

MEETING OF THE STATE BOARD OF ADMINISTRATION

**GOVERNOR SCOTT AS CHAIRMAN
CHIEF FINANCIAL OFFICER ATWATER
ATTORNEY GENERAL BONDI**

FEBRUARY 5, 2015

To View Agenda Items, Click on the Following Link:

www.sbafla.com

AGENDA

ITEM 1. REQUEST APPROVAL OF THE MINUTES OF THE NOVEMBER 12, 2014 AND DECEMBER 9, 2014 MEETINGS.

(See Attachments 1-A and 1-B)

ACTION REQUIRED

ITEM 2. REQUEST APPROVAL OF A FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING \$13,300,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS, (SERIES TO BE DESIGNATED) (TOWERS OF JACKSONVILLE APARTMENTS)

(See Attachment 2-A)

ACTION REQUIRED

ITEM 3. REQUEST APPROVAL OF A FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING \$7,300,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS, (SERIES TO BE DESIGNATED) (MARIANNA GARDENS APARTMENTS)

(See Attachment 3-A)

ACTION REQUIRED

STATE OF FLORIDA

IN RE: MEETING OF THE GOVERNOR AND
CABINET

CABINET MEMBERS: GOVERNOR RICK SCOTT
ATTORNEY GENERAL PAM BONDI
CHIEF FINANCIAL OFFICER
JEFF ATWATER
COMMISSIONER OF AGRICULTURE
ADAM PUTNAM

DATE: WEDNESDAY, NOVEMBER 12, 2014

LOCATION: CABINET MEETING ROOM
LOWER LEVEL, THE CAPITOL
TALLAHASSEE, FLORIDA

REPORTED BY: NANCY S. METZKE, RPR, FPR
COURT REPORTER

C & N REPORTERS
POST OFFICE BOX 3093
TALLAHASSEE, FLORIDA 32315-3093
(850) 697-8314 / FAX (850) 697-8715
nancy@metzke.com
candnreporters.com

INDEX

PAGE NO.

Department of Revenue	
By Deputy Director Moreland	4
State Board of Administration	
By Director Williams	7
Board of Trustees	
By Secretary Vinyard	9

* * * *

P R O C E E D I N G S

GOVERNOR SCOTT: Good morning, and welcome to the November 12th Cabinet meeting.

At this time I would like to welcome Pastor George Hall from Cornerstone Christian Academy in Avon Park to lead this morning's invocation. Please remain standing after the invocation for the Pledge of Allegiance which will be led by students from Cornerstone Christian Academy.

(WHEREUPON, THE INVOCATION WAS GIVEN AND THE PLEDGE OF ALLEGIANCE SAID).

* * * *

STATE BOARD OF ADMINISTRATION.

GOVERNOR SCOTT: Now I'd like to recognize Executive Director Ash Williams with the State Board of Administration.

Good morning, Ash.

DIRECTOR WILLIAMS: Good morning, Governor, Cabinet members. Congratulations to all of you.

By way of a Fund update, as of the close on the 11th of November, the Florida Retirement System Trust Fund was up 5.88% calendar year to date. That's 112 basis points ahead of benchmark. The balance stands at \$147 billion. That's 3.2 billion ahead of where we started the calendar year, net of distributions of roughly \$600 million monthly for benefits.

Item 1, request approval of the minutes of our August 19 and September 23, 2014 meetings.

GOVERNOR SCOTT: Is there a motion to approve this item?

ATTORNEY GENERAL BONDI: So moved.

GOVERNOR SCOTT: Is there a second?

CFO ATWATER: Second.

GOVERNOR SCOTT: Moved and seconded, show the minutes approved without objection.

1 EXECUTIVE DIRECTOR WILLIAMS: Thank you.
2 Item 2, request approval of a fiscal
3 determination of an amount not exceeding
4 \$24 million, Florida Housing Finance Corporation
5 Multi-Family Mortgage Revenue Bonds. These are for
6 the Indian Run Apartments, which is an acquisition
7 and rehabilitation project in Martin County.
8 Request approval.
9 GOVERNOR SCOTT: Is there a motion to approve?
10 ATTORNEY GENERAL BONDI: So move.
11 GOVERNOR SCOTT: Is there a second?
12 CFO ATWATER: Second.
13 GOVERNOR SCOTT: Any comments or objections?
14 (NO RESPONSE).
15 GOVERNOR SCOTT: Hearing none, the motion
16 carries.
17 EXECUTIVE DIRECTOR WILLIAMS: Thank you.
18 GOVERNOR SCOTT: Thank you, Ash.

