

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 OF THE INTERNAL IMPROVEMENT TRUST FUND
ADMINISTRATION COMMISSION
DEPARTMENT OF REVENUE
FINANCIAL SERVICES COMMISSION, FINANCIAL REGULATION
DEPARTMENT OF VETERANS' AFFAIRS
DIVISION OF BOND FINANCE

The above agencies came to be heard before
THE FLORIDA CABINET, the Honorable Governor Scott
presiding, in the Cabinet Meeting Room, LL-03, The
Capitol, Tallahassee, Florida, on Tuesday, September 18,
2012, commencing at approximately 9:06 a.m.

Reported by:

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Representing the Florida Cabinet:

RICK SCOTT
Governor

PAM BONDI
Attorney General

JEFF ATWATER
Chief Financial Officer

ADAM PUTNAM
Commissioner of Agriculture

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I N D E X

BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND
(Presented by HERSCHEL VINYARD)

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P R O C E E D I N G S

(The agenda items commenced at 9:31 a.m.)

GOVERNOR SCOTT: All right. Now I would like, introduce the Secretary of the Department of Environmental Protection, Herschel Vinyard.

And one thing I think we're continuing to make progress on that we haven't -- people haven't talked about a lot, but with Herschel Vinyard, his team, Melissa Meeker, we did a historic agreement with the federal government with regards to Everglades restoration. And so we're very optimistic that that's going to have a very positive impact both on the flow of water in the Everglades and the quality of water going into the Everglades.

MR. VINYARD: Yes, sir. I think with your leadership, this will probably be the largest ecosystem restoration project of this century. So it is a real feather in the State of Florida's cap. So thank you for your leadership.

Sir, we have three items for today's Cabinet agenda. The first is the submittal of the minutes from the June 26, 2012 Cabinet meeting, and we recommend approval.

GOVERNOR SCOTT: Is there a motion to approve?

1 ATTORNEY GENERAL BONDI: Move to approve.

2 GOVERNOR SCOTT: Is there a second?

3 CFO ATWATER: Second.

4 GOVERNOR SCOTT: Moved and seconded. The item
5 is approved without objection.

6 MR. VINYARD: The second item is Black Creek
7 Marina, and it's a request by Black Creek Marina
8 for a 77-slip site that's a marina open to the
9 public. It will be used in conjunction with some
10 upland activities, like a 300 dry storage facility,
11 300-space dry storage facility and a bait and
12 tackle shop. The annual lease fee for this 10-year
13 lease will be approximately \$19,400. And the
14 Department recommends approved.

15 GOVERNOR SCOTT: Is there a motion to approve?

16 COMMISSIONER PUTNAM: So moved.

17 GOVERNOR SCOTT: Is there a second?

18 ATTORNEY GENERAL BONDI: Second.

19 GOVERNOR SCOTT: Moved and seconded. The item
20 is approved without objection.

21 MR. VINYARD: The third item relates to
22 homeowners at Dekle and Keaton Beach. They had
23 some ongoing erosion issues, and in 1993 they were
24 hit by the Storm of the Century, and their homes
25 were substantially impacted, structural damage by

1 the storm.

2 In 1995 the Board of Trustees reached an
3 agreement with these 14 affected homeowners. The
4 State got to clear up some title issues that they
5 had in the area in property adjacent to the
6 homeowners. In exchange, the homeowners were able
7 to reclaim some of the property that was lost to
8 erosion.

9 Candidly, some of the terms of the deal didn't
10 work out either for the State or for the
11 homeowners, such as the State required the
12 homeowners to hook up to city sewer, but city sewer
13 didn't arrive until last year. There were some
14 permitting issues, economic hardships, estate
15 issues. And actually, one of the properties was
16 left off the list in the 1995 Trustees meeting.

17 So to clean this matter up and have the State
18 untangle itself from this, what we propose to you
19 is to set a two-year time limit for the deed
20 exchanges to occur with these property owners and
21 to clear up the title areas, add the additional
22 parcel that was left off in '95, and grant the
23 homeowners authority to proceed in reconstructing
24 their homes. And the Department recommends
25 approval.

1 GOVERNOR SCOTT: Is there a motion to approve?

2 ATTORNEY GENERAL BONDI: So moved.

3 GOVERNOR SCOTT: Is there a second?

4 CFO ATWATER: Second.

5 GOVERNOR SCOTT: Moved and seconded. The item
6 is approved without objection.

7 Thank you, Herschel.

8 MR. VINYARD: Thank you all.

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1 GOVERNOR SCOTT: Now I would like to recognize
2 Phillip Miller with the Administration Commission.
3 Good morning.

