

AGENDA
STATE BOARD OF ADMINISTRATION FINANCE CORPORATION

Governor Scott, Chair
Chief Financial Officer Atwater
Attorney General Bondi
J. Ben Watkins, III
Vacant, President

December 6, 2016

9:00 A.M. (Following the SBA Trustees Meeting)
Contact Person: Anne Bert (850) 413-1340
LL-03, The Capitol
Tallahassee, Florida

AGENDA

ITEM 1. REQUEST APPROVAL OF JANUARY 21, 2016 MINUTES.

(See Attachment 1A)

ACTION REQUIRED

**ITEM 2. REQUEST ADOPTION OF A RESOLUTION APPOINTING ANNE
BERT AS PRESIDENT, GINA WILSON AS TREASURER, AND
JOHN BRENNEIS AS SECRETARY OF THE CORPORATION.**

(See Attachments 2A - 2F)

ACTION REQUIRED

STATE BOARD OF ADMINISTRATION FINANCE CORPORATION

January 21, 2016

MINUTES

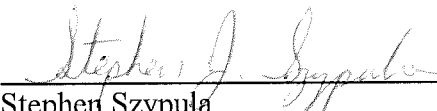
A meeting of the State Board of Administration Finance Corporation was held on January 21, 2016, at the Capitol, Tallahassee, Florida.

Board Members present were:

Governor Rick Scott, Chair
Attorney General Pam Bondi
Chief Financial Officer Jeff Atwater
Ben Watkins, Director, Division of Bond Finance
Jack Nicholson, Chief Operating Officer, Florida Hurricane Catastrophe Fund

- ITEM 1. Approved the minutes of April 14, 2015.
- ITEM 2. Approved the request that the Board of Directors of the State Board of Administration Finance Corporation adopt a resolution appointing a President and a Secretary of the Corporation.

The State Board of Administration Finance Corporation's agenda was concluded.



Stephen Szypala
Secretary
State Board of Administration Finance Corporation

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IN RE: MEETING OF THE
GOVERNOR AND CABINET

VOLUME II

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

DATE: THURSDAY, JANUARY 21, 2016

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

REPORTED BY: YVONNE LAFLAMME, FPR
COURT REPORTER and
NOTARY PUBLIC

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I N D E X P A G E

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BOARD OF TRUSTEES OF THE
INTERNAL IMPROVEMENT TRUST FUND. 2

DIVISON OF BOND FINANCE. 41

STATE BOARD OF ADMINISTRATION. 45

STATE BOARD OF ADMINISTRATION FINANCE DIVISION . . 49

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2 STATE BOARD OF ADMINISTRATION FINANCE CORPORATION

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4 EXECUTIVE DIRECTOR WILLIAMS: Excellent. So --

5 GOVERNOR SCOTT: I'll do it for you.

6 Item 1, is there a motion?

7 ATTORNEY GENERAL BONDI: So moved.

8 GOVERNOR SCOTT: Any comments or objections?

9 Hearing none, the motion carries.

10 Item 2, is there a motion?

11 ATTORNEY GENERAL BONDI: So moved.

12 CFO ATWATER: Second.

13 GOVERNOR SCOTT: Any comments or objections?

14 Hearing none, the motion carries.

15 ATTORNEY GENERAL BONDI: We don't need you, Ash.

16 GOVERNOR SCOTT: Now, we'll see how good Ben is.

17 Ben, you're not done.

18 DIRECTOR WATKINS: Almost, Governor.

19 GOVERNOR SCOTT: Thank you, Ash.

20 EXECUTIVE DIRECTOR WILLIAMS: Take care.

21 GOVERNOR SCOTT: Ash, what's going to happen to

22 interest rates?

23 EXECUTIVE DIRECTOR WILLIAMS: Not going anywhere

24 fast is my guess.

25 GOVERNOR SCOTT: No.

1 EXECUTIVE DIRECTOR WILLIAMS: And I would say one

2 other thing. If you look at current sampling of

3 opinion, the probability of the fed fullfilling their

4 own expectations for the number of increases this year

5 is down to one percent.