19
20
21 * * * *
22
23
24
25

FLORIDA CABINET

IN RE: CABINET AGENDA

APPEARANCES: GOVERNOR RICK SCOTT
 ATTORNEY GENERAL PAM BONDI
 CFO JEFF ATWATER
 COMMISSIONER ADAM PUTNAM

DATE: TUESDAY, DECEMBER 9, 2014

TIME: COMMENCED AT: 9:30 A.M.
 CONCLUDED AT: 1:30 P.M.

LOCATION: THE CAPITOL
 CABINET MEETING ROOM

REPORTED BY: NANCY S. METZKE, RPR, FPR
 COURT REPORTER

C & N REPORTERS
 POST OFFICE BOX 3093
 TALLAHASSEE, FLORIDA 32315-3093
 (850) 697-8314 / FAX (850) 697-8715
 nancy@metzke.com
 candnreporters.com

INDEX

PAGE NO.

Appointment - Interim Secretary
 Of the Department of Environmental
 Protection 4

Highway Safety and Motor Vehicles
 By Terry Rhodes 7

Florida Department of Law Enforcement
 By Jerry Bailey 14

Florida Land and Water Adjudicatory
 Commission
 By Jack Heekin 23

Department of Revenue
 By Marshall Stranburg 26

Office of Insurance Regulation
 By Kevin McCarty 29

Division of Bond Finance
 By Ben Watkins 38

Board of Trustees of the Internal
 Improvement Trust Fund
 By Cliff Wilson 57

State Board of Administration
 By Ash Williams 77

* * * *

* * * *

P R O C E E D I N G S

GOVERNOR SCOTT: Good morning. Anybody standing outside, it was a little chilly.

Good morning, and welcome to the December 9, 2014, Cabinet meeting. At this time I'd like to welcome Pastor Scott Hunter from Genesis Church to lead this morning's invocation.

Please remain standing after the invocation for the Pledge of Allegiance which will be led by Miss Arassi's third grade class at Kate Sullivan Elementary.

* * * *

STATE BOARD OF ADMINISTRATION

GOVERNOR SCOTT: I'd now like to recognize Executive Director Ash Williams with the State Board of Administration.

EXECUTIVE DIRECTOR WILLIAMS: Thank you Governor, Trustees. Good afternoon.

By way of our usual update to open, as of the close last evening, the Florida Retirement System Trust Fund had gained 6.46% calendar year to date. That's 132 basis points ahead of target, and leaves us with a net balance of \$3.6 billion gain in balance after distributions.

Item 1, request approval of a fiscal sufficiency in an amount not exceeding \$560,000,000, State of Florida, Full Faith and Credit, State Board of Education, Public Education Capital Outlay Refunding Bonds.

GOVERNOR SCOTT: Is there a motion to approve?

CFO ATWATER: So moved.

GOVERNOR SCOTT: Is there a second?

ATTORNEY GENERAL BONDI: Second.

GOVERNOR SCOTT: Any comments or objections?

(NO RESPONSE).

GOVERNOR SCOTT: Hearing none, the motion

1 carries.

2 EXECUTIVE DIRECTOR WILLIAMS: Thank you.

3 Item 2, request approval of a fiscal
4 sufficiency of an amount not exceeding \$50,000,000,
5 State of Florida, Department of Environmental
6 Protection, Everglades Restoration Revenue Bonds.

7 GOVERNOR SCOTT: Is there a motion to approve?

8 ATTORNEY GENERAL BONDI: So move.

9 GOVERNOR SCOTT: Is there a second?

10 CFO ATWATER: Second.

11 GOVERNOR SCOTT: Any comments or objections?

12 (NO RESPONSE).

13 GOVERNOR SCOTT: Hearing none, the motion
14 carries.

15 EXECUTIVE DIRECTOR WILLIAMS: Thank you.

16 Item 3, request approval of a fiscal
17 determination of an amount not exceeding,
18 \$450,000,000, Florida Housing Finance Corporation,
19 Homeowner Mortgage Revenue Bonds.

20 GOVERNOR SCOTT: Is there a motion to approve?

21 CFO ATWATER: So moved.

22 GOVERNOR SCOTT: Is there a second?

23 ATTORNEY GENERAL BONDI: Second.

24 GOVERNOR SCOTT: Any comments or objections?

25 (NO RESPONSE).

