



REPLACEMENT AGENDA

COMMITTEE OF THE WHOLE WORKSHOP BOARD OF COUNTY COMMISSIONERS

Board Chambers
Suite 100
Ernie Lee Magaha Government Building - First Floor
221 Palafox Place

June 13, 2013
9:00 a.m.

Notice: This meeting is televised live on ECTV and recorded for rebroadcast on the same channel. Refer to your cable provider's channel lineup to find ECTV.

1. Call to Order

(PLEASE TURN YOUR CELL PHONE TO THE SILENCE OR OFF SETTING.)
2. Was the meeting properly advertised?
3. Institute of Human and Machine Cognition
(George Touart/Julie Shepherd/Ken Ford - 15 min)
 - A. Board Discussion
 - B. Board Direction
4. Library Budget/MSTU (Municipal Services Taxing Unit)
(Amy Lovoy - 45 min)
 - A. Board Discussion
 - B. Board Direction
5. Sheriff's Budget/Department of Justice Proposals for Fiscal Year 2013-2014
(Amy Lovoy - 60 min)
 - A. Board Discussion
 - B. Board Direction
6. Additional Strategies for Code Enforcement-Nuisance Abatement Lien Collection Policy
(Amy Lovoy/Dianne Taylor - 20 min)
 - A. Board Discussion
 - B. Board Direction

7. First Transit Fleet Presentation
(First Group [First Transit] - Presenter - 20 min)
 - A. Board Discussion
 - B. Board Direction
8. Discussion Regarding Escambia County Area Transit (ECAT)
(Tom Turner - 30 min)
 - A. Board Discussion
 - B. Board Direction
9. Escambia County Fleet/Equipment
(Joy Blackmon/Wes Moreno - 15 min)
 - A. Board Discussion
 - B. Board Direction
10. County Administrator Search Update (REFERRED FROM THE 05-09-2013 COMMITTEE OF THE WHOLE WORKSHOP)
(Tom Turner - 5 min)
 - A. Board Discussion
 - B. Board Direction
11. Amended Ethics Law - Chapter 2013-36
(Alison Rogers - 10 min)
 - A. Board Discussion
 - B. Board Direction
12. Adjourn

Committee of the Whole

3.

Meeting Date: 06/13/2013

Issue: Institute of Human and Machine Cognition

From: George Touart, Interim County Administrator

Information

Recommendation:

Institute of Human and Machine Cognition

(George Touart/Julie Shepherd/Ken Ford - 15 min)

A. Board Discussion

B. Board Direction

Attachments

ihmc backup for 6-13-13 COW

June 7, 2013

Hon. Gene Valentino, Chairman
Hon. Wilson Robertson, District 1
Hon. Lumon May District 3
Hon. Grover Robinson, IV, District 4
Hon. Steven Barry, District 5
Escambia County Board of Commissioners
221 Palafox Place
Ste. 400
Pensacola, FL 32591-1591

RE: Request for Up to \$12,000,000 in Bond Financing

Dear Commissioners:

The Florida Institute for Machine and Human Cognition (IHMC), a not-for-profit research institute of the State University System of Florida, needs to expand its Robotics Lab and construct a dedicated Conference Facility. IHMC, headquartered in Pensacola, employs more than 100 researchers and staff members with an average salary of \$100,000. Among these are 40 Ph.D. research scientists who are recognized worldwide as leaders in their field. IHMC had an annual payroll in 2012 of approximately \$8.6 million and a sizeable economic impact on Escambia County and the surrounding area. IHMC generates almost \$13 million in annual gross revenue entirely from agencies and private sources outside of Escambia County. Currently 39 total grants and contracts are in force.

IHMC is an active community member. We host a free public evening lecture series with world renowned speakers, featuring diverse topics including science, health, urban planning and public policy governance. In 2012 alone, over 2,500 people attended the ten lectures. IHMC offers very successful science outreach programs to area youth including Science Saturdays, I LOVE Science, Tech Connect, and Voluntology. In Science Saturdays, for example, 480 kids in grades 3-5 visit IHMC every year to explore science via topics such as roller coasters, rocketry, bridges, and secret codes. We hosted over 70 meetings, workshops and conferences in 2012 for external non-profit organizations.

We have needed to expand our facilities for over the past five years. Our current Robotics Lab is contained in two small former retail spaces with insufficient overhead height and limited floor space, and while we continue to be able to recruit the best and brightest, our facility circumstances limit our opportunities for growth.

FLORIDA INSTITUTE FOR HUMAN & MACHINE COGNITION

PENSACOLA

OCALA

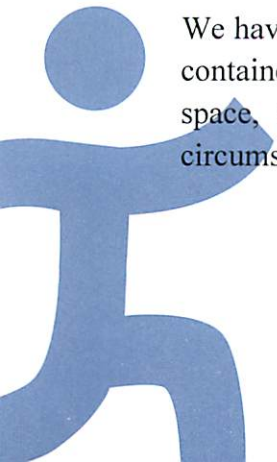
40 South Alcaniz St. • Pensacola, FL 32502

15 SE Osceola Ave • Ocala, FL 34471

850.202.4462

352.387.3050

www.ihmc.us



We need your help to expand to meet our current and anticipated growth needs. The current low interest rates, especially through a tax exempt financing, offer a great window of opportunity. We will be able refinance our existing debt and build these new facilities for the same annual debt service as we currently pay for a \$3.6 million mortgage and the rent on three buildings.

Thank you again for your continued support. We look forward to working with you to bring this important project to reality on a fast track. Please let us know if you have any questions or if there is any additional information we can provide.

Best regards,

Kenneth M. Ford, Ph.D.
Director and CEO

Cc: Mr. George Touart
Mr. Larry Newsom

Attachments:

1. IHMC Overview
2. Building and Design Rendition for Future Expansion
3. 2012 Financial Statements
4. IHMC Board of Directors
5. IHMC People
6. 2012 Mortgage and Rent Analysis; Employee Salaries and Census Data
7. 2012 Sampling of Contracts and Grants



The Florida Institute for Human & Machine Cognition, Inc. (IHMC)

IHMC is an independent not-for-profit and 501c3 research institute of the State University System of Florida.

