good for now.
21 I'll just say that.

22 GOVERNOR SCOTT: How many states have AAA
23 credit ratings?

24 DIRECTOR WATKINS: About 11.

25 GOVERNOR SCOTT: Good job.

1 DIRECTOR WATKINS: Thank you, sir.

2 GOVERNOR SCOTT: Thanks.

3 (Meeting of Governor and Cabinet concluded
4 at 10:51 a.m.)

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STATE OF FLORIDA:
COUNTY OF LEON:

I, CAROLYN L. RANKINE, 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 54 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 _____ day of April, 2012.

CAROLYN L. RANKINE
2894-A Remington Green Lane
Tallahassee, Florida 32308
850.878.2221