1 GOVERNOR SCOTT: Hearing none, the motion
2 carries.

3 EXECUTIVE DIRECTOR WILLIAMS: Thank you.

4 Item 4, request approval of the 2015 Corporate
5 Governance Principles and Proxy Voting Guidelines.
6 These, essentially, primarily, adopt current
7 research that relates to each of the policy
8 guidelines and demonstrates why as fiduciaries
9 these particular policies support the growth of
10 shareholder value. We did have a discussion of
11 these yesterday in the Investment Advisory Council,
12 and they were unanimously embraced. There is also
13 a technical issue relating to SEC conformance in
14 the updated guidelines.

15 Request approval.

16 GOVERNOR SCOTT: Is there a motion to approve?

17 ATTORNEY GENERAL BONDI: So move.

18 GOVERNOR SCOTT: Is there a second?

19 CFO ATWATER: Second.

20 GOVERNOR SCOTT: Any comments or objections?

21 (NO RESPONSE).

22 GOVERNOR SCOTT: Hearing none, the motion
23 carries.

24 EXECUTIVE DIRECTOR WILLIAMS: Thank you.

25 Item 5, request approval of the SBA quarterly

1 report required by the Protecting Florida's
 2 Investments Act. This is, of course, the provision
 3 dealing with Sudan and Iran. There's very little
 4 activity over the period in terms of changes in
 5 companies included on the Sudan and Iran
 6 scrutinized or continued examination lists. We
 7 added one company to the Sudan scrutinized list;
 8 there were no other changes.

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

11 ATTORNEY GENERAL BONDI: So move.

12 GOVERNOR SCOTT: Is there a second?

13 CFO ATWATER: Second.

14 GOVERNOR SCOTT: Any comments or objections?

15 ATTORNEY GENERAL BONDI: Just thank you for
 16 being such a good watch dog on that. It's very
 17 important. Thank you.

18 GOVERNOR SCOTT: Hearing none, the motion
 19 carries.

20 EXECUTIVE DIRECTOR WILLIAMS: Thank you.

21 Item 6, request approval of a draft letter to
 22 the Joint Legislative Auditing Committee affirming
 23 that the SBA Trustees have reviewed and approved
 24 the monthly Florida Prime and Fund B management
 25 summary reports and actions taken, if any, to

1 address any material impacts. There have been no
 2 material impacts.

3 GOVERNOR SCOTT: Is there a motion to approve?

4 ATTORNEY GENERAL BONDI: So move.

5 GOVERNOR SCOTT: Is there a second?

6 CFO ATWATER: Second.

7 GOVERNOR SCOTT: Any comments or objections?

8 (NO RESPONSE).

9 GOVERNOR SCOTT: Hearing none, the motion
 10 carries.

11 EXECUTIVE DIRECTOR WILLIAMS: Thank you.

12 Item 7, request approval for revisions to the
 13 investment policy statement for the Florida
 14 Retirement System pension plan as required under
 15 Section 215.475, Sub 2, Florida Statutes. This
 16 simply conforms our investment policy statement
 17 to the revised investment return assumption that
 18 came out of the actuarial estimating conference
 19 this fall lowering the return assumption by ten
 20 basis points from 7.75% to 7.65%. This too was
 21 reviewed by the IAC and approved in yesterday's
 22 meeting.

23 GOVERNOR SCOTT: Is there a motion to approve?

24 ATTORNEY GENERAL BONDI: So move.

25 GOVERNOR SCOTT: Is there a second?

1 CFO ATWATER: Second.

2 GOVERNOR SCOTT: Any comments or objections?

3 (NO RESPONSE).

4 GOVERNOR SCOTT: Hearing none, the motion
5 carries.

6 EXECUTIVE DIRECTOR WILLIAMS: Thank you.

7 Item 8 is the quarterly reports for the annual
8 quarterly meeting of the SBA, and we have reports
9 from -- a range of standard reports including the
10 Inspector General, General Counsel, Corporate
11 Governance, and the Chief Risk and Compliance
12 Officer. I want to say, as we always do, how
13 appreciative we are of the work our advisory
14 councils do: The Investment Advisory Council,
15 Participant Local Government Advisory Council, and
16 our Audit Committee. And we're fortunate to have
17 with us today the Vice Chairman of the Investment
18 Advisory Council, Ambassador Charles Cobb, who
19 chaired yesterday's meeting and would like to give
20 you a report.

21 GOVERNOR SCOTT: Good afternoon.

22 AMBASSADOR COBB: Thank you, Ash, Governor,
23 Trustee, Fellow Trustees. You're going to get
24 another report in a moment on the excellent results
25 of our retirement plan and our other trust funds,

1 and the emphasis will be not only our comparison to
2 our benchmark but our comparison to the peers,
3 which have been good; and also a function of our
4 risk tolerance in the funds.