IHMC employs more than 100 researchers and staff members. Among these are 40 PhD scientists, who are recognized leaders in their field of research; average salary \$100,000.

In 2012, IHMC had an annual payroll of approximately \$8.6 million and a sizeable economic impact on Pensacola and the surrounding communities.

IHMC generates almost \$13 million in annual gross revenue entirely from agencies and private sources outside of Escambia County. Currently 39 total grants and contracts are in force.

Throughout the year and in summers, IHMC employs many student research interns, attracted to Pensacola from around the United States and many international locales.

IHMC is an active partner in Pensacola with 4 facilities located in the urban core. IHMC regularly hosts visitors that utilize airlines, hotels, car rentals and local restaurants.

IHMC is affiliated with the University of West Florida in Pensacola; the University of Central Florida in Orlando; Florida Atlantic University in Boca Raton; the University of South Florida in Tampa; the University of Florida in Gainesville; Florida Institute of Technology in Melbourne; and the Moffitt Cancer Center in Tampa.

IHMC researchers receive funding from a wide range of government and private sources including: the Defense Advanced Research Projects Agency, National Science Foundation, National Aeronautics and Space Administration, Army, Navy, Air Force, National Institutes of Health, Intelligence Advanced Research Projects Agency, Department of Transportation, IDEO, Raytheon, IBM, Microsoft, Rockwell Collins, Boeing, Lockheed, and SAIC.

Active research areas include: robotics, cybersecurity, knowledge modeling and sharing, adjustable autonomy, advanced interfaces and displays, communication and collaboration, computer-mediated learning systems, intelligent data understanding, software agents, expertise studies, work practice simulation, and knowledge representation.

IHMC faculty and staff collaborate extensively with industry and government to develop science and technology that can be enabling with respect to society's broader goals. IHMC's Chief Executive Officer, Ken Ford, serves on the prestigious United States Defense Science Board. Florida Trend has identified Dr. Ford as one of Florida's four most influential citizens working in academia.

Department of Defense activities are vitally important to the Florida panhandle and IHMC directly supports the military mission.

IHMC hosts a free public evening lecture series with world renowned speakers, featuring diverse topics including science, health, urban planning and public policy governance. In 2012 alone, over 2500 people were in attendance across ten lectures.

IHMC offers very successful science outreach programs to area youth including Science Saturdays, I LOVE Science, Tech Connect and Voluntology. In Science Saturdays, for example, 480 kids in grades 3-5 visit IHMC every year to explore science via topics such as roller coasters, rocketry, bridges and secret codes.

In 2012, over 70 meetings, workshops and conferences were hosted at IHMC by external non-profit organizations.



