

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

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Representing:

DIVISION OF BOND FINANCE  
STATE BOARD OF ADMINISTRATION  
FLORIDA LAND AND WATER ADJUDICATORY COMMISSION

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, April 23,  
2013, commencing at approximately 9:03 a.m.

Reported by:

MARY ALLEN NEEL  
Registered Professional Reporter  
Florida Professional Reporter  
Notary Public

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## APPEARANCES:

Representing the Florida Cabinet:

RICK SCOTT  
Governor

PAM BONDI  
Attorney General

JEFF ATWATER  
Chief Financial Officer

ADAM PUTNAM  
Commissioner of Agriculture

\* \* \*

I N D E X

|                                  |          |   |
|----------------------------------|----------|---|
| Appointment<br>Parole Commission | Approved | 7 |
|----------------------------------|----------|---|

|                                      |          |   |
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| Appointment<br>Department of Revenue | Approved | 8 |
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DIVISION OF BOND FINANCE  
(Presented by BEN WATKINS)

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| 4    | Approved | 12   |
| 5    | Approved | 13   |
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STATE BOARD OF ADMINISTRATION  
(Presented by ASH WILLIAMS)

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FLORIDA LAND AND WATER ADJUDICATORY COMMISSION  
(Presented by MARK KRUSE)

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P R O C E E D I N G S

(The agenda items commenced at 10:55 a.m.)

GOVERNOR SCOTT: Now I would like to recognize Tena Pate, chair of the Florida Parole Commission.

MS. PATE: Good morning, Governor and members of the Cabinet. Thank you for the opportunity to appear before you on behalf of the Florida Parole Commission this morning.

As chair of the Commission, I am requesting your approval of the use of retired commissioners as temporary commissioners when there is a workload need at the Florida Parole Commission. And this is pursuant to Section 947.04(1) of Florida Statutes.

By your approval of these temporary commissioners, you are authorizing me as chair to assign these three individuals whose names I am submitting to you today for temporary duty on an as-needed basis.

The retired commissioners are utilized as temporary commissioners. They are vital to the Commission's work. They enable us to complete the statutory and the constitutional duties of the Commission.

This process is like that of the Florida court system. Retired judges are used in a similar

1 fashion.

2 Retired commissioners are compensated at \$100  
3 a day, and they are not used needlessly. I want to  
4 assure you of that.

5 The retired commissioners that I am offering  
6 are Judith Wolson. She served the Commission from  
7 1983 to 1996. During her tenure, she also served  
8 as the Commission's chair. She is a graduate of  
9 FSU with a degree in criminology. Prior to serving  
10 as a commissioner, she served as a parole and  
11 probation officer. She is a graduate of the  
12 Florida Criminal Justice Chief Executive Institute  
13 and is the recipient of the distinguished Louis  
14 Wainwright award. She is also utilized by the  
15 Commission in training our new commissioners. And  
16 in fact, she trained me when I joined the  
17 Commission in 2003.

18 I'm also offering the name of Frederick  
19 Dunphy. Commissioner Dunphy served from December  
20 of 1998 to December 2011. He also served as chair  
21 for a two-year period. He retired in 2011.  
22 Commissioner Dunphy is a former law enforcement  
23 officer. He also served as a former police chief  
24 of the North Bay Village Police Department in South  
25 Florida. He is a 1985 graduate of the FEI National

1 Academy.

2 Commissioner Lawson served at the Parole  
3 Commission from August of 1983 until October of  
4 1991. He has a business administration degree, and  
5 also economics, and he completed graduate course  
6 work in criminology at FSU. He holds the rank of  
7 colonel in the U.S. Army Reserve. And he has  
8 worked in the Interstate Compact Administration and  
9 also received an award for outstanding  
10 contributions in that work.

11 These commissioners have maintained a  
12 relationship with the Commission since his or her  
13 retirement. They have done outstanding work with  
14 the Commission. I'm simply asking for your  
15 favorable consideration of this request to allow me  
16 to call on them as temporary commissioners on a  
17 workload need.