5 And our committee has spent a lot of time on
6 our risk tolerance, and one report you're going to
7 get is how we have exceeded our peers, exceeded the
8 benchmarks, but been a little bit aggressive on our
9 asset allocations. We're up about 60% in equities,
10 which has helped our -- it's helped our
11 performance. But the net result is we have taken
12 on less risk, less volatility, as will be reported
13 to you in a moment.

14 The results, I think, are because we've got a
15 great management team led by Ash and some other
16 really top professionals, also some really good
17 consultants, and I think a nine-person Investment
18 Advisory Committee, that each of you have selected
19 three. And we had nine really very top
20 professionals that are very sophisticated
21 investment people and I think are contributing to
22 the process.

23 Our focus this last year has been on asset
24 allocation, as I sort of mentioned already; and
25 that will also be the focus for next year, 2015.

1 We're a little concerned, there's a little bit of a
 2 bubble in some of our asset categories. We've had
 3 some great results in some of these categories, but
 4 we want to think about whether we need to rebalance
 5 our asset allocation next year.

6 Also -- and that's mainly the focus on the
 7 retirement plan. But, also, to spend a little bit
 8 more time on some of our other funds, particularly
 9 the Hurricane Cat Fund and possibly maybe improve
 10 our financial results there by changing our asset
 11 allocation just slightly with being very cognizant
 12 of risk profile, but we think we might do a little
 13 bit better job; and management is going to be
 14 reporting to us next year.

15 Another priority next year Ash just mentioned,
 16 a continued, almost every second or third meeting
 17 to review our proxy process, proxy procedures. And
 18 this is becoming more and more important, as all of
 19 you know, and it's a statement of Florida's
 20 interest and in Florida's leadership in these
 21 proxies and making sure we are voting for good
 22 government -- good governance in our corporate
 23 investments; and we want to continue to focus on
 24 that and spend time on that.

25 A last point that I mention but maybe is not

1 the least important, maybe is the most important,
 2 is to continue to make sure our management team is
 3 adequately compensated. I mean we're in a
 4 competitive world. I think as you've just
 5 mentioned, Mr. Chief Financial Officer, we're in a
 6 competitive world for our top people. As a state,
 7 we do not have an incentive plan. We think that
 8 maybe it can fit into the plan in the long-term.

9 So we have a full agenda next year. We look
 10 forward to working with you. And unless there are
 11 any questions, that's my report.

12 Thank you, Governor.

13 GOVERNOR SCOTT: Thank you.

14 Any questions?

15 ATTORNEY GENERAL BONDI: Thank you.

16 CFO ATWATER: Thank you.

17 GOVERNOR SCOTT: Thank you very much for your
 18 service.

19 AMBASSADOR COBB: Thank you.

20 EXECUTIVE DIRECTOR WILLIAMS: All right. So
 21 unless you have any questions on any of the
 22 attachments, I want to share one other thing with
 23 you, and then turn it over to Kristen Doyle from
 24 Hewitt Ennis Knupp to give us highlights of major
 25 mandates.

1 I want to share with you highlights of an
 2 audit that just came out from OPPAGA. This is on
 3 the Florida Growth Fund, and it ties into
 4 Jesse Panuccio's report earlier today and, to a
 5 degree, to Ben Watkins' report as well, and to the
 6 thematic points, Governor, that you and
 7 Commissioner -- CFO Atwater and others touched on
 8 earlier today.

9 And let me just read you a couple of key
 10 things: As of June 30, 2014, the Florida Growth
 11 Fund had invested \$381.5 million in 27 technology
 12 and growth companies and 24 private equity funds.
 13 Since inception, the Fund has experienced a net
 14 internal rate of return of 14.96%, and distributed
 15 \$49.6 million to the Florida Retirement System.

16 The Fund's investments also resulted in
 17 reported economic benefits to the state. Companies
 18 that received Florida Growth Fund investments
 19 reported creating 11,125 jobs as of June 30, 2014.
 20 This included 2,926 jobs created by technology and
 21 growth companies and 8,199 jobs created by
 22 companies in which private equity funds were
 23 invested. The companies reported paying an average
 24 annual salary of \$65,080.

25 So we've made a great return on that Fund and

1 supported the initiative of growing Florida's
 2 competitiveness and employment. So with that
 3 aside, let me ask Kristen to come up and give you
 4 the update on major mandate performance.