FLORIDA INSTITUTE FOR HUMAN & MACHINE COGNITION

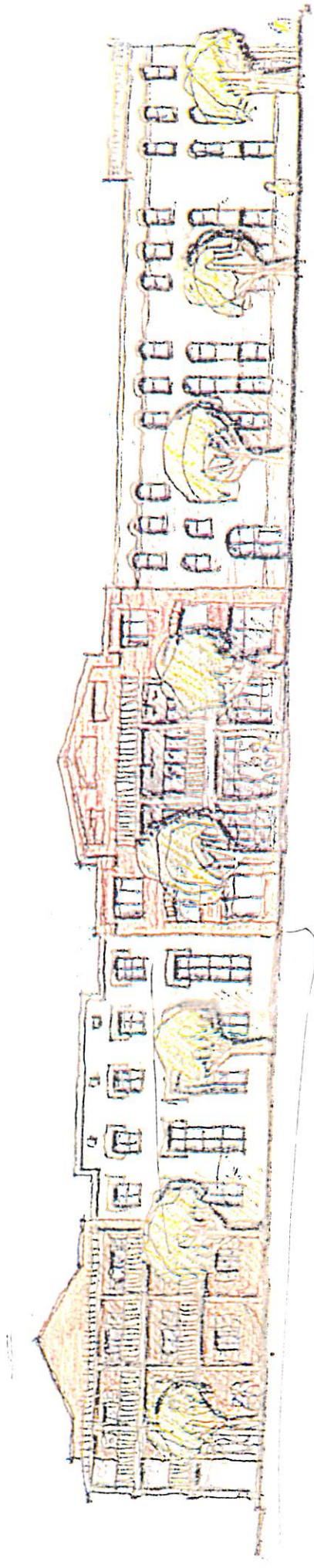
PENSACOLA

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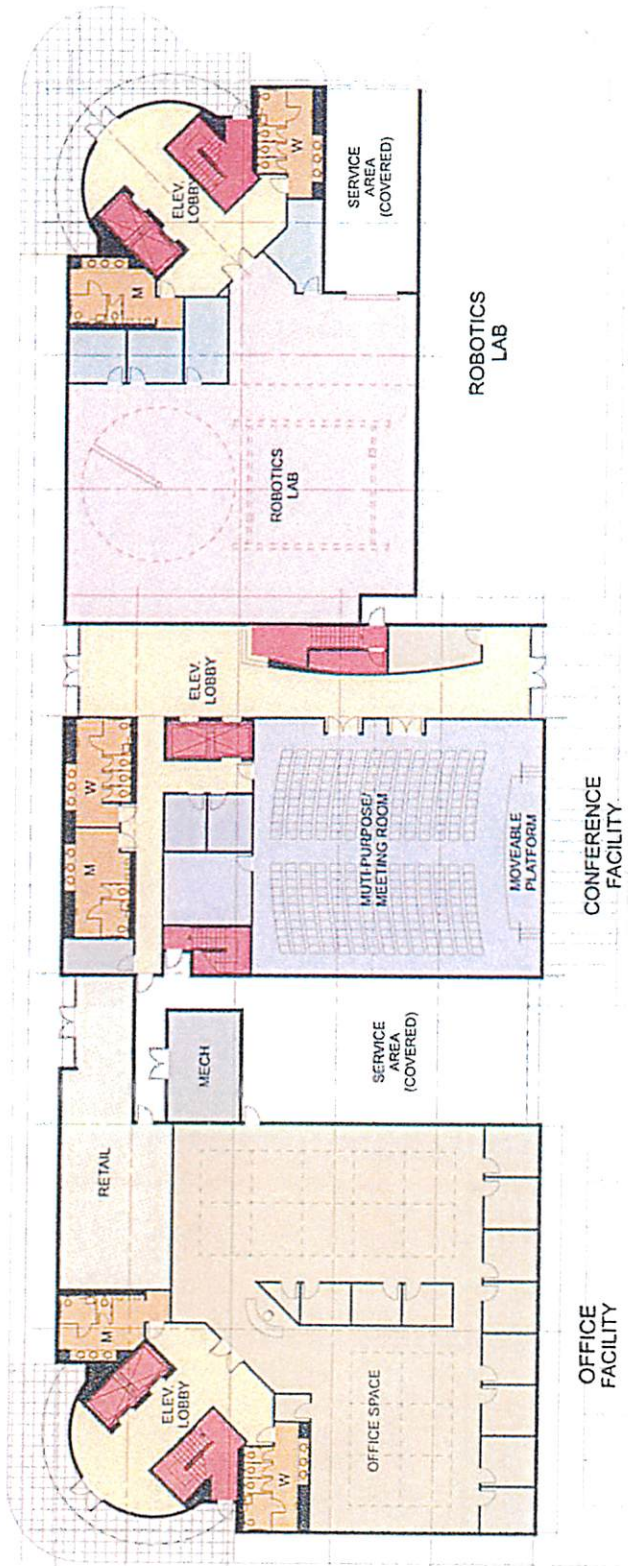
www.ihmc.us



3 MAR 2013

FLORIDA BLANCA (EAST) ELEVATION

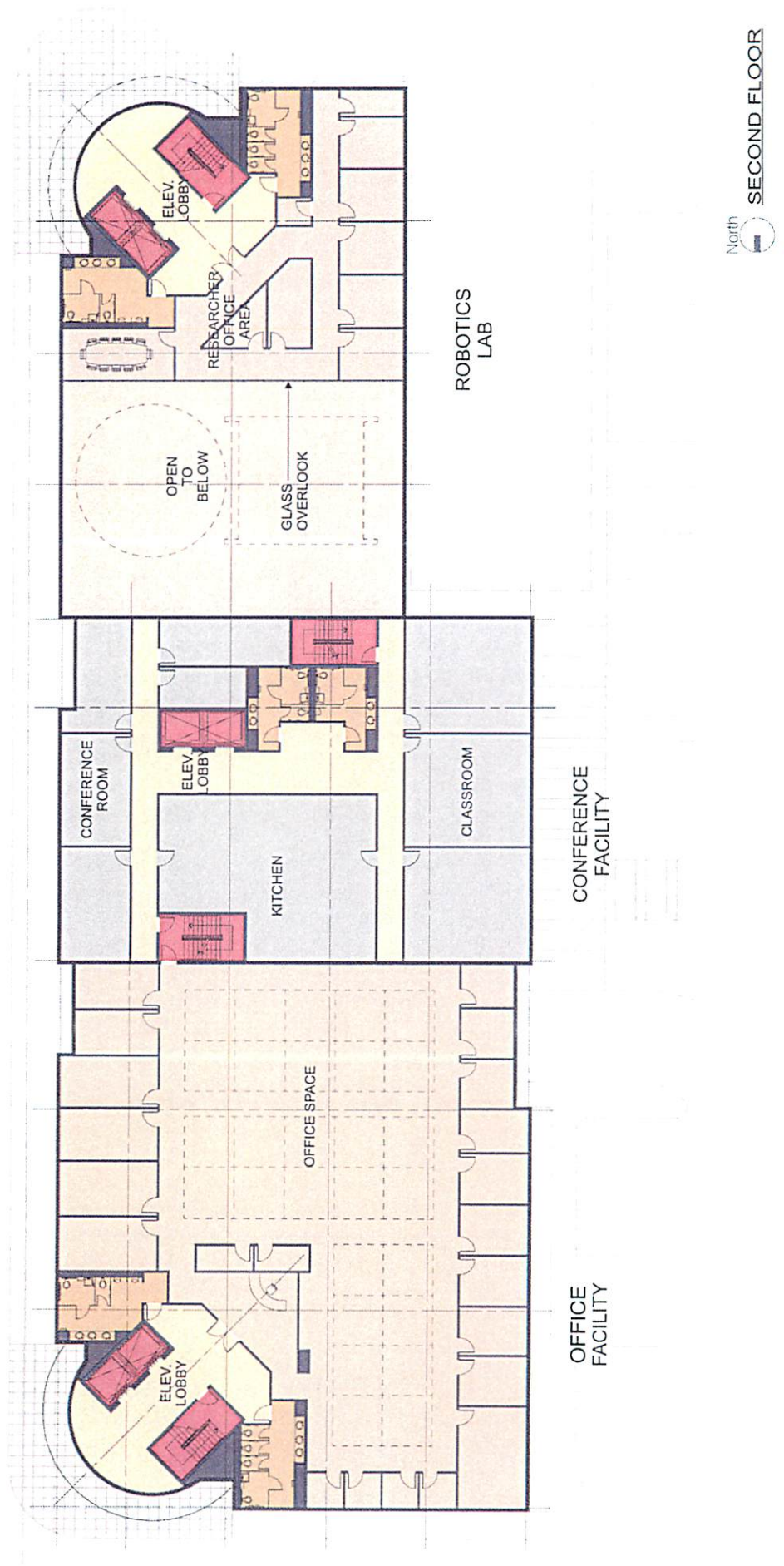




North
FIRST FLOOR

0' 10' 20'