4 MR. MILLER: Good morning, Governor and
5 members of the Commission. We have three items on
6 the Administration Commission agenda.

7 Item 1 is approval of the minutes of the
8 April 24th and May 8th meetings.

9 GOVERNOR SCOTT: Is there a motion to approve?

10 ATTORNEY GENERAL BONDI: So moved.

11 CFO ATWATER: Second.

12 GOVERNOR SCOTT: Moved and seconded. The item
13 is approved without objection.

14 MR. MILLER: Item 2 is a request for
15 authorization to publish a notice of proposed rule
16 repeal for Rule Chapter 28-103, Florida
17 Administrative Code. This is a provision of the
18 Uniform Rules of Procedure. If no request for
19 public hearing is received as a result the notice,
20 staff also requests authorization to file for final
21 repeal.

22 This item is brought before the Commission as
23 a result of a comprehensive review of the
24 Commission's rules and the determination that Rule
25 Chapter 28-103 is unnecessary. The rule chapter

1 addresses general provisions relating to rulemaking
2 and is a restatement of the statutory language.

3 Staff requests authorization to publish a
4 notice of proposed rule repeal of Chapter 28-103,
5 Florida Administrative Code, and to file the rule
6 chapter for final repeal if no request for public
7 hearing is received as a result of the notice.

8 Any questions?

9 GOVERNOR SCOTT: Is there a motion? Is there
10 a motion to approve?

11 COMMISSIONER PUTNAM: So moved.

12 GOVERNOR SCOTT: Second?

13 ATTORNEY GENERAL BONDI: Second.

14 GOVERNOR SCOTT: Moved and seconded. The item
15 is approved without objection.

16 MR. MILLER: Thank you. Item 3 is a request
17 for authorization to publish notices of proposed
18 rule amendment for certain provisions of the
19 Uniform Rules of Procedure in Rule Chapters 28-101,
20 102, 104, 105, 106, 108, 110, and 112, Florida
21 Administrative Code. There are 31 rules addressed
22 by this agenda item within the referenced chapters.

23 At this time, staff requests withdrawal of the
24 notice of proposed rule amendment for Rule
25 28-106.501 from consideration. This particular

1 rule will receive further review and will be
2 brought back before the Commission at a later date.

3 If no requests for public hearings are
4 received as a result of the remaining notices,
5 staff also requests authorization to file for final
6 rule amendment.

7 This item is also brought before the
8 Commission as a result of a comprehensive review of
9 the Commission's rules and the determination that
10 certain provisions of the Uniform Rules of
11 Procedure require clarification and updating to
12 conform to statutory language. The proposed
13 amendments are primarily technical and procedural
14 in nature.

15 Staff requests authorization to publish
16 notices of proposed rule amendment for certain
17 provisions of the Uniform Rules of Procedure in
18 Rules Chapter 28-101, 102, 104, 105, 106, 108, 110,
19 and 112, Florida Administrative Code, excluding
20 Rule 28-106.501, and to file the rule amendments
21 for final adoption if no requests for public
22 hearing are received as a result of the notices.

23 GOVERNOR SCOTT: Is there a motion to approve?

24 ATTORNEY GENERAL BONDI: So moved.

25 GOVERNOR SCOTT: Is there a second?

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CFO ATWATER: Second.

GOVERNOR SCOTT: Moved and seconded. The motion is approved without objection.

MR. MILLER: Thank you. That concludes our agenda.

1 GOVERNOR SCOTT: Now I would like to recognize
2 Interim Director Marshall Stranburg of the
3 Department of Revenue. Good morning, Marshall.

4 MR. STRANBURG: Good morning, Governor and
5 members of the Cabinet.

6 Our first agenda item today is, we would
7 respectfully request approval of the minutes of the
8 March 20, 2012, and June 26, 2012 meetings.

9 GOVERNOR SCOTT: Is there a motion to approve?

10 CFO ATWATER: So moved.

11 GOVERNOR SCOTT: Is there a second?

12 COMMISSIONER PUTNAM: Second.

13 GOVERNOR SCOTT: Moved and seconded. The item
14 is approved without objection.

15 MR. STRANBURG: Thank you. Our second agenda
16 item is, we respectfully request adoption of
17 approval to file for final adoption and
18 certification with the Department of State rules
19 relating to property tax oversight.