5 GOVERNOR SCOTT: Good afternoon.

6 MS. DOYLE: Good afternoon.

7 So I'm just going to spend a few minutes
 8 reviewing performance of the major mandates managed
 9 by the SBA through September 30th. And as we
 10 talked about at the Investment Advisory Council
 11 meeting yesterday and has been mentioned by a few
 12 already today, the absolute and relative
 13 performance across the board has been very, very
 14 strong.

15 So in terms of the pension plan, the pension
 16 plan has outperformed its performance targets over
 17 all trailing time periods shown here with one
 18 exception of the 15-year period where the total
 19 Fund underperformed just the absolute nominal
 20 target rate of the return; however, the Fund does
 21 continue to outperform the long-term target over
 22 the 20, 25 and 30-year periods.

23 Typically when we look at peer comparisons, we
 24 cover performance relative to the top ten defined
 25 benefit plans, but once a year the SBA receives a

1 report from a benchmarking provider,
2 CEM Benchmarking, where they create actually a
3 custom universe for the SBA which includes, this
4 year, 17 public pension plans with a median asset
5 size of \$80 billion, so the largest plans in the
6 United States.

7 So relative to that universe, let me just --
8 relative to that universe, for the one-year period,
9 the absolute performance of the pension plan was
10 better than 88% of that, of the plans in that
11 universe. For the three-year period, better than
12 63%; and most notably, was the best performing fund
13 over the five-year period.

14 And then lastly on the pension, costs
15 obviously matter; and, thus, the cost of
16 administrative costs mean a lot when managing an
17 investment program because high cost translates to
18 lower returns for the Fund. And one of the
19 measurements that CEM provides is how does the cost
20 of running the investment program compare to the
21 cost of running the investment program at these
22 other public pension plans. And you can see here
23 that for total cost the SBA is actually the lowest
24 cost out of that particular universe.

25 CFO ATWATER: Governor, may I ask a question?

1 GOVERNOR SCOTT: Go ahead.

2 CFO ATWATER: Kristen, have you all ever
3 applied a dollar value to our over-performance on
4 return and our over-performance in cost?

5 MS. DOYLE: We do have a slide earlier in the
6 presentation that provides for the quarter and the
7 fiscal year-to-date period what that translates to
8 in terms of dollars. I can flip back to that if
9 you would like.

10 CFO ATWATER: Just, I think it's of -- again,
11 this is not just a conversation about percentages,
12 this is about this performance and what it allows
13 us to do without either tapping into additional
14 contribution or, you know, minimizing benefits.
15 This is of real value.

16 MS. DOYLE: That's right. So here, for the
17 shorter period of time, because we had negative
18 performance in the most recent period, it's going
19 to show that there's a net -- negative out of the
20 plan; but if we looked at this over the last year,
21 for example, the amount of money, real dollars that
22 the pension plan has earned far surpasses the money
23 that's being paid out to participants in the form
24 of benefit payments.

25 CFO ATWATER: But my question was: Do you

1 ever put a dollar value to our over-performance?
2 Had we been average in both cost and return, how
3 many fewer hundreds of millions of dollars would be
4 in the Fund today?

5 MS. DOYLE: That's true, correct.

6 CFO ATWATER: That's what I -- that's my
7 question, is: Have we ever put a dollar value to
8 this performance?

9 MS. DOYLE: Yeah, we could put a dollar value
10 to that.

11 CFO ATWATER: I'd like to see it.

12 MS. DOYLE: I don't know what that is off the
13 top of my head, but --

14 CFO ATWATER: All right. Thank you.

15 MS. DOYLE: Any other questions on the
16 pension?

17 (NO RESPONSE).

18 MS. DOYLE: Okay. Switching to the defined
19 contribution plan, so over all trailing time
20 periods, this plan also continues to outperform the
21 fund options, and this plan continues to outperform
22 their underlying benchmarks over all trailing time
23 periods here. And then in terms of how is this
24 performing relative to peers, again, the net value
25 added over these benchmarks is much higher than

1 those of peer plans.

2 The Cat Fund also continues to outperform over
3 all trailing time periods. This is a benchmark
4 that's made up of other peer funds managed in a
5 similar way as well as short-term T-bills. And
6 this is invested in very high quality short-term
7 bonds.

8 The Lawton Chiles Endowment Fund also
9 outperformed very well over all trailing time
10 periods, with the exception of the quarter where we
11 saw some under-performance, and this is mainly
12 driven by the global equity manager just failed to
13 outperform its benchmark over the quarter but has
14 contributed to most of the out-performance over the
15 other periods.

16 And then lastly, Florida Prime has also
17 outperformed its benchmark, which is actually a
18 peer-based benchmark of other local government
19 investment pools over all trailing time periods.