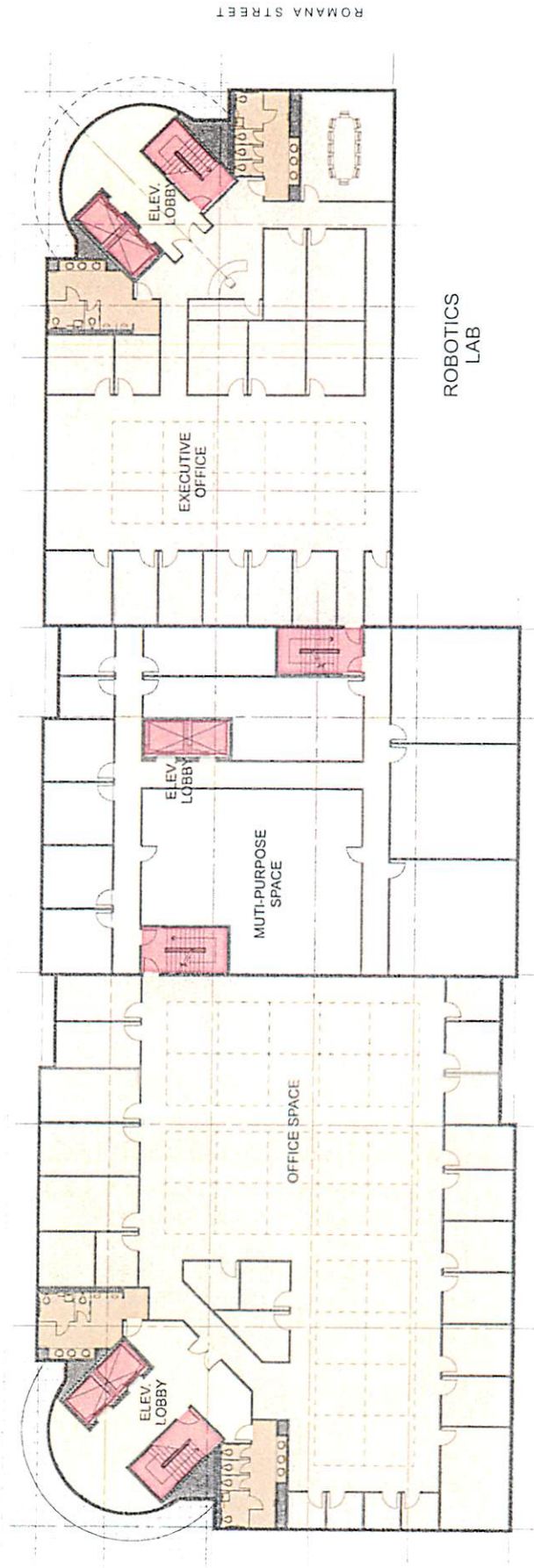
HunttonBrady



North
SECOND FLOOR
 0' 10' 20'



FLORIDA BLANCA STREET



ROMANA STREET



THIRD FLOOR

0 10' 20'

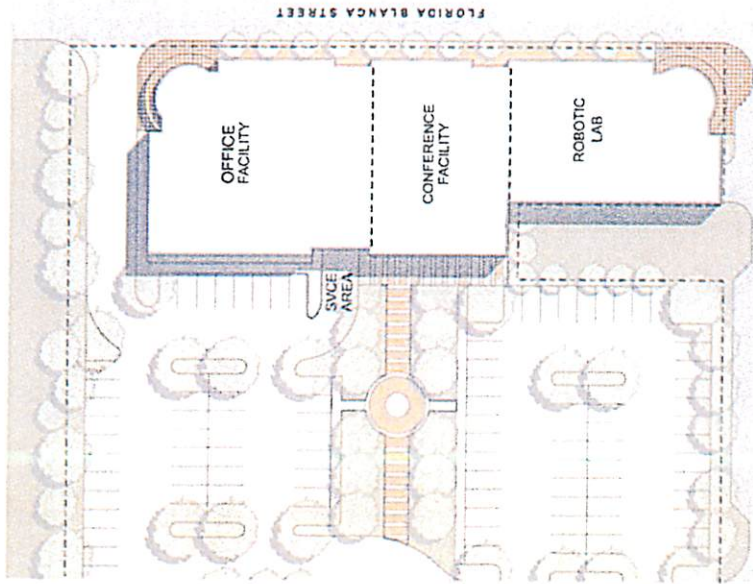


FLORIDA INSTITUTE FOR HUMAN & MACHINE COGNITION

IHMC EXPANSION INITIATIVES

Pensacola, Florida
January 15, 2013

Hunton
Brady



SITE DATA

OFFICE FACILITY

Floor 1	8,000 SF
Floor 2	9,200 SF
Floor 3	9,200 SF
Total	27,600 sf

CONFERENCE FACILITY

Floor 1	6,400 SF
Floor 2	6,400 SF
Floor 3	6,400 SF
Total	19,200 sf

ROBOTIC LAB

Floor 1	6,100 SF
Floor 2	3,700 SF
Floor 3	6,000 SF
Total	16,750 sf

Grand Total 63,650

Proposed New Parking 131 Cars

Parking Ratio 2.1 Cars/1000SF



SITE PLAN

0 25' 50'



FLORIDA INSTITUTE FOR HUMAN MACHINE COGNITION

IHMC EXPANSION INITIATIVES

Pensacola, Florida
January 15, 2013

HunttonBrady

IHMC BOARD OF DIRECTORS

Upcoming Meetings



Richard Baker is involved full time in residential subdivision development in Escambia and Santa Rosa counties. He previously was a mortgage banker. A leader in the Pensacola business community, Mr. Baker serves as treasurer of the Pensacola Bay Area Chamber of Commerce and has won the Pensacola Bay Area Chamber of Commerce PACE Community Leader of the Year award.