6 GOVERNOR SCOTT: What did they say, three or four

7 this year?

8 EXECUTIVE DIRECTOR WILLIAMS: Four was the

9 original comment. And if you look at Droggy's

10 comments this morning, the European Central Bank, in

11 which he said we need to reexamine; weakness is

12 clearly present. We need to be accommodating, and he

13 again reiterated what he said some months ago, which

14 is we will do whatever is necessary to provide the

15 liquidity to retain stability, et cetera, et cetera,

16 and markets are like that.

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 2 DIVISION OF BOND FINANCE
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4 (Continued)

5 DIRECTOR WATKINS: Governor, as a follow on to
 6 that in terms of fixed income market.

7 So notwithstanding the lift-off last week because
 8 of developments in the global markets price of oil not
 9 meeting inflationary targets from the feds standpoint,
 10 speculation on the street now is there's not going to
 11 be -- at first they talked about the pace of
 12 increases, and now they're talking about maybe no
 13 increases for 2016 from the feds. So, you know, it
 14 remains to be seen.

15 The strategists and alleged experts continue to
 16 be confounded about where rates are going and that's
 17 where discipline pays, and so our discipline has been
 18 to execute transactions as they are in the money and
 19 meet our threshold savings level, so consequently it
 20 served as well. We were in the market last week,
 21 Peter Antonacci (phonetic) asked us of the execution
 22 of \$400 million refunding for the water management
 23 district, which we worked over the holidays to have it
 24 ready and have the papers on the shelf, with the
 25 expectation of coming back and taking advantage of

1 market conditions early in January. And we were able
 2 to do that with refunding for the water management
 3 district last week, and we were in the Turnpike this
 4 week. So interest rates are likely to stay low for a
 5 while.

6 Back to performance evaluations. I've had an
 7 opportunity to do the math, and I really appreciate
 8 you guys taking the time to complete the form, and I'm
 9 certainly willing -- more than willing to take
 10 feedback from you all, any time. Obviously, the score
 11 and average score of the subjective evaluation is
 12 4.84, so anything above 4.6, according to the scale is
 13 significantly exceeds expectation, so I'm thankful for
 14 that.

15 Not surprising, but certainly willing to take
 16 input at any time. The valuable part of this exercise
 17 from my perspective is that it allowed for
 18 self-reflection to set goals, objectives, and
 19 priorities, and lay those out in a very formal way, so
 20 that's what's been done in terms of developing the
 21 form, and so I appreciate you all take the time to do
 22 your part in providing subjective performance
 23 evaluations. So that's where we are on the completion
 24 of the evaluation process.

25 GOVERNOR SCOTT: Thank you. You've done a great

1 job. So does anyone want to make a motion?

2 CFO ATWATER: Governor, I would. I would like us
3 to maybe visit a conversation on compensation. I
4 would like to put it in the form of a motion but
5 having (inaudible) I would rather have a conversation
6 for that, if you're okay with the motion.

7 GOVERNOR SCOTT: There's no reason we can't; it
8 doesn't mean we can do it.

9 CFO ATWATER: I'm familiar with that. So what I
10 would like to share with you though is, there is no
11 peer from the position that I --

12 GOVERNOR SCOTT: Because he has no peer.

13 CFO ATWATER: Frankly, I would say he has no peer
14 in my opinion. I don't think there's a person that
15 serves his role, that works with partners and
16 citizens, and CAT funds, and in the dynamics of all of
17 the management districts and universities like he
18 does; uniquely by himself, but his team does.

19 But what we did look at, Governor, if you will
20 recall we do have senior investment officers within
21 the SBA. Their range is 176 at the low, 220 at the
22 high. And my recollection is, first off, I think the
23 numbers spoke for themselves 4.84 is subjective and
24 4.66 is objective.

25 DIRECTOR WATKINS: Combined together, it's 4.84.

1 CFO ATWATER: 4.84. That speaks to all of us
2 having the opinion about outstanding performance that
3 I would like to recommend that if we would consider
4 putting the motion a 10 percent salary increase that
5 would take the position from 183 to 201,300; that puts
6 us still thousands of dollars below the median salary
7 of our senior investment officers, and I would like to
8 lay that before the board to consider.