20 The changes captured in these rules encompass
21 amendments to conform our rules to recent
22 legislative changes relating to mapping,
23 exemptions, definitions, and a number of
24 administrative issues. The Governor and Cabinet
25 approved these rules for publication in the Florida

1 Administrative Weekly and for the purpose of
2 holding public hearings at the March 20, 2012
3 Cabinet meeting.

4 No substantive changes have been made to the
5 rules. The only changes that were made were a
6 change to a title of a rule to provide
7 clarification, and also clarifying changes that
8 were requested by the Joint Administrative
9 Procedures Committee.

10 We therefore respectfully request approval.

11 GOVERNOR SCOTT: Is there a motion to approve?

12 ATTORNEY GENERAL BONDI: So moved.

13 GOVERNOR SCOTT: Is there a second?

14 CFO ATWATER: Second.

15 GOVERNOR SCOTT: Moved and seconded. Show the
16 item approved without objection.

17 MR. STRANBURG: Thank you. And our third item
18 is, we are respectfully requesting permission to
19 file a notice of proposed rules and hold public
20 hearings on several rules relating to our general
21 tax administration program. These amendments
22 address statutory changes made as the result of the
23 2012 legislative session. These amendments also
24 update annual tax forms to reflect changes. We
25 again request approve.

1 GOVERNOR SCOTT: Is there a motion to approve?

2 ATTORNEY GENERAL BONDI: So moved.

3 GOVERNOR SCOTT: Is there a second?

4 CFO ATWATER: Second.

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

7 MR. STRANBURG: Thank you very much.

8 GOVERNOR SCOTT: Thank you, Marshall.

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OFFICE OF FINANCIAL REGULATION

1 GOVERNOR SCOTT: Now I would like to recognize
2 Interim Commissioner Linda Charity of the Office of
3 Financial Regulation. Good morning.

4 MS. CHARITY: Good morning, Governor and
5 members of the Cabinet. We have three items on the
6 agenda today. The first, we respectfully request
7 approval of the minutes of the June 26, 2012
8 Financial Services Commission meeting.

9 GOVERNOR SCOTT: Is there a motion to approve?

10 CFO ATWATER: So moved.

11 GOVERNOR SCOTT: Is there a second?

12 COMMISSIONER PUTNAM: Second.

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

15 MS. CHARITY: Our second item, we respectfully
16 request final adoption of approval to file and
17 certify rule amendments proposed as a result of our
18 2011 enhanced rule review. These rule amendments
19 were initially presented to the Financial Services
20 Commission at the June 26th meeting before being
21 noticed as proposed rules under Chapter 120.

22 The amendments apply to financial
23 institutions, securities, and consumer finance.
24 The changes update rules based on some recent
25 legislative changes. They reduce rate burden and

OFFICE OF FINANCIAL REGULATION

1 remove obsolete or duplicative provisions.

2 GOVERNOR SCOTT: Is there a motion to approve?

3 ATTORNEY GENERAL BONDI: So moved.

4 GOVERNOR SCOTT: Is there a second?

5 CFO ATWATER: Second.

6 GOVERNOR SCOTT: Moved and seconded. The item
7 is approved without objection.

8 MS. CHARITY: Thank you. Finally, Item 3, we
9 respectfully request approval and authority to
10 publish a notice of proposed rules related to
11 consumer finance.

12 GOVERNOR SCOTT: Is there a motion to approve?

13 ATTORNEY GENERAL BONDI: So moved.

14 GOVERNOR SCOTT: Is there a second?

15 COMMISSIONER PUTNAM: Second.

16 GOVERNOR SCOTT: Moved and seconded. The item
17 is approved without objection.

18 Thank you, Linda.

19 MS. CHARITY: Thank you very much.

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1 GOVERNOR SCOTT: Now I would like to recognize
2 Colonel Mike Prendergast of the Department of
3 Veterans' Affairs. Good morning.

4 COLONEL PRENDERGAST: We're waiting for Steve
5 to put a couple of props in place here for us.

6 GOVERNOR SCOTT: Do you think my eyesight is
7 that good, Mike?

8 COLONEL PRENDERGAST: Say again?

9 GOVERNOR SCOTT: Do you think my eyesight is
10 that good?

11 COLONEL PRENDERGAST: This is available on the
12 Web, and it's also available on our new smartphone
13 app.

14 Good morning, Governor Scott, General Bondi,
15 CFO Atwater, and Commissioner Putnam. Thank you
16 for this opportunity to update you on the
17 Department of Veterans' Affairs and all the great
18 things we have going on in our agency.