Lewis Bear Jr. serves as Chair of the UWF Board of Trustees. He is president and chairman of the Lewis Bear Company, a wholesale distributor. A leader in the Pensacola business and philanthropic community, Mr. Bear is Vice Chair for Economic Development for the Pensacola Bay Area Chamber of Commerce and on the Executive Committee for Florida's Great Northwest.



Carol H. Carlan is the former President of Wachovia Bank. Ms. Carlan serves on various boards including the Pensacola Junior College Board of Trustees, PACE Center for Girls, and the Advisory Board for the University of West Florida School of Business. She is a Foundation Board Member of West Florida Rehab Institute.



William S. Dalton is President, Chief Executive Officer and Center Director of the Moffitt Cancer Center and Research Institute. Dr. Dalton received his Ph.D. in toxicology and medical life sciences and his M.D. degree from Indiana University. He is interested in developing approaches to enhance access to health care and developing evidence-based methods of evaluating and integrating new technologies into the standard of care.



Ronald L. Ewers is the vice chair of the IHMC Board of Directors. He is President of Ewers Consulting and a part owner of Encore-Classics Fire, building fire apparatus; Oxy Life, an Ocala oxygen supply company; and Fire Programs, a fire reporting software company. Active in community endeavors, Mr. Ewers serves on the Board of the Ocala/Marion County Economic Development Council, SunTrust, the Boys & Girls Club, Hale Academy, and is the CoChair of the Central Florida Community College Promise for the Future fund drive and Co-Chair of the United Tocqueville Society Fund Raiser.



Eugene Franklin is the President of the Florida Black Chamber of Commerce. He founded Franklin Mortgage & Investment Company, which later became Premier Mortgage Funding. He served 27 years of active duty in the U.S. Navy. Mr. Franklin serves on the Board of Directors for the National Black Chamber of Commerce, Big Brothers/Big Sisters, the Pensacola Bay Area Chamber of Commerce, Committee of 100, United Way, Junior Achievement, and the proposed Florida Maritime Museum.



Chris Hart is interim OTTED director and President and CEO of Workforce Florida, Inc., the nonprofit, public-private organization charged with policy setting and oversight of Florida's workforce system. In this role, Hart is at the center of efforts to ensure the state has the talent needed to strengthen the global competitiveness of Florida businesses, while also assisting Floridians with advancing their skills, thus qualifying them for better jobs. He previously served as a member of the Florida House of Representatives.



Hal Hudson is a Pensacola area business man and is actively affiliated with various organizations. He is President of Hudco, Inc., President of the Soil Remediation, Inc., a member of the Board of Governors for the Pensacola Junior College Foundation, member of the Board of Directors for the Bank of Pensacola, member of the Board of Directors for Sacred Heart Hospital, and others. Mr. Hudson is currently involved in several real estate development projects.



The IHMC Story
Science Advisory Council
Opportunities



Jon L. Mills is Dean Emeritus, Professor of Law, and Director of Center for Governmental Responsibility at the University of Florida Fredric G. Levin College of Law. He was Dean of the Levin College of Law from 1999 to 2003. Mr. Mills also served as Speaker of the Florida House of Representatives and served in the House for ten years.



Eric Nickelsen is a real estate developer and banker in Pensacola. He served in upper management positions at a number of banks through a variety of mergers. Currently, he is a partner and officer in various corporations and partnerships that develop and sell real estate in Northwest Florida and Southern Alabama.



Hector A. "Tico" Perez is the founder of Edge Public Affairs, a government relations consulting firm; Mas Communications, an Hispanic media relations firm; and Tico Perez Solutions, a business development consulting firm. Previously he was a partner of the national law firm Baker and Hostetler where he practiced business law, specializing in mergers and acquisitions. Mr. Perez serves as a member of the Board of Governors of the State University System of Florida where he is the chairman of the Budget Committee.



Alain T. Rappaport, MD., a scientist and Internet and software entrepreneur, is co-founder and CEO of Nudgit, Inc., an Internet company focused on intelligent choice. He specializes in robotics, Artificial Intelligence (AI), health care and medicine. He also created and managed Medstory, Inc., a company focused on intelligent search in health and medicine which Microsoft acquired in 2007.



Jim Reeves practices Real Estate Law and is a lifelong resident of Escambia County. He was previously a member of the Florida House of Representatives and the Pensacola City Council. His community involvement includes board service at numerous organizations including Gonzalez United Methodist Church, St. Michael's Cemetery Foundation, the Cultural Center/Pensacola Little Theatre, and the Sacred Heart Hospital Foundation.



Ray Russenberger is a Pensacola businessman who founded Network Telephone Corp., named one of Inc. Magazine's 500 Fastest Growing Private Companies in America in 1994 and 1995. He currently is involved in real estate development in downtown Pensacola. He is also active in several local organizations.



Martha Saunders has served higher education for more than 30 years, first as a professor of communication and later as a college dean, a provost, then as chancellor and president of two public universities (the University of Wisconsin-Whitewater and the University of Southern Mississippi). She is currently working as Provost of The University of West Florida where she began her academic career."



Gordon J. Sprague is currently the owner and operator of a working Vermont dairy farm and an Antique Auto Private Collection Museum in Gulf Breeze, Florida. After serving in the Air Force and obtaining his degrees, Mr. Sprague worked in Parks and Recreation in several cities. Mr. Sprague then served as the Assistant to the President for Fogelman Properties and as a Mutual Fund Money Manager for AIM in Houston where he marketed investment products to financial advisors.



Glenn W. Sturm is Chair of the IHMC Board of Directors. Mr. Sturm is a partner of Nelson Mullins Riley & Scarborough in the Atlanta office, where he practices in corporate and technology law. Additionally, Mr. Sturm practices in securities law and focuses on the representation of investment banks, technology, private equity funds and emerging growth companies. Mr. Sturm has chaired the Firm's Corporate Group and serves on the Firm's Executive Committee, a governing body of seven partners who oversee the overall operations of the firm.