9 GOVERNOR SCOTT: Is there a second?

10 ATTORNEY GENERAL BONDI: Do we want to discuss
11 this now?

12 CFO ATWATER: Sure, sure.

13 ATTORNEY GENERAL BONDI: I would have no
14 objection on it to 210, given that what the money
15 managers make at SBA.

16 GOVERNOR SCOTT: Commissioner?

17 COMMISSIONER PUTNAM: This is one of those issues
18 if we walk out the door, we would be have the same
19 conversation we were just having about insurance. And
20 we're taking tremendous advantage of knowing if we had
21 to fill this vacancy, I think in fairness, what it
22 would cost to move in and treat Ben the next way we're
23 going to treat -- (inaudible.)

24 GOVERNOR SCOTT: So there's a motion, existing
25 motion we need to call. So you have a motion on the

1 table?

2 CFO ATWATER: What I might do and let me just, to
3 be in the conversation, I was trying to work with the
4 number of a 10 percent range, knowing that's a
5 conversation. We're looking for all employees every
6 year and trying to get this position -- and certainly
7 a person of 25 years, I believe --

8 DIRECTOR WATKINS: I thought it was going to be,
9 too. And it's north of 20.

10 CFO ATWATER: North of 20. That I would -- I was
11 aiming to see if we could get a good midpoint of the
12 current senior investment officers. If I'm reading
13 the Attorney General, I share that opinion that the
14 Veteran status and the extraordinary reputation that
15 Mr. Watkins holds among the regular agency leaders
16 across the country, and what he's done for our water
17 management system, university system, and for us, I
18 would be pleased to amend the motion to set the salary
19 for the position at 210,000.

20 GOVERNOR SCOTT: Okay. Is there a second?

21 ATTORNEY GENERAL BONDI: Second.

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

24 Thank you, Ben.

25 DIRECTOR WATKINS: Thank you all very much. And

1 what means more than anything is the opportunity to
2 serve and support in the leadership that you all have
3 provided me during my tenure here. This is not
4 something I do for the money. If I was doing it for
5 the money, I would be making a big mistake.

6 So it's a pleasure to serve, so thank you very
7 much. I appreciate the confidence and the support
8 that y'all have provided.

9 GOVERNOR SCOTT: Thank you, Ben.

10 That concludes today's meeting. Our next meeting
11 is Thursday, February 4, hosted by Commissioner of
12 Agriculture at the great state fairgrounds in Tampa.

13 (Off of the record at 2:50 p.m.)

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1 CERTIFICATE OF REPORTER

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3 STATE OF FLORIDA)

4 COUNTY OF LEON)

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6 I, Yvonne LaFlamme, Florida Professional Reporter

7 and Notary Public, certify that I was authorized to and

8 did stenographically report the foregoing proceeding; and

9 that the transcript is a true and complete record of my

10 stenographic notes.

11 I further certify that I am not a relative,

12 employee, attorney, or counsel of any of the parties, nor

13 am I a relative or employee of any of the parties'

14 attorney or counsel connected with the action, nor am I

15 financially interested in the outcome of this case.

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17 Dated this 9th day of FEBRUARY 2016.

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Yvonne LaFlamme, FPR
Court Reporter
Notary Public
State of Florida at Large

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Memo

TO: Ashbel C. Williams, Executive Director & CIO

THRU: Anne Bert, Chief Operating Officer, FHCF

FROM: Leonard E. Schulte, Director of Legal Analysis & Risk Evaluation, FHCF

DATE: November 21, 2016

SUBJECT: SBA Finance Corporation Board Meeting, December 6, 2016

Request adoption of a resolution of the Board of Directors of the State Board of Administration Finance Corporation appointing a President, a Treasurer, and a Secretary of the Corporation.

ITEM 1. REQUEST APPROVAL OF JANUARY 21, 2016 MINUTES.

ITEM 2. REQUEST ADOPTION OF A RESOLUTION APPOINTING A PRESIDENT, A TREASURER, AND A SECRETARY OF THE CORPORATION.