20 And lastly, on Fund B, happy to report that a
21 hundred percent of the funds have been returned
22 back to Fund B participants, and there's about
23 \$28 million remaining in the Fund as of
24 September 30th.

25 I'm happy to take any questions.

1 GOVERNOR SCOTT: Are there any questions?

2 (NO RESPONSE).

3 GOVERNOR SCOTT: Thank you.

4 MS. DOYLE: Thank you.

5 EXECUTIVE DIRECTOR WILLIAMS: Thank you,
6 Kristen.

7 And, CFO, to your question, putting a dollar
8 on it, we did do some numbers recently. I'm
9 particularly interested in the performance starting
10 in November of 2008 through whatever the most
11 recent close is; and it so happens I have that
12 number with me, sir.

13 And if we look at our cumulative return over
14 that time, the benchmark return would be 80.88%;
15 our actual return is 89.45%. So that's beating the
16 benchmark on a cumulative basis by 8.57%.

17 Now to your question, the difference that
18 means over the benchmark, is \$6.075 billion; that's
19 what that means. And if you look at that number
20 compared to our long-term investment return
21 objective, which is the 5% real return, it's
22 \$30.455 billion. So it's real money, and we're
23 glad to provide it.

24 So with that, unless we have any other
25 questions, that concludes the quarterly reports for

1 Item 8.

2 GOVERNOR SCOTT: Is there a motion to accept
3 the reports?

4 CFO ATWATER: So move.

5 GOVERNOR SCOTT: Is there a second?

6 ATTORNEY GENERAL BONDI: Second.

7 GOVERNOR SCOTT: Any comments or objections?

8 (NO RESPONSE).

9 GOVERNOR SCOTT: Hearing none, the motion
10 carries.

11 EXECUTIVE DIRECTOR WILLIAMS: Thank you.

12 Item 9 is the annual reaffirmation of the
13 Executive Director. Respectfully recommend
14 adoption.

15 GOVERNOR SCOTT: Do you want to make a pitch
16 or anything? What would be the rationale?

17 ATTORNEY GENERAL BONDI: Governor.

18 EXECUTIVE DIRECTOR WILLIAMS: I think we've
19 delivered.

20 ATTORNEY GENERAL BONDI: So moved. And did
21 you --

22 GOVERNOR SCOTT: You've done a good job.

23 EXECUTIVE DIRECTOR WILLIAMS: Thank you.

24 GOVERNOR SCOTT: So first off, I just want to
25 thank you. You've done a very good job, and you've

1 built a very good team, and you've served the state
2 very well. So I just want to thank you, and I hope
3 all of your team realized what a great job they've
4 done.

5 And when the CFO brought that up, I think
6 that's a good way to look at it, is the increased
7 value. I mean while our pension plan is still
8 underfunded as compared to what its obligations
9 are, we're in a much better position than we were
10 four years ago.

11 EXECUTIVE DIRECTOR WILLIAMS: Well, it is a
12 collective effort. Thank you for that. There's no
13 question, our team does everything we can every
14 day; but absent your support, absent the
15 legislature doing the right things on funding, it
16 is absolutely a collective result and no one
17 attribute of a pension system can be successful
18 unless the others are in proper harmony.
19 Thank you.

20 GOVERNOR SCOTT: All right. Is there a motion
21 to approve this item?

22 ATTORNEY GENERAL BONDI: So move.

23 CFO ATWATER: Second.

24 GOVERNOR SCOTT: Any comments or objections?

25 (NO RESPONSE).

1 GOVERNOR SCOTT: Hearing none, the motion
2 carries.

3 Congratulations, Ash. Thank you.

4 That concludes today's meeting. Our next
5 meeting will be Tuesday, January 13th at 9:00 a.m.

6 (WHEREUPON, THE MEETING WAS ADJOURNED).
7

8 * * * * *
9

**STATE BOARD OF ADMINISTRATION
1801 HERMITAGE BOULEVARD
TALLAHASSEE, FLORIDA 32308**

TO: Ash Williams
FROM: Robert Copeland
SUBJECT: Fiscal Determination
DATE: January 21, 2015



A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING \$13,300,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS, (SERIES TO BE DESIGNATED) (TOWERS OF JACKSONVILLE APARTMENTS)

The Florida Housing Finance Corporation has submitted for approval as to fiscal determination a proposal to issue an amount not exceeding \$13,300,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, (series to be designated) (the "Bonds") for the purpose of financing the acquisition and rehabilitation of a multifamily rental development located in Duval County, Florida (Towers of Jacksonville Apartments). The Bonds shall be payable as to principal, premium (if any), and interest solely out of revenues and other amounts pledged therefor, and shall not be secured by the full faith and credit of the State of Florida.