19 Before we begin, I would like to mention two
20 important events this week. Today is September 18.
21 It is the 65th anniversary of the United States Air
22 Force. And it's because of America's Patriots of
23 the Sky that America remains the freest land on the
24 face of God's earth, and we owe them a special debt
25 of gratitude for their faithful service to America.

1 And I would like to applaud Steve Murray, our
2 colleague, who is a retired Air Force combat
3 veteran.

4 (Applause.)

5 COLONEL PRENDERGAST: This Friday is National
6 POW/MIA Recognition Day. As we all know, it is not
7 a federal holiday, but it is a day of national
8 observance.

9 There are 83,417 American personnel listed by
10 the Department of Defense as unaccounted for from
11 past conflicts. Efforts to repatriate our
12 unaccounted-for personnel continue to today to
13 ensure that we as a nation never leave a fallen
14 comrade on the field of battle.

15 The Department of Veterans' Affairs has two
16 agenda items for you today. Item 1 is the
17 April 24, 2012 Cabinet meeting minutes. We
18 recommend approval.

19 GOVERNOR SCOTT: Is there a motion to approve?

20 CFO ATWATER: So moved.

21 GOVERNOR SCOTT: Is there a second?

22 COMMISSIONER PUTNAM: Second.

23 GOVERNOR SCOTT: Moved and seconded. The item
24 is approved without objection.

25 COLONEL PRENDERGAST: Item 2 is an agency

1 update for the Cabinet covering the five topics
2 that we have listed on Slide 3.

3 And Item 2A on Slide 4 is a summary of our
4 agency rebranding and outreach campaign. As we
5 highlighted for you at the bottom of Slide 4, we
6 really wanted to focus on those hard-to-reach
7 veteran populations that are out there: Our
8 Vietnam-era veterans, who comprise one out of every
9 four veterans you meet on the streets of Florida;
10 our female veterans, who number greater than
11 140,000; and our returning OEF and OIF veterans,
12 who number well above 200,000. And on top of the
13 200,000 that have already returned, we have an
14 additional 200,000 OEF and OIF veterans who serve
15 today on active duty in our armed forces.

16 I would like to refer you to the easel here
17 that might be an eye chart for you, but it is
18 available on the Web at *floridavets.org*, and it's
19 also available on our smartphone. What we did is,
20 we put together a new image, a new logo and a motto
21 for the agency. And what we wanted to do was
22 appeal to a wider audience, but also just update
23 the look of the agency, which hasn't been done
24 since the agency was created back in 1989.

25 We even went ahead and deployed some of the

1 new smartphone technology for the iPhone and also
2 the Android market so that our veterans, their
3 family members, their friends and neighbors, or
4 their children, who leverage technology today at a
5 far greater pace than most of us do, can actually
6 access some of that information and share it with
7 their veteran family members.

8 Just to highlight a couple of things on the
9 smartphone app alone, right in the center of the
10 smartphone app you'll see an icon for jobs. And
11 I'm really happy to report that thanks to a lot of
12 great work by Hunt Deutsch and his team over at
13 DEO, that there are 1,312 veterans who entered the
14 Florida workforce just last week alone out of a
15 total of 19,908 in total across the state who
16 entered our workforce. And it's by partnering with
17 Hunt Deutsch and our other partners across the
18 state that we're doing everything that we can to
19 ensure that our veterans understand that we're
20 going to do everything we can to continue to make
21 Florida the most veteran-friendly state in the
22 nation.

23 GOVERNOR SCOTT: Mike, what's the unemployment
24 rate for veterans? Do you know?

25 COLONEL PRENDERGAST: Governor, as a matter of

1 fact, Hunt and I just had a conversation about that
2 yesterday, and we don't have a precise number that
3 comes from the Department of Labor because of the
4 way they commingle their statistical data. But
5 Hunt's team is on a conference call this afternoon
6 with the folks at DOL, with their regional
7 counterparts, and we'll get you a good answer on
8 that.

9 Anecdotally, we hear from the U.S. Department
10 of Veterans Affairs and the Department of Labor
11 that the rate is higher than the general population
12 at large, and that for our returning OEF and OIF
13 veterans that it is more than double what the
14 national average is for unemployment. But we'll
15 get back to you with a precise answer, but thanks
16 for that question, Governor.