SUMMARY AND REASON FOR CHANGE: The bylaws of the State Board of Administration (SBA) Finance Corporation provide for a President to be elected or appointed by the Board of Directors. The current President is E. Lamar Taylor, Deputy Executive Director of the SBA, the current Treasurer is Anne Bert, Chief Operating Officer of the Florida Hurricane Catastrophe Fund, and the current Secretary is Stephen Szypula, Director of Examinations of the Florida Hurricane Catastrophe Fund. Because of recent changes to the responsibilities within the SBA of both Mr. Taylor and Mr. Szypula, the proposed resolution provides for appointment of a new President, Treasurer, and Secretary. Mr. Taylor, Ms. Bert, and Mr. Szypula have submitted letters of resignation from their respective Finance Corporation offices, effective upon the appointment and qualification of their successors.

The proposed resolution of the Board of Directors, which will take effect immediately upon adoption, appoints Anne Bert, Chief Operating Officer of the Florida Hurricane Catastrophe Fund, as President; Gina Wilson, Senior Director of Operations and Examinations of the Florida Hurricane Catastrophe Fund, as Treasurer, and John Brenneis, Assistant General Counsel of the SBA, as Secretary.

ACTION REQUESTED: It is requested that the proposed resolution be presented to the Cabinet Aides on November 30, 2016, and to the Board of Directors of the SBA Finance Corporation on December 6, 2016, with a request for approval of the resolution. A notice of the meeting of the Board is to be published in the *Florida Administrative Register* on November 22, 2016, Vol. 42, No. 227.

**ATTACHMENTS TO BE INCLUDED WITH THE SBA FINANCE CORPORATION
AGENDA:**

- January 21, 2016 meeting minutes
- Notice of Meeting of Board as filed in the *Florida Administrative Register*
- Proposed Resolution of the Board of Directors
- Biographies of Anne Bert, Gina Wilson, and John Brenneis

Notice of Meeting/Workshop Hearing

STATE BOARD OF ADMINISTRATION

The State Board of Administration of Florida (SBA) announces a public meeting to which all persons are invited.

DATE AND TIME: December 6, 2016, immediately following the conclusion of the meeting of the Governor and Cabinet. The Cabinet meeting begins at 9:00 a.m. (ET).

PLACE: Cabinet Meeting Room, Lower Level, The Capitol, Tallahassee, Florida.

GENERAL SUBJECT MATTER TO BE CONSIDERED: This is a meeting of the Board of Directors of the State Board of Administration Finance Corporation, a public benefits corporation created under Section 215.555(6)(d), F.S., to consider a resolution appointing a President, a Treasurer, and a Secretary of the Corporation. In addition, other general business may be addressed.

A copy of the agenda may be obtained by contacting: Not available.

Pursuant to the provisions of the Americans with Disabilities Act, any person requiring special accommodations to participate in this workshop/meeting is asked to advise the agency at least 7 days before the workshop/meeting by contacting: Donna Sirmons, Florida Hurricane Catastrophe Fund, at (850) 413-1349 or donna.sirmons@sbafla.com.

If you are hearing or speech impaired, please contact the agency using the Florida Relay Service, 1(800)955-8771 (TDD) or 1(800)955-8770 (Voice).

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE STATE BOARD OF ADMINISTRATION
FINANCE CORPORATION APPOINTING A
PRESIDENT, A TREASURER, AND A SECRETARY
OF THE CORPORATION; AND PROVIDING AN
EFFECTIVE DATE.**

WHEREAS, Section 215.555, Florida Statutes (the "Act"), created the Florida Hurricane Catastrophe Fund (the "Fund"), a trust fund administered by the State Board of Administration of Florida (the "Board"), for the purpose of establishing a program to provide insurers who write covered policies, as defined in the Section 215.555(2)(c), Florida Statutes, with reimbursement for a portion of their catastrophic hurricane losses; and

WHEREAS, the Act also created a public benefits corporation known as the State Board of Administration Finance Corporation (the "Corporation"), formerly known as the Florida Hurricane Catastrophe Fund Finance Corporation, for the purpose of providing a mechanism for the cost-effective issuance of bonds and engaging in other financial transactions; and