18 GOVERNOR SCOTT: Is there a motion to approve  
19 the appointment?

20 ATTORNEY GENERAL BONDI: So moved.

21 GOVERNOR SCOTT: Is there a second?

22 CFO ATWATER: Second.

23 GOVERNOR SCOTT: Any comments or objections?

24 ATTORNEY GENERAL BONDI: Governor, I am aging  
25 myself. I have worked with all three of these

1           retired commissioners. In fact, Commissioner  
2           Wolfson trained me too when I was a young  
3           prosecutor. He was the first commissioner I  
4           appeared in front of. And I think these are three  
5           excellent choices, Commissioner Pate.

6           MS. PATE: Thank you.

7           GOVERNOR SCOTT: Congratulations. Hearing  
8           none, the motion carries.

9           MS. PATE: Thank you.

10          GOVERNOR SCOTT: Have a great day.

11          MS. PATE: You too.

12          GOVERNOR SCOTT: Thanks.

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1           GOVERNOR SCOTT: Another appointment we have  
2           today is the executive director of the Department  
3           of Revenue. I would like to nominate Marshall  
4           Stranburg for this position. Marshall has been  
5           with the Department since 1998 and served as the  
6           interim executive director for the last nine  
7           months. He has proven himself to be a capable  
8           leader, and his experience makes him an excellent  
9           candidate for the position.

10           Would any of the Cabinet members like to make  
11           remarks?

12           Is there a motion to appoint Marshall  
13           Stranburg as the executive director of the  
14           Department of Revenue at a salary of \$128,000 per  
15           year?

16           CFO ATWATER: So moved.

17           GOVERNOR SCOTT: Is there a second?

18           ATTORNEY GENERAL BONDI: Second.

19           GOVERNOR SCOTT: Any comments or objections?  
20           Hearing none, the motion carries.

21           Congratulations, Marshall. Would you like to  
22           say a few words?

23           MR. STRANBURG: Thank you, Governor, General  
24           Bondi, CFO Atwater, and Commissioner Putnam, and  
25           thank you for your confidence and trust in me in



1           this position. I've enjoyed working with you and  
2           your staffs over the past few months and look  
3           forward to continue working with them.

4           I just want to take one slight moment to thank  
5           a couple of folks, first of all, the fabulous  
6           people we have at the Department of Revenue. The  
7           work that they do has made my job over these last  
8           few months very easy, very pleasurable, and I know  
9           I look forward to continue working with them.

10          And I also want to thank some of my  
11          predecessors in this job, those people who kind of  
12          mentored me at the Department, starting with Tom  
13          Herndon, Larry Fuchs, and then two folks I met out  
14          in the hallway this morning when I got here, Jim  
15          Zingale and Lisa Vickers, who were my immediate  
16          predecessors. I look to them for inspiration and  
17          hope to continue the good things that they did  
18          while they were head of the Department of Revenue.

19          And again, thank you for your trust in me. I  
20          look forward to working with you and serving you  
21          and the citizens of our great state.

22          GOVERNOR SCOTT: Congratulations, Marshall.

23          MR. STRANBURG: Thank you.

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1                   GOVERNOR SCOTT: Now I would like to recognize  
2                   Director Ben Watkins with the Division of Bond  
3                   Finance to present their agenda.

4                   Good morning, Ben.

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

7                   Item Number 1 is the minutes from the March  
8                   19th meeting.

9                   GOVERNOR SCOTT: Is there a motion to approve?

10                  ATTORNEY GENERAL BONDI: So moved.

11                  GOVERNOR SCOTT: Is there a second?

12                  CFO ATWATER: Second.

13                  GOVERNOR SCOTT: Any comments or objections?  
14                  Hearing none, the motion carries.

15                  MR. WATKINS: Item Number 2 is a report of  
16                  award on the competitive sale of \$46,445,000 in  
17                  Everglades restoration revenue bonds sold to  
18                  finance wastewater collection and disposal  
19                  facilities in the Florida Keys. The bonds were  
20                  awarded to the low bidder at a true interest cost  
21                  of 3.03 percent.