RECOMMENDATION: It is recommended that, pursuant to the fiscal determination requirements of Section 16(c) of Article VII of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, and in reliance upon information provided by the Florida Housing Finance Corporation, the Board find and determine that in no state fiscal year will the debt service requirements of the Bonds and all other bonds secured by the same pledged revenues exceed the pledged revenues available for payment of such debt service requirements. The Board does not assume any responsibility for, and makes no warranty (express or implied) with respect to any aspect of this bond issue.

cc: Janie Knight

**A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA
MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE
OF AN AMOUNT NOT EXCEEDING \$13,300,000 FLORIDA HOUSING FINANCE
CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS,
(SERIES TO BE DESIGNATED) (TOWERS OF JACKSONVILLE APARTMENTS)**

WHEREAS, the Florida Housing Finance Corporation (the "Corporation") proposes to issue an amount not exceeding \$13,300,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, (series to be designated) (the "Bonds") for the purpose of financing the acquisition and rehabilitation of a multifamily rental development located in Duval County, Florida (Towers of Jacksonville Apartments); and,

WHEREAS, the Corporation has requested the State Board of Administration of Florida to make the fiscal determination required by Section 420.509, Florida Statutes, as stated in Section 16(c) of Article VII of the Constitution of the State of Florida, as revised in 1968 and subsequently amended (the "Florida Constitution"); and,

WHEREAS, the Bonds shall be secured by a Trust Indenture; and,

WHEREAS, in accordance with Section 420.509, Florida Statutes, the principal of and all interest and any premium on the Bonds shall be payable solely out of revenues and other amounts pledged therefor, as described in the Trust Indenture and other required documents, and shall not be secured by the full faith and credit of the State of Florida; and,

WHEREAS, the cash flow analysis furnished by the Corporation shows that in no State fiscal year will the debt service requirements of the Bonds proposed to be issued and all other bonds secured by the same pledged revenues exceed the pledged revenues available for payment of such debt service requirements; and,

WHEREAS, the Corporation has furnished sufficient information to enable the State Board of Administration of Florida to fulfill its duties pursuant to Section 420.509(2), Florida Statutes; and,

WHEREAS, the Board has relied upon information from others, including the Corporation, but has not independently verified the accuracy or completeness of such information; and,

WHEREAS, the Board's determination pursuant to Section 16(c) of Article VII of the Florida Constitution and Section 420.509(2), Florida Statutes, is limited to a review of the matters essential to making such determination and the Board does not approve or disapprove of the Bonds as investments and has not passed upon the accuracy or adequacy of the Trust Indenture or any other required documents; **Now, Therefore,**

BE IT RESOLVED, by the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Florida Constitution, that in connection with the issuance of the Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, (series to be designated) (Towers of Jacksonville Apartments), in an amount not exceeding \$13,300,000, for the uses and purposes hereinabove set forth, it makes the fiscal determination required by Section 420.509, Florida Statutes.

Accordingly, as required by Section 16(c) of Article VII of the Florida Constitution, the Board finds and determines that in no state fiscal year will the debt service requirements of the Bonds and all other bonds secured by the same pledged revenues exceed the pledged revenues, as defined in Section 420.503, Florida Statutes and described in the Trust Indenture, which are available for payment of such debt service requirements.

ADOPTED February 5, 2015

STATE OF FLORIDA)
:
COUNTY OF LEON)

I, Ashbel C. Williams, Executive Director & CIO of the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, **DO HEREBY CERTIFY** that the above and foregoing is a true and correct copy of a resolution adopted by said Board at a meeting held February 5, 2015, making the fiscal determination in connection with the issuance of an amount not exceeding \$13,300,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, (series to be designated) (Towers of Jacksonville Apartments).

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said Board at Tallahassee, Leon County, Florida, this 5th day of February 2015.

Ashbel C. Williams, Executive Director & CIO

(SEAL)

**STATE BOARD OF ADMINISTRATION
1801 HERMITAGE BOULEVARD
TALLAHASSEE, FLORIDA 32308**

TO: Ash Williams
FROM: Robert Copeland
SUBJECT: Fiscal Determination
DATE: January 21, 2015



A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE OF AN AMOUNT NOT EXCEEDING \$7,300,000 FLORIDA HOUSING FINANCE CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS, (SERIES TO BE DESIGNATED) (MARIANNA GARDENS APARTMENTS)

The Florida Housing Finance Corporation has submitted for approval as to fiscal determination a proposal to issue an amount not exceeding \$7,300,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, (series to be designated) (the "Bonds") for the purpose of financing the acquisition and rehabilitation of a multifamily rental development located in Jackson County, Florida (Marianna Gardens Apartments). The Bonds shall be payable as to principal, premium (if any), and interest solely out of revenues and other amounts pledged therefor, and shall not be secured by the full faith and credit of the State of Florida.