17 In addition to the updated website, social
18 media, and the free app for our mobile devices,
19 we've also put together our first public service
20 announcement. And we did a public unveiling of
21 that right here in the Cabinet Room 13 days ago, on
22 the 6th of September, I believe it was. And in the
23 subsequent 13 days, we have gotten more media
24 attention for this agency in a very positive way,
25 to include a couple of op-eds that were written,

1 than we've been able to accomplish in the past 12
2 months. So that alone has been hugely helpful to
3 us to reach into some of the markets that we have
4 been unable to penetrate thus far.

5 GOVERNOR SCOTT: So are you -- is this going
6 to help the veterans when they're coming back from
7 Afghanistan? Do you all -- you already -- DEO
8 already meets with them; right?

9 COLONEL PRENDERGAST: They absolutely do.
10 They have through the Regional Workforce Boards the
11 LVERs and DVOPs. The LVERs are the local veterans
12 employment representatives at our 24 Regional
13 Workforce Boards.

14 And also, General Bondi, thanks for mentioning
15 that about our disabled veterans. Through the
16 Disabled Veterans Outreach Program, also located at
17 our 24 Regional Workforce Boards, we're able to
18 penetrate that market and ensure that our veterans
19 are getting the services that they so richly
20 deserve for their service.

21 Steve, do you want to put that last one up
22 there? Again, to remind everybody that's out there
23 listening and perhaps doesn't see this on TV, it's
24 *floridavets.org*, and we have our phone number for
25 our Benefits and Assistance Division at

1 727.319.7440. And that's to encourage folks to go
2 to our website and avail themselves of the services
3 that they've already earned and ensure that they
4 have an opportunity to employ all those things that
5 we have on the website so they can return to the
6 marketplace and help us with our recovery here
7 across our great state.

8 Item 2B on Slide 5 is a first in the nursing
9 home industry in the State of Florida. The LEED
10 Gold Certification program promotes design and
11 construction practices that increase profitability
12 while producing negative environmental impacts of
13 buildings and improving occupant health and
14 well-being. All future state veterans' nursing
15 home modifications will be done to comply with LEED
16 Gold Certification standards in order to comply
17 with the federal mandate for the matching funds
18 that we draw down from Washington to support our
19 state veterans' nursing homes.

20 Our state veterans' nursing home in
21 St. Augustine, Governor, which you and the First
22 Lady visited last September when we celebrated our
23 first anniversary of being open, just reached full
24 operational capability a little over a month ago.
25 An assessment of the value of this mission would be

1 premature at this point, but at a later Cabinet
2 meeting we'll update you on how much that has meant
3 to our veterans home and our operational
4 capability.

5 And let me go down to this slide right here.
6 And this is a photo of our Lassen State Veterans'
7 Nursing Home, of our Lassen Nursing Home in
8 St. Augustine. This Thursday will mark the second
9 anniversary of the Lassen Home's grand opening, and
10 at a later date in the month of October, we would
11 like to invite all of you to a second anniversary
12 celebration and to visit our veterans. And we'll
13 coordinate with your external affairs offices to
14 see if we can put those on your busy calendars and
15 see if you could stop by.

16 GOVERNOR SCOTT: Nice people.

17 COLONEL PRENDERGAST: Next I would like to
18 introduce to you Mr. Dan Davis, our state director
19 of the Florida Department of Veterans' Affairs
20 Nursing Home Division. Dan is an United States
21 Navy veteran, Governor.

22 GOVERNOR SCOTT: All right.

23 COLONEL PRENDERGAST: And Dan served four
24 years as an active duty hospital corpsman with the
25 Fleet Marine Force, and he also deployed on two

1 Western Pacific cruises out of Pearl Harbor during
2 his active duty service to our country.

3 Dan brings more than 20 years of private
4 sector nursing home experience to the team, and his
5 superb initiatives and his leadership have resulted
6 in our remarkably high 99 percent occupancy rate at
7 our six state veterans' nursing homes since he took
8 over the agency's division. And he has also
9 accomplished several other positive outcomes that
10 he'll report to you about.

11 Dan, I'll turn the microphone over to you.

12 GOVERNOR SCOTT: That's based on Navy
13 training.

14 MR. DAVIS: Good morning, Governor Scott,
15 Attorney General Bondi, CFO Atwater, and
16 Commissioner Putnam.

17 The first slide I'm going to be reporting on
18 is the Florida Department of Veterans' Affairs
19 incentive plan implementation which was approved
20 for the use of existing resources from contract
21 services to address salary parity issues.

22 The target issues that these funds will
23 address is to align the salaries of the state
24 veterans' nursing homes' direct caregiver staff to
25 within 10 percent of all Florida nursing homes.