22                  GOVERNOR SCOTT: Thank you, Ben.  
23                  Congratulations.

24                  MR. WATKINS: Thank you, sir.

25                  Item Number 3 are resolutions authorizing the

1 issuance and competitive sale of \$51.4 million in  
2 dormitory revenue bonds for construction of a new  
3 dormitory at Florida State University as well as  
4 \$18 million in dormitory revenue refunding bonds  
5 being sold for debt service savings.

6 GOVERNOR SCOTT: Is there a motion to approve?

7 COMMISSIONER PUTNAM: So moved.

8 GOVERNOR SCOTT: Is there a second?

9 ATTORNEY GENERAL BONDI: Second.

10 GOVERNOR SCOTT: Any comments or objections?

11 Hearing none, the motion the carries.

12 MR. WATKINS: Item Number 4 are resolutions  
13 authorizing the issuance and competitive sale of  
14 \$33.5 million in parking facility revenue bonds for  
15 construction of a new parking facility at Florida  
16 International University, as well as \$18 million in  
17 parking facility revenue refunding bonds being sold  
18 for debt service savings.

19 GOVERNOR SCOTT: I've asked our universities,  
20 as you know, to hold the line on tuition. The cost  
21 of higher education has gone up significantly the  
22 last five years. Approximately 50 percent of our  
23 Florida counties make less than \$53,000 a year.

24 I was very disappointed to see that the House  
25 of Representatives has actually reversed course

1 last night and proposed a 6 percent tuition  
2 increase in their latest education budget offering.

3 In contrast, I'm thrilled that FIU has  
4 committed to a six-year freeze of its  
5 transportation access fee. This fee is paid by all  
6 FIU students, even those who walk or ride their  
7 bike to school. The freeze in the fee will keep  
8 the cost of education low. It's the right thing to  
9 do, and I commend FIU for their work to achieve a  
10 worthy motion -- worthy goal.

11 Is there a motion to approve this item?

12 ATTORNEY GENERAL BONDI: So moved.

13 GOVERNOR SCOTT: Is there a second?

14 CFO ATWATER: Second.

15 GOVERNOR SCOTT: Any comments or objections?

16 Hearing none, the motion carries.

17 MR. WATKINS: Thank you. Item Number 5 are  
18 resolutions authorizing the issuance and  
19 competitive sale of \$350 million in public  
20 education capital outlay refunding bonds being sold  
21 for debt service savings.

22 GOVERNOR SCOTT: Is there a motion to approve?

23 CFO ATWATER: So moved.

24 GOVERNOR SCOTT: Is there a second?

25 COMMISSIONER PUTNAM: Second.

1           GOVERNOR SCOTT: Any comments or objections?  
2           Hearing none, the motion carries.

3           MR. WATKINS: Item Number 6 is a  
4           recommendation for the selection of bond counsel  
5           needed for implementing the seaport investment  
6           program. This is -- the firm being recommended to  
7           you is Bryant, Miller & Olive, which was the  
8           highest ranked firm by the Selection Committee.  
9           They graded the RFPs submitted in connection with  
10          this engagement.

11          GOVERNOR SCOTT: Is there a motion to approve?

12          COMMISSIONER PUTNAM: So moved.

13          GOVERNOR SCOTT: Is there a second?

14          ATTORNEY GENERAL BONDI: Second.

15          GOVERNOR SCOTT: Any comments or objections?  
16          Hearing none, the motion carries.

17          MR. WATKINS: And lastly, Item 7 is a  
18          resolution recommending a financial advisor for the  
19          Division of Bond Finance. Again, the three firms  
20          being recommended are First Southwest, Public  
21          Resources Advisory Group, and Public Financial  
22          Management. These were the three highest ranked  
23          firms by the Selection Committee who graded the  
24          RFPs submitted in connection with this engagement.

25          GOVERNOR SCOTT: Is there a motion to approve?

1 ATTORNEY GENERAL BONDI: So moved.

2 GOVERNOR SCOTT: Is there a second?

3 CFO ATWATER: Second.

4 GOVERNOR SCOTT: Any comments or objections?

5 Hearing none, the motion carries.

6 Thank you, Ben.

7 MR. WATKINS: Thank you.

8 COMMISSIONER PUTNAM: Governor, I have a  
9 question about the FIU issue. Do the FSU and the  
10 FIU, do they have the same commitment not to  
11 raise --

12 GOVERNOR SCOTT: No. Here's the difference.  
13 On FSU's, they -- on their dormitories, there's no  
14 mandate to live in a dorm, and there's no -- my  
15 understanding is that there are no fees attached to  
16 living in a dorm.