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.
SCHEDULE E - SCHEDULE OF DIRECT COSTS BY AWARD AND APPLIED INDIRECT EXPENSES
FOR THE YEAR ENDED JUNE 30, 2012

		<u>Contract/Grant Description:</u>	<u>Type of Revenue/Support:</u>	<u>Award Cost</u>
Federal	Non DoD	NASA Innovative Concepts for Exploration (2009-038-01)	Cooperative Agreement	583,783.92
Federal	Non DoD	Robonaut Walking Algorithm Development (2010-007-01)	Cooperative Agreement	449,214.27
Federal	DoD	Intelligent Proxy Services and Android Support for Tactical Edge Networks (2010-031-01)	Cooperative Agreement	244,870.34
Federal	DoD	Extensible Collaborative systems for Mission Planning Oh By the Way (2010-032-01)	Cooperative Agreement	251,736.03
Federal	Non DoD	NASA Advanced Concepts for Human Space Exploration(2011-017-01)	Cooperative Agreement	291,807.21
Federal	DoD	Extending Agile Computing to Support Battlefield Information Management, Command & Control Data to Decision and Network Science (2011-018-01)	Cooperative Agreement	162,638.74
Federal	DoD	METAPHOR (2012-001-01)	Cooperative Agreement	340,159.27
Federal	Non DoD	Robotic Exoskeleton Development (2012-002-01)	Cooperative Agreement	212,081.69
Federal	DoD	The Role of Benevolence of Autonomous Systems (2012-012-01)	Cooperative Agreement	151,837.24
		TOTALS	Cooperative Agreement Total	2,688,128.71
Federal	Non DoD	Maluf IPA	Cost Type Contract	230,412.21
Federal	Non DoD	Clancey IPA 2008-2010 (2008-007-01)	Cost Type Contract	158,789.54
Federal	Non DoD	Cyber Situation Awareness Virtual Environment Analyst Interface (2009-033-01)	Cost Type Contract	24,070.95
Federal	Non DoD	Neuhaus IPA (2009-026-01)	Cost Type Contract	73,801.83
Federal	Non DoD	Pratt IPA (2009-027-01)	Cost Type Contract	57,104.97
Federal	Non DoD	H/OZ: PFD and Collaborative Flight Control System (2009-041-01)	Cost Type Contract	21,518.36
Federal	Non DoD	Boy IPA (2010-010-01)	Cost Type Contract	42,263.60
Federal	DoD	Support for TITAN (2011-001-01)	Cost Type Contract	22,348.96
Federal	DoD	Alion Delegation Management (2011-005-01)	Cost Type Contract	50,760.79
Federal	DoD	ATLAS High Mobility Humanoid Robot (2011-009-01)	Cost Type Contract	133,549.39
Federal	Non DoD	Agile Service-Oriented Architectures for Tactical Edge Networks SPAWAR (2011-008-01)	Cost Type Contract	427,027.58
Federal	DoD	GPS GPS-Free Navigation through Dialog Based Geolocation (2011-010-01)	Cost Type Contract	139,621.83
Federal	DoD	ATKINSON (2011-024-01) Trust Implications of Advances in Autonomous Systems Technology	Cost Type Contract	49,917.87
Federal	Non DoD	Moving Target-A Bio-Inspired Network Security System for Computer Network Defense (2011-022-01)	Cost Type Contract	485,372.02
Federal	DoD	MIMIR- Marti Information Management Including Routing (2011-020-01)	Cost Type Contract	48,067.86

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.
SCHEDULE E - SCHEDULE OF DIRECT COSTS BY AWARD AND APPLIED INDIRECT EXPENSES
FOR THE YEAR ENDED JUNE 30, 2012

		<u>Contract/Grant Description:</u>	<u>Type of Revenue/Support:</u>	<u>Award Cost</u>
Federal	DoD	SIRIUS Program (2011-019-01)	Cost Type Contract	80,109.51
Federal	Non DoD	Factors Analysis and Search Optimization for Noise-Minimal Rotocraft-Trajectories (2011-014-01)	Cost Type Contract	109,614.34
Federal	DoD	Knowledge Modeling of 2010 Vestibular Balance Prosthesis Meeting (2011-013-01)	Cost Type Contract	13,796.53
Federal	DoD	Tactical Service Oriented Arch (TSOA) (2011-012-01)	Cost Type Contract	31,939.64
Federal	DoD	Broad Operational Language Translation (BOLT) (2011-023-01)	Cost Type Contract	118,723.69
Federal	Non DoD	In-Home Rehabilitation System for Post Stroke Patients (2011-029-01)	Cost Type Contract	39,398.30
Federal	DoD	Developing a Flexible Policy Approach for Multiple Application Domains and Platforms Using the KAoS Policy Services Framework 2 (2012-003-01)	Cost Type Contract	319,643.22
Federal	Non DoD	Clancey IPA 2012-2013 (2012-007-01)	Cost Type Contract	112,982.23
Federal	Non DoD	An Analyst-Centric Approach to Supporting Integrated Intelligence Production (361) (2012-008-01)	Cost Type Contract	11,778.87
Federal	DoD	BBN TECH (2012-014-01)	Cost Type Contract	108,956.15
Federal	DoD	SAFIM: Survivability Assessment Framework for Information Management EC FIT (2012-016-01)	Cost Type Contract	23,970.81
Federal	DoD	Communications Support to 711th HPW Chief Scientist's Office/Sumaria (2012-017-01)	Cost Type Contract	13,283.61
Federal	DoD	Air Force Fact Finding Meeting Sumaria (2012-013-01)	Cost Type Contract	57,448.50
		TOTALS	Cost Type Contract Total	3,006,273.16
Federal	DoD	Enabling Micro-Air Vehicle Ops in Tactical Urban Environments through Human Machine Teaming (2011-004-01)	Firm Fixed Price Contract	250,548.59
Federal	DoD	Developing a Flexible Policy Approach for Multiple Application Domains and Platforms Using the KAoS Policy Services Framework (2010-024-01)	Firm Fixed Price Contract	9,830.28
Federal	DoD	Developing a Flexible Policy Approach for Multiple Application Domains and Platforms Using the KAoS Policy Services Framework (2011-021-01)	Firm Fixed Price Contract	292,320.64
Federal	Non DoD	USF/Moffitt Transdisciplinary Center to Address Cancer Health Disparities (2012-006-01)	Firm Fixed Price Contract	46,823.00
Federal	DoD	Processing Modality and Related Phenomena in Machine Reading (2012-010-01)	Firm Fixed Price Contract	78,542.99
		TOTALS	Firm Fixed Price Contract Total	678,065.50
Federal	Non DoD	Novel Glaucoma Diagnostics for Structure and Function(2010-030-01)	Grant	37,923.60
Federal	DoD	Agile Computing for Army Future Combat Systems"	Grant	60,180.00
Federal	Non DoD	Brain Activity Modeling of Multisensory Interface Effectiveness (2009-008-01)	Grant	250,895.60
Federal	DoD	An Agile Computing Approach to a Flexible and Adaptive Information Dissemination System (2009-009-01)	Grant	173,114.39
Federal	Non DoD	Developing Information Infrastructure Focused on Cancer Comparative Effectiveness Research (2009-040-01) + (2009-040-02)	Grant	34,862.66