WHEREAS, the Act designates the membership of the Board of Directors of the Corporation as the Governor, the Chief Financial Officer, the Attorney General, the Director of the Division of Bond Finance of the Board, and the Chief Operating Officer of the Florida Hurricane Catastrophe Fund; and

WHEREAS, the bylaws of the Corporation provide for a President, a Treasurer, and a Secretary to be elected or appointed by the Board of Directors; and

WHEREAS, the current President, Treasurer, and Secretary of the Corporation have each submitted letters resigning from the respective offices effective upon the appointment of their successors as provided in Article IV, Section 1 of the bylaws of the Corporation; and

WHEREAS, the Board of Directors of the Corporation desires to appoint Anne Bert, Chief Operating Officer of the Florida Hurricane Catastrophe Fund and an ex officio member of the Board of Directors, as President of the Corporation; and

WHEREAS, the Board of Directors of the Corporation desires to appoint Gina Wilson, Senior Director of Operations and Examinations of the Florida Hurricane Catastrophe Fund, as Treasurer of the Corporation; and

WHEREAS, the Board of Directors of the Corporation desires to appoint John Brenneis, Assistant General Counsel of the State Board of Administration of Florida, as Secretary of the Corporation;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the State Board of Administration Finance Corporation, as follows:

1. The Board of Directors of the Corporation hereby finds, determines, and declares the matters hereinabove set forth.

2. The Board of Directors of the Corporation hereby appoints Anne Bert as President of the Corporation, effective on the effective date of this resolution.

3. The Board of Directors of the Corporation hereby appoints Gina Wilson as Treasurer of the Corporation, effective on the effective date of this resolution.

3. The Board of Directors of the Corporation hereby appoints John Brenneis as Secretary of the Corporation, effective on the effective date of this resolution.

5. This resolution shall take effect immediately upon its adoption.

ADOPTED THIS 6th day of December, 2016.

STATE OF FLORIDA

COUNTY OF LEON

I, _____, do hereby certify that the above and foregoing is a true and correct copy of the resolution passed and adopted by the State Board of Administration Finance Corporation on the ____ day of _____, 2016.

IN WITNESS WHEREOF, I hereunto set my hand and official seal of the State Board of Administration Finance Corporation this ____ day of _____, 2016.

(SEAL)

Secretary
State Board of Administration Finance
Corporation

Anne T. Bert
Chief Operating Officer
FHCF

Anne Bert is the Chief Operating Officer of the Florida Hurricane Catastrophe Fund (FHCF) for the State Board of Administration of Florida (SBA). She is also Treasurer of the State Board of Administration Finance Corporation, a statutorily created public benefit corporation created for the purpose of facilitating the issuance of bonds following a major catastrophe. Anne serves on the Florida Commission on Hurricane Loss Projection Methodology (Commission), which was created as a panel of experts in 1995 by the Florida Legislature for the purpose of providing guidelines and standards in the review and evaluation of hurricane computer models used to project losses in residential property rate filings. At the State Board of Administration, Ms. Bert has the additional responsibility of overseeing the Insurance Capital Build-up Incentive Program.

Anne has been a member of the FHCF since January of 1999 and previously served as the FHCF Director of Operations. Her responsibilities in that capacity were to assist and advise the prior Chief Operating Officer in matters relating to the operations, administration, and financial management of the FHCF. She was responsible for coordinating the staffing of the Florida Commission on Hurricane Loss Projection Methodology, and manages the \$250 million Insurance Capital Build-up Incentive Program. She has actively participated in over \$18 billion of various financings and reinsurance transactions, and the reimbursement of over \$9 billion in loss payments resulting from the 2004-2005 hurricane seasons.

Prior to coming to the State Board of Administration, Ms. Bert was the Finance Director/Town Clerk for a Florida municipality. In that capacity, she was responsible for many aspects of the town's management. Anne earned her Bachelor of Science degree in Social Science with emphasis in Public Administration from Florida State University. She also has the professional designation of Certified Public Manager from Florida State University.