17 In FIU's case they have a transportation fee  
18 that's going to be used to pay for the bonds. Ben,  
19 tell me if I'm getting this wrong, but it's the  
20 transportation fee that's going to be bonded to pay  
21 for the garage.

22 MR. WATKINS: That's correct.

23 GOVERNOR SCOTT: So I asked them to -- if  
24 we're going to continue to have them do these  
25 things, asked them to freeze their increase in the

1 transportation fee, because it's being paid by all  
2 students, whether they ride a bike or they walk to  
3 school, and they've agreed to do that.

4 COMMISSIONER PUTNAM: So will that be a new  
5 prerequisite for any new parking garage?

6 GOVERNOR SCOTT: Yes, it is. We're doing it  
7 for this one. But I think we ought to really be  
8 looking at how much these fees are going up each  
9 and every year and how much it's costing these  
10 kids. That's why I completely oppose tuition  
11 increases. Tuition has been going up approximately  
12 13 percent a year for the last three years.

13 MR. WATKINS: So just to round out the  
14 discussion on this, FIU committed to forgo an  
15 increase in transportation access fees as a  
16 condition -- for six years as a condition precedent  
17 for approval of the parking garage.

18 And likewise, in evaluating the FSU dormitory  
19 deal, they also have sent a letter committing not  
20 to change -- not to have a mandatory residency  
21 requirement for freshmen living on campus and not  
22 to require a meal plan in connection with kids who  
23 are living in the dormitory. So those are the  
24 commitments made by the universities in connection  
25 with the review of these two items.

1                   COMMISSIONER PUTNAM: Student service fees are  
2                   ratified by the student government; right?

3                   MR. WATKINS: The capital improvement fees,  
4                   that's correct, yes, and activity and service fees  
5                   as well. There is a student body who advises on  
6                   how those moneys are to be used.

7                   COMMISSIONER PUTNAM: So there's student input  
8                   whenever they make a change to that fee?

9                   MR. WATKINS: Correct.

10                  COMMISSIONER PUTNAM: So when they're -- who  
11                  sets the transportation fees?

12                  MR. WATKINS: The board of trustees of the  
13                  university. But there's not the same mechanism  
14                  relative to the student involvement, I don't  
15                  believe, in the setting of the transportation  
16                  access fee that there is on the A&S fee and the  
17                  capital improvement fee, where there's more  
18                  involvement of the students in connection with the  
19                  setting of the fees or the use of the moneys from  
20                  the fees.

21                  COMMISSIONER PUTNAM: Thank you, Ben.

22                  GOVERNOR SCOTT: Thank you, Ben.

23                  MR. WATKINS: Thank you.

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1                   GOVERNOR SCOTT: Now I would like to recognize  
2                   Executive Director Ash Williams with the State  
3                   Board of Administration.

4                   MR. WILLIAMS: Good morning, Governor and  
5                   Cabinet Members.

6                   By way of update, as of last evening's close,  
7                   the Florida Retirement System Trust Fund fiscal  
8                   year to date is up 12.83 percent. That's 79 basis  
9                   points ahead of target and leaves a balance of  
10                  \$133.6 billion.

11                  Item 1, request approval of the minutes of the  
12                  March 7, 2013, and March 19, 2013 meetings.

13                  GOVERNOR SCOTT: Is there a motion to approve?

14                  ATTORNEY GENERAL BONDI: So moved.

15                  GOVERNOR SCOTT: Is there a second?

16                  CFO ATWATER: Second.

17                  GOVERNOR SCOTT: Any comments or objections?  
18                  Hearing none, the motion carries.

19                  MR. WILLIAMS: Thank you. Items 2, 3, and 4  
20                  are the fiscal sufficiencies in support of several  
21                  items just heard on the Division of Bond Finance  
22                  agenda. Depending on your preference, I can run  
23                  through these individually or treat them together.