1 This is to ensure the highest quality of care is
2 provided to our veterans. This appropriation
3 impacts approximately 560 direct care nurses and
4 certified nursing assistants in our homes. The
5 salary alignment will reduce turnover, increase
6 retention, and improve quality of care for our
7 residents.

8 We have three phases of implementation. Phase
9 1, which was salary parity, was implemented July
10 2012. Phase 2 is longevity pay for years of
11 service to the Florida Department of Veterans'
12 Affairs, and this will be implemented in the fourth
13 quarter of fiscal year 2012-13. Phase 3 is a
14 career ladder and professional development phase,
15 which will be implemented in the fourth quarter of
16 fiscal year 2013-14.

17 The effectiveness of this program will be
18 measured through employee retention and performance
19 improvement via AHCA and VA surveys which measure
20 the quality of care being provided to our veterans.

21 The next slide I would like to report on today
22 is safety. And when I first came on board, Colonel
23 Prendergast appointed me the Florida Department
24 safety coordinator. And the majority of the safety
25 issues fall within the homes portfolio, and the

1 bulk of the risk management is clearly within our
2 division.

3 After several meetings to discuss workplace
4 safety, our team has enhanced our policies and
5 procedures. We focused our efforts on staff safety
6 and training and have implemented light duty as a
7 management tool. By refocusing our efforts in
8 these areas, the Florida Department of Veterans'
9 Affairs has decreased its workers' compensation
10 claims by approximately 25 percent from January 1,
11 2012, through June 30, 2012, compared to July 1,
12 2011, through December 31, 2011. A safe workplace
13 for our employees equals quality outcomes for the
14 veterans we serve.

15 That's all I've got.

16 GOVERNOR SCOTT: Thank you very much. You did
17 a great job.

18 MR. DAVIS: You're very welcome. I'll turn it
19 back over to Colonel Prendergast at this point.

20 GOVERNOR SCOTT: Thank you. And that nursing
21 home that I went to last year is a beautiful place
22 with really nice people. I mean, the
23 accommodations are spectacular.

24 MR. DAVIS: Yes, they are.

25 COLONEL PRENDERGAST: All of our homes are

1 absolutely outstanding, Governor. And it's really
2 a pleasure to report to you that we filled up all
3 120 of our resident spaces at the Lassen Home at
4 least one quarter almost prior to our original
5 schedule to do that. And to run at a 99 percent
6 occupancy rate, it's a real tribute to Dan and his
7 team and the high quality of service and support
8 that we provide to our veterans and their family
9 members.

10 GOVERNOR SCOTT: Plus you have a lot of local
11 involvement.

12 COLONEL PRENDERGAST: We absolutely do.

13 GOVERNOR SCOTT: That was one thing that was
14 impressive, your local involvement in this. The
15 nursing home is really nice.

16 COLONEL PRENDERGAST: Every one of our homes
17 has great local involvement, and our statewide
18 veterans service organizations from A to Z are also
19 hugely responsible for that success.

20 While there are a number of U.S. Department of
21 Veterans Affairs projects under way in Florida, we
22 would like to bring you up to date on a couple of
23 key initiatives taking place in Florida designed to
24 deliver a seamless continuum of superior support to
25 our state's veterans.

1 Slide 10 is a photo of the first initiative,
2 the new Orlando VA Medical Center designed to
3 replace the facility at Lake Baldwin that the VA
4 inherited through a base realignment and closure
5 process that occurred many years ago.

6 The total campus encompasses 65 acres. It's
7 colocated on the facility where the new University
8 of Central Florida Medical School is. It has
9 1.2 million square feet, including 134 inpatient
10 beds in the medical center, outpatient clinics
11 ranging from A to Z, a 120-bed community living
12 center, a chapel, and a 60-bed domiciliary. This
13 is a \$665 million U.S. Department of Veterans
14 Affairs project. Construction began in October of
15 2010, and they expect to complete it in late 2013.

16 Once we get the details on the ribbon-cutting
17 once the VA accepts the facility from the general
18 contractor, we'll update you all so that you can be
19 there for the ribbon-cutting ceremony when they
20 open the doors to receive veterans and their
21 families.

22 Slide 11 does not have a photo yet, but it is
23 significant for you to know that right here in
24 Tallahassee, the VA is building a new VA outpatient
25 clinic to serve our growing population of veterans

1 here in Tallahassee and also in the South Georgia
2 area, where they come in from South Georgia to
3 receive services from the federal VA.