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.
SCHEDULE E - SCHEDULE OF DIRECT COSTS BY AWARD AND APPLIED INDIRECT EXPENSES
FOR THE YEAR ENDED JUNE 30, 2012

		<u>Contract/Grant Description:</u>	<u>Type of Revenue/Support:</u>	<u>Award Cost</u>
Federal	DoD	Anthro-Centric Multisensory interfaces for Vision Augmentation / Substitution (2010-001-01)	Grant	146,226.42
Federal	Non DoD	Deep Understanding Resources (2010-013-01)	Grant	35,798.26
Federal	DoD	Process Integrated Mechanism for Human-Computer Collaboration and Coordination (2010-014-01)	Grant	359,616.44
Federal	DoD	Assistive Tech 10 (2010-018-01)	Grant	209,811.36
Federal	DoD	Generic and Integrated Dynamic Information Relationship Exploitation for Service-Oriented Informations Management Systems (2010-022-01)	Grant	45,704.88
Federal	DoD	Cognitive Map-Based Modeling and Simulation for Tactical Decision Support (2010-011-01)	Grant	134,679.43
Federal	Non DoD	RI-Large: Activity Learning and Recognition for a Cognitive Assistant (2010-021-01)	Grant	341,539.18
Federal	Non DoD	Adaptive Supervisory Control and Data AcquisitionTechnology for Infrastructure Protection (SCADA) (2010-023-01)	Grant	230,920.97
Federal	DoD	FastRunner: High Speed, Efficient, Dynamically Stable, Bipedal Robot (2011-002-01)	Grant	849,240.30
Federal	DoD	ATKINSON (2011-003-01) Assessing Current Research on Autonomous Systems and Related Technologies in Australasia	Grant	3,969.73
Federal	DoD	ATKINSON (2011-026-01) Workshop on Human-Machine rust	Grant	27,778.69
Federal	DoD	A Hybrid Emulation Environment for Airborne Wireless Networks (2011-016-01)	Grant	129,277.44
Federal	DoD	Grounding and Learning in Human-Robot Communication (2012-015-01)	Grant	30,462.21
Federal	DoD	Deep Spatial Processing of Natural Language (2007-001-01)	Grant	20,268.06
Federal	DoD	Generic Dialogue Technology for Human-Robot Coordination (2008-022-01)	Grant	6,356.22
TOTALS			Grant Total	3,128,625.84
Non Federal		Experimental Planning and Unification of Casual Knowledge (2011-015-01)	Cost Type Contract	53,984.40
Non Federal		CmapTools for Ultra-Low Cost PCs (2008-018-01)	Firm Fixed Price Contract	5,884.54
Non Federal		FY11 Alliance Project Under CNEW (2010-028-01)	Firm Fixed Price Contract	28,710.91
Non Federal		Augmentation of Motosport Performance via Driver Tactile (AMPDT) Interface System(2011-025-01)	Firm Fixed Price Contract	246,922.71
Non Federal		Threat Impact Analyzer Rockwell (2011-028-01)	Firm Fixed Price Contract	0.00
Non Federal		MINA Project	Donor funded	
TOTAL NONFEDERAL PROJECTS			Cost, FFP and Donor Funded	<u>335,502.56</u>
TOTAL FEDERALAND NONFEDERAL PROJECTS				9,836,595.77

PEOPLE

- IHMC Pensacola
- IHMC Ocala

Scientific and Technical

- | | | |
|-----------------------|------------------------|------------------------------|
| • James Allen | • Sergey V. Drakunov | • Joseph D. Novak |
| • Mario Arroyo | • Tom Eskridge | • Ionut Olaru |
| • David Atkinson | • Paul J. Feltovich | • Nick Payton |
| • Jeffrey Baxter | • Kenneth M. Ford | • Milenko Petrovic |
| • William de Beaumont | • Lucian Galescu | • Jerry Pratt |
| • Giacomo Benincasa | • Clark Glymour | • Megan Pratt |
| • Erika Benvegna | • Johnny Godowski | • Michael Prietula |
| • Sylvain Bertrand | • James B. Golden III | • Anil Raj |
| • Guy Boy | • Jennifer Gresham | • Rahul Razdan |
| • Jeffrey M. Bradshaw | • Robert 'Jack' Hansen | • Christopher Schmidt-Wetkam |
| • Maggie Breedy | • Pat Hayes | • Ursula Schwuttke |
| • Larry Bunch | • Sharon Heise | • Steve Shooter |
| • Tomas By | • Robert Hoffman | • June Skelly |
| • John Carff | • William Howell | • Jesper Smith |
| • Roger Carff | • Tim Hutcheson | • Douglas Stephen |
| • Rodrigo Carvajal | • Matt Johnson | • David Still |
| • Marco Carvalho | • Thomas Jones | • Beth Stuart |
| • Enrico Casini | • Twan Koolen | • Niranjani Suri |
| • Alberto J. Cañas | • Brooke Layton | • Mary Swift |
| • Kenny Chua | • David Lecoutre | • Austin Tate |
| • Bill Clancey | • Rita Lenzi | • Choh Man Teng |
| • Micah Clark | • James Lott | • Gray Thomas |
| • John Coffey | • David Maluf | • Andrzej Uszok |
| • Jason Conrad | • Morris Marx | • Brent Venable |
| • Sebastien Cotton | • Adrien Moucheboeuf | • Michael Vignati |
| • Adam Dalton | • Peter Neuhaus | • Yorick Wilks |
| • Robert Davis | • Jerryll Noorden | |