24                  GOVERNOR SCOTT: Throw them together.

25                  MR. WILLIAMS: Thank you. These fiscal

1 sufficiencies, as I said, correspond. Item 2 on  
2 our agenda corresponds to Item 5 of the Bond  
3 Finance agenda, Item 3 to Item 3 on the Bond  
4 Finance agenda, and Item 4 to Item 4 on the Bond  
5 Finance agenda. Request approval, please.

6 GOVERNOR SCOTT: Is there a motion to approve  
7 these items?

8 CFO ATWATER: So moved.

9 GOVERNOR SCOTT: Is there a second?

10 ATTORNEY GENERAL BONDI: Second.

11 GOVERNOR SCOTT: Any comments or objections?  
12 Hearing none, the motion carries.

13 MR. WILLIAMS: Thank you. Item 5, request  
14 approval of the 2013-2014 Florida Hurricane  
15 Catastrophe Fund premium formula and the proposed  
16 2013-14 rates.

17 GOVERNOR SCOTT: Is there a motion to approve?

18 CFO ATWATER: So moved.

19 GOVERNOR SCOTT: Is there a second?

20 ATTORNEY GENERAL BONDI: Second.

21 GOVERNOR SCOTT: Any comments or objections?  
22 Hearing none, the motion carries.

23 MR. WILLIAMS: Thank you. Item 6, request  
24 authority to file a notice of proposed rule for  
25 Rule 19-8.028, reimbursement premium formula. This

1 is the rule to embrace the formula just adopted in  
2 Item 5.

3 GOVERNOR SCOTT: Is there a motion to approve?

4 CFO ATWATER: So moved.

5 GOVERNOR SCOTT: Is there a second?

6 ATTORNEY GENERAL BONDI: Second.

7 GOVERNOR SCOTT: Any comments or objections?

8 Hearing none, the motion carries.

9 MR. WILLIAMS: Thank you.

10 GOVERNOR SCOTT: Thank you, Ash.

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1           GOVERNOR SCOTT: Now I would like to recognize  
2           Executive Director Mark Kruse with the  
3           Administration Commission. Good morning, Mark.

4           MR. KRUSE: Good morning. We have two items  
5           on the Commission agenda. Item 1, approval of the  
6           minutes of the January 23, 2013 meeting.

7           GOVERNOR SCOTT: Is there a motion to approve?

8           ATTORNEY GENERAL BONDI: So moved.

9           GOVERNOR SCOTT: Is there a second?

10          COMMISSIONER PUTNAM: Second.

11          GOVERNOR SCOTT: Any comments or objections?  
12          Hearing none, the motion carries.

13          MR. KRUSE: Item 2, request for authorization  
14          to publish a notice of proposed rule to amend Rule  
15          42SS-1.002 in order to expand the Tolomato  
16          Community Development District. If no request for  
17          a public hearing is received as a result of the  
18          notice, request authorization to file for final  
19          adoption.

20          The District Board of Supervisors requests  
21          expansion of the District to include 11.54 acres of  
22          vacated County Road 210 right-of-way. 100 percent  
23          consent for expansion of the District has been  
24          provided. The required local public hearing was  
25          conducted by the District's Board of Supervisors,

1           and a report was submitted to the Commission  
2           transmitting their information.

3           The Board concludes that the petition as  
4           supplemented meets all statutory requirements and  
5           that the request for expansion should be granted.  
6           Request approval of Item 2.

7           GOVERNOR SCOTT: Is there a motion to approve?

8           ATTORNEY GENERAL BONDI: So moved.

9           GOVERNOR SCOTT: Is there a second?

10          CFO ATWATER: Second.

11          GOVERNOR SCOTT: Any comments or objections?

12          Hearing none, the motion carries. Thank you,  
13          Mark.

14          MR. KRUSE: Thank you.

15          GOVERNOR SCOTT: This concludes our Cabinet  
16          meeting. Our next meeting will be Wednesday, May  
17          8th, at 9:00 a.m. in Lake Mary. We are adjourned.

18          (Proceedings concluded at 11:12 a.m.)

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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 22 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 7th day of May, 2013.

---

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