4 The actual title of this project is the
5 "Tallahassee Replacement Outpatient Clinic," and
6 the design is so new that they don't have anything
7 to report to us yet. However, the VA did receive
8 preliminary site approval from the City of
9 Tallahassee in July of this year, and the location
10 of the clinic will be at the southeast corner of
11 Orange and Blair Stone just south of the Capitol
12 here and to our east. And it will replace the
13 existing clinic we all know that's on Mahan Drive
14 out by the Florida Department of Law Enforcement.

15 This facility will be 195,000 square feet.
16 The solicitation of offers was issued on July 9th,
17 and the initial offers for this facility are due
18 later this month. Commencement of construction is
19 anticipated in late 2013, and they expect to
20 complete this facility by 2015 to serve our
21 veterans here.

22 Slide 12 is a photo of the new Jacksonville
23 replacement outpatient clinic. I had the privilege
24 of attending the groundbreaking ceremony with the
25 Secretary of the Department of Veterans Affairs,

1 Rich Shinseki, last summer. And this site will be
2 near the Shands Jacksonville campus, and it is
3 located just south of the old VA outpatient clinic
4 in Jacksonville that was constructed in the 1970s.

5 It is 133,500 square feet, with a total
6 construction cost of \$35 million. As I mentioned,
7 construction began last year, and they anticipate
8 completing it in October of this year, with a
9 ribbon-cutting ceremony to follow approximately
10 three to four months later.

11 Slide 13 is a photo of the new Cape Coral VA
12 Healthcare Center. It is a 220,000-square-foot
13 ambulatory surgery and outpatient support center
14 located in Cape Coral. It's a \$53.1 million
15 project. Construction began in January of 2010.
16 They anticipate completion by December of this
17 year. And actually, they may actually do a
18 ribbon-cutting shortly after the Christmas
19 holidays.

20 Turning now to Slide 14, Florida presently has
21 seven national cemeteries across the state. Texas,
22 unfortunately, Governor Scott, is tied with us for
23 the number of VA cemeteries. However, what I'm
24 reporting to you today is that with the new
25 demographic requirements released by the federal

1 Department of Veterans Affairs, the State of
2 Florida will gain two new VA national cemeteries in
3 the not-too-distant future.

4 Site 1 is located just north of Titusville and
5 Cape Coral -- Cape Canaveral, excuse me, near the
6 Scottsmoor community. And orienting you to the map
7 that you see on the slide, Site 1 is located by the
8 upward pointing arrow on the right side of the
9 slide. An enhanced aerial view of the property is
10 in the upper right of the map.

11 VA has already hired a designer for this
12 national cemetery over there to support our
13 veterans in the east coast area, and VA closed on
14 the property on July 31st of this year. This site
15 consists of 318 acres and will serve a community in
16 excess of 80,000 veterans in that area of the
17 Sunshine State.

18 Site 2 is located just east of Tallahassee.
19 And orienting you to the map, Site 2 is indicated
20 by the left pointing the arrow on the left side of
21 the slide. An enhanced aerial view of the property
22 is below the arrow. VA closed on this property on
23 August 14th of this year. And this site consists
24 of 250 acres. VA is in the process of actually
25 hiring a designer to begin their initial design

1 work on this facility.

2 And we'll have updated information for you at
3 a future Cabinet meeting on the progress of the
4 construction of both of these national cemeteries.
5 When we add those two to our complement, it will
6 put us up there with California and Pennsylvania,
7 with nine in our enterprise for Veterans Affairs
8 cemeteries to support the veterans population in
9 the state.

10 And finally, in closing, as all these projects
11 and many others throughout the state reach their
12 conclusion and prepare to support our state's
13 veterans, we will keep you informed on their status
14 and ensure that you're informed of their formal
15 opening ceremonies so that you can attend if your
16 calendar permits.

17 Subject to your questions, this concludes our
18 briefing today, and we look forward to your
19 questions. Thank you.

20 GOVERNOR SCOTT: Mike, thank you very much for
21 your hard work on behalf of the veterans, and thank
22 goodness for veterans, the people who are willing
23 to serve. But thank you very much for what you're
24 doing.

25 COLONEL PRENDERGAST: Thank you, Governor.

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Thank you.

GOVERNOR SCOTT: And tell Naomi hi.

COLONEL PRENDERGAST: I will. Thank you,
Governor.

1 GOVERNOR SCOTT: Now I would like to recognize
2 the director, Ben Watkins, with the Division of
3 Bond Finance. Good morning, Ben.