Administrative

- | | | |
|------------------------|---------------------------|---------------------|
| • Ronnie Armstrong | • Mike James | • Julie Sheppard |
| • Michelle Bowers | • Liza Lott | • Ann Spang |
| • Pamela Dana | • William "Spider" Nyland | • Diana Thacker |
| • Gail Dorsey | • Alan Ordway | • Roy Thomas |
| • Shaner Garner Crooke | • Andrew Raines | • Carl Wernicke |
| • Alex Gorelikow | • John "Row" Rogacki | • Timothy W. Wright |
| • Mia Gottlieb | • Tracie L. Sharpe | • Jeff Yerkes |
| • Betty Hackmyer | | |

Students

- Brittny Aeschliman-Gilliam
- Sami Alsheikh
- Jameson Beach
- Colton Black
- Julie Brown
- Jason Case
- Yang Chen
- Travis Craig
- Andreas Dias
- Daniel Duran
- Neil Edmonston
- Jeffrey van Egmond
- Johannes Engelsberger
- Anthony Ferrer
- Marshall Floyd
- Jeremy Gines
- Maarten Griffioen
- Khai-Long Hoang
- Justin Kirschbaum
- Samantha Kobus
- Ryan Kopinsky
- Katherine Lang
- Robert Mandel
- Nolan Manor
- Elijah Marino
- Stephen McCrory
- Nathan Mertins
- Eric Morphis
- Garett Ordway
- Ian Perera
- Peter Polack
- Jubal Porter
- Matthew Spain
- Lauren Vassiliades

FLORIDA INSTITUTE FOR HUMAN & MACHINE COGNITION,
INC.
SALARIES AND FRINGE BENEFITS
FOR THE YEAR ENDED JUNE 30, 2012

Salaries and Wages	\$7,116,456
Fringe Benefits	<u>1,557,584</u>
Total Compensation	8,674,039

Employee Census for FY 2012 AT A GLANCE:

144 FTE's; 40 PhD's; 1 MD; 1 OD
26 summer interns.
131 reside in Florida

In addition to US Citizens, IHMC hosts employees from:
Italy; France; UK; Spain; Switzerland; Netherlands; China; Romania;
India; Brazil; Costa Rica; Singapore; Russia

FLORIDA INSTITUTE FOR HUMAN & MACHINE COGNITION, INC.
LEASE SUMMARIES - PENSACOLA FACILITIES
ANNUAL AMOUNTS

Operating Cost has been annualized through 6/30/13 using December 31, 2012 figures

	RENT/ <u>MORTGAGE</u>
40 S. Alcaniz	284,266.56
100 - Robot lab	45,288.36
100 - Suite B - new lease	71,434.00
127 S. Alcaniz	<u>51,669.24</u>
TOTALS	452,658.16

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.

PENSACOLA, FLORIDA

FINANCIAL STATEMENTS

JUNE 30, 2012 AND 2011

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.

PENSACOLA, FLORIDA

FINANCIAL STATEMENTS

JUNE 30, 2012 AND 2011

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Florida Institute for Human and Machine Cognition, Inc.
Pensacola, Florida

We have audited the accompanying statements of financial position of Florida Institute for Human and Machine Cognition, Inc. ("IHMC") (a nonprofit organization) as of June 30, 2012 and 2011, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of IHMC's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IHMC as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2012, on our consideration of IHMC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Board of Directors
Florida Institute for Human and Machine Cognition, Inc.

Our audits were performed for the purpose of forming an opinion on the basic financial statements of IHMC taken as a whole. The accompanying schedules of general and administrative expenses are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular OMB A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Pensacola, Florida
September 14, 2012

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2012 AND 2011

ASSETS

	<u>2012</u>	<u>2011</u>
Cash	\$ 3,970,230	\$ 5,189,296
Grants, contracts, and accounts receivable	2,207,329	1,584,597
Pledges receivable	17,540	42,490
Prepaid expenses	73,441	43,042
Property and equipment, net	6,946,781	7,179,031
Financing costs and other assets, net	<u>44,622</u>	<u>60,733</u>
Total Assets	<u><u>\$ 13,259,943</u></u>	<u><u>\$ 14,099,189</u></u>

LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable	\$ 322,279	\$ 226,455
Accrued payroll and related liabilities	286,235	474,843
Refundable advances	123,856	1,183,374
Note payable	<u>3,872,120</u>	<u>3,982,193</u>
Total liabilities	<u><u>4,604,490</u></u>	<u><u>5,866,865</u></u>

Commitments and Contingencies

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Net Assets:

Unrestricted	8,037,203	7,879,458
Temporarily restricted	<u>618,250</u>	<u>352,866</u>
Total net assets	<u><u>8,655,453</u></u>	<u><u>8,232,324</u></u>

Total Liabilities and Net Assets	<u><u>\$ 13,259,943</u></u>	<u><u>\$ 14,099,189</u></u>
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The accompanying notes are an integral
part of these financial statements.

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Change in Unrestricted Net Assets:		
Support, Revenue and Reclassifications:		
Research and development grants and contracts -		
Federal and pass-through grants	\$ 5,453,535	\$ 8,432,788
Other grants and contracts	4,674,888	3,238,383
Legislative appropriation	1,897,864	1,450,453
Contributions	162,102	85,427
Other revenue	20,392