Gina T. Wilson, CPM, CPCU, ARE
Senior Director of Operations & Examinations
FHCF

Mrs. Gina Wilson is the Senior Director of Operations & Examinations for the Florida Hurricane Catastrophe Fund (FHCF) of the State Board of Administration of Florida (SBA). She is currently responsible for assisting and advising the Chief Operating Officer in matters related to the day to day operations and administration of the FHCF and the SBA Finance Corporation, which includes assisting in strategic and operational planning, reviewing and evaluation of proposed legislative and regulatory actions, coordinating and communicating with the Florida Office of Insurance Regulation on FHCF issues, oversight of contractual agreements between the FHCF and service providers, and preparation of the annual budget. Mrs. Wilson also assists with activities related to the Florida Commission on Hurricane Loss Projection Methodology and oversees all matters related to the exposure and examinations programs, which includes developing training programs for all contract examiners, monitoring all program changes and the work of contract examiners and participants and overseeing the design, development, implementation and ongoing oversight of the WIRE program.

Mrs. Wilson joined the FHCF in October 1996 and has worked as the Director of the FHCF Examinations Program. In her prior position as the Director of FHCF Examinations, Mrs. Wilson designed and developed examination processes, oversaw and trained contract examiners, prepared and finalized examination report recommendations and governed the implementation of examination results by participants. Her responsibilities included interpretation of statutes and rules and communicating them to external contractors and participants to enhance the integrity of the data submitted to the FHCF. Annually, Mrs. Wilson manages approximately 100 exposure examinations; however, the number of examinations conducted annually increased when hurricanes occurred that resulted in participants receiving reimbursements from the FHCF.

Prior to coming to the SBA, Mrs. Wilson worked for the Florida Department of Insurance (now the Office of Insurance Regulation) for five years. She has also worked as an auditor in private industry. She received her Bachelors of Business Administration from Georgia Southwestern State University in 1989. In November 1994, Mrs. Wilson met the State of Georgia requirements for licensing as a Certified Public Accountant and continues to meet the annual requirements for maintaining the license. She is also a member of the American Institute of Certified Public Accountants. In May 1995, she received the professional designation of Certified Public Manager from Florida State University. In December 1999, Mrs. Wilson received her Associates in Reinsurance from the Insurance Institute of America and in August 2002, she completed the requirements for the professional designation of Chartered Property and Casualty Underwriter.

John Brenneis
Assistant General Counsel
State Board of Administration of Florida

John Brenneis, a lawyer currently serving as Assistant General Counsel for the State Board of Administration of Florida (“SBA”), began his legal career in private practice in 1994, and has served as in-house counsel for the State of Florida since 2007.

As Assistant General Counsel for the SBA (2011 to present), John’s primary practice areas include: alternative investments (private equity and hedge funds); bond finance and related matters (with respect to the State Board of Administration Finance Corporation, the Florida Housing Finance Corporation and the Florida Water Pollution Control Financing Corporation); reinsurance transactions (with respect to the Florida Hurricane Catastrophe Fund); securities lending; repurchase agreements; investment management agreements; financial services and vendor contracts; and other contractual and regulatory matters.

During his career, John’s practice has also included the following additional areas: outsourcing contracts; software licensing/intellectual property; procurement; mergers and acquisitions and corporate law; state/federal regulatory; nonprofit associations; open government and public records; litigation and dispute resolution; and supervision and management of legal department staff and resources.

Prior to joining the SBA in 2011, John was the General Counsel and Chief Ethics Officer for the Florida Department of Management Services (2007-2011). John was named a Top Government Attorney in Florida Trend’s Florida Legal Elite (2010). Before joining DMS in 2007, John was a shareholder/attorney with Ausley & McMullen, Tallahassee (1999-2007). Prior to joining Ausley & McMullen in 1999, John practiced law with firms in Atlanta and Tallahassee.

John received a J.D. with High Honors from Florida State University (1994) and earned a B.S., Magna Cum Laude, in Accounting and Finance (dual degree) from Florida State University (1987). John is admitted to practice law in Florida (1994) and Georgia (1997). John is a Florida-licensed Certified Public Accountant (CPA).