4 MR. WATKINS: Good morning, Governor and
5 Cabinet members.

6 GOVERNOR SCOTT: What's our bond rating, Ben?

7 MR. WATKINS: AAA.

8 GOVERNOR SCOTT: How many states have that?

9 MR. WATKINS: Nine.

10 GOVERNOR SCOTT: Anything better than AAA?

11 MR. WATKINS: That's it. There's only one
12 place to go from there, Governor.

13 GOVERNOR SCOTT: What does Texas have?

14 MR. WATKINS: Texas is AAA as well.

15 GOVERNOR SCOTT: Okay. That's all I had to
16 start.

17 MR. WATKINS: I understand.

18 Item Number 1 is approval of the minutes of
19 the June 26th and August 7th meetings.

20 ATTORNEY GENERAL BONDI: So moved.

21 GOVERNOR SCOTT: Is there a second?

22 COMMISSIONER PUTNAM: Second.

23 GOVERNOR SCOTT: Moved and seconded. The item
24 is approved without objection.

25 MR. WATKINS: Item Number 2 is a report of

1 award on the competitive sale of \$229.9 million of
2 PECO refunding bonds. The bonds were awarded to
3 the low bidder at a true interest cost of
4 2.82 percent. That allows us to reduce the
5 interest rate on outstanding PECO bonds from
6 4.74 percent to the 2.82 percent, which will
7 generate gross debt service savings for the State
8 of \$55.8 million, or \$42.2 million on a present
9 value basis, or 16.7 percent of the principal
10 amount of the bonds being refunded.

11 GOVERNOR SCOTT: That's great.

12 MR. WATKINS: Just a comment on -- a general
13 comment on municipal market conditions. We
14 continue to enjoy inflows of money into the
15 municipal space to be invested. So notwithstanding
16 the extraordinarily low interest rates, there
17 continues to be demand for municipal bonds.

18 That may be tested over the next quarter as
19 the projected supply of bonds being sold into the
20 municipal market is expected to increase. So we
21 continue to take advantage of opportunities to do
22 refundings and save money for the State when they
23 present themselves.

24 GOVERNOR SCOTT: What's typically our -- how
25 many basis points are we above Treasuries?

1 MR. WATKINS: 225 normally. But that moves
2 around, Governor, depending on market conditions
3 and depending on where we are on the yield curve.
4 But as a general matter, it's about --

5 GOVERNOR SCOTT: It doesn't change much
6 throughout the year usually?

7 MR. WATKINS: It has not been volatile of
8 late. We've had -- at different points in time,
9 the volatility was much greater. But over the last
10 couple of years, it has been fairly stable and
11 coming down, so it has been a good thing.

12 Item Number 3 is a resolution authorizing the
13 issuance and competitive sale of \$278 million of
14 refunding bonds for the Department of
15 Transportation right-of-way acquisition and bridge
16 construction program.

17 GOVERNOR SCOTT: All right. Is there a motion
18 to approve?

19 ATTORNEY GENERAL BONDI: So moved.

20 GOVERNOR SCOTT: Is there a second?

21 CFO ATWATER: Second.

22 GOVERNOR SCOTT: Moved and seconded. The item
23 is approved without objection.

24 MR. WATKINS: And lastly, Item Number 4 is a
25 combined new money and refunding. It authorizes

1 the issuance and competitive sale of \$120 million
2 in new money bonds for the Department of
3 Transportation Turnpike revenue bonds and
4 \$85 million in Turnpike refunding bonds.

5 GOVERNOR SCOTT: All right. Is there a motion
6 to approve?

7 CFO ATWATER: So moved.

8 GOVERNOR SCOTT: Is there a second?

9 COMMISSIONER PUTNAM: Second.

10 GOVERNOR SCOTT: Moved and seconded. The item
11 is approved without objection.

12 MR. WATKINS: Thank you, sir.

13 GOVERNOR SCOTT: Thank you, Ben.

14 (Proceedings concluded at 10:10 a.m.)

15 (Joint meeting of the Cabinet and the State
16 Board of Administration are contained in a separate
17 transcript.)

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CERTIFICATE OF REPORTER

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STATE OF FLORIDA:

COUNTY OF LEON:

I, MARY ALLEN NEEL, Registered Professional Reporter, do hereby certify that the foregoing proceedings were taken before me at the time and place therein designated; that my shorthand notes were thereafter translated under my supervision; and the foregoing pages numbered 1 through 38 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 24th day of October, 2012.

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