RECOMMENDATION: It is recommended that, pursuant to the fiscal determination requirements of Section 16(c) of Article VII of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, and in reliance upon information provided by the Florida Housing Finance Corporation, the Board find and determine that in no state fiscal year will the debt service requirements of the Bonds and all other bonds secured by the same pledged revenues exceed the pledged revenues available for payment of such debt service requirements. The Board does not assume any responsibility for, and makes no warranty (express or implied) with respect to any aspect of this bond issue.

cc: Janie Knight

**A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA
MAKING THE FISCAL DETERMINATION IN CONNECTION WITH THE ISSUANCE
OF AN AMOUNT NOT EXCEEDING \$7,300,000 FLORIDA HOUSING FINANCE
CORPORATION MULTIFAMILY MORTGAGE REVENUE BONDS,
(SERIES TO BE DESIGNATED) (MARIANNA GARDENS APARTMENTS)**

WHEREAS, the Florida Housing Finance Corporation (the "Corporation") proposes to issue an amount not exceeding \$7,300,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, (series to be designated) (the "Bonds") for the purpose of financing the acquisition and rehabilitation of a multifamily rental development located in Jackson County, Florida (Marianna Gardens Apartments); and,

WHEREAS, the Corporation has requested the State Board of Administration of Florida to make the fiscal determination required by Section 420.509, Florida Statutes, as stated in Section 16(c) of Article VII of the Constitution of the State of Florida, as revised in 1968 and subsequently amended (the "Florida Constitution"); and,

WHEREAS, the Bonds shall be secured by a Trust Indenture; and,

WHEREAS, in accordance with Section 420.509, Florida Statutes, the principal of and all interest and any premium on the Bonds shall be payable solely out of revenues and other amounts pledged therefor, as described in the Trust Indenture and other required documents, and shall not be secured by the full faith and credit of the State of Florida; and,

WHEREAS, the cash flow analysis furnished by the Corporation shows that in no State fiscal year will the debt service requirements of the Bonds proposed to be issued and all other bonds secured by the same pledged revenues exceed the pledged revenues available for payment of such debt service requirements; and,

WHEREAS, the Corporation has furnished sufficient information to enable the State Board of Administration of Florida to fulfill its duties pursuant to Section 420.509(2), Florida Statutes; and,

WHEREAS, the Board has relied upon information from others, including the Corporation, but has not independently verified the accuracy or completeness of such information; and,

WHEREAS, the Board's determination pursuant to Section 16(c) of Article VII of the Florida Constitution and Section 420.509(2), Florida Statutes, is limited to a review of the matters essential to making such determination and the Board does not approve or disapprove of the Bonds as investments and has not passed upon the accuracy or adequacy of the Trust Indenture or any other required documents; **Now, Therefore,**

BE IT RESOLVED, by the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Florida Constitution, that in connection with the issuance of the Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, (series to be designated) (Marianna Gardens Apartments), in an amount not exceeding \$7,300,000, for the uses and purposes hereinabove set forth, it makes the fiscal determination required by Section 420.509, Florida Statutes.

Accordingly, as required by Section 16(c) of Article VII of the Florida Constitution, the Board finds and determines that in no state fiscal year will the debt service requirements of the Bonds and all other bonds secured by the same pledged revenues exceed the pledged revenues, as defined in Section 420.503, Florida Statutes and described in the Trust Indenture, which are available for payment of such debt service requirements.

ADOPTED February 5, 2015

STATE OF FLORIDA)
:
COUNTY OF LEON)

I, Ashbel C. Williams, Executive Director & CIO of the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, **DO HEREBY CERTIFY** that the above and foregoing is a true and correct copy of a resolution adopted by said Board at a meeting held February 5, 2015, making the fiscal determination in connection with the issuance of an amount not exceeding \$7,300,000 Florida Housing Finance Corporation Multifamily Mortgage Revenue Bonds, (series to be designated) (Marianna Gardens Apartments).

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said Board at Tallahassee, Leon County, Florida, this 5th day of February 2015.

Ashbel C. Williams, Executive Director & CIO

(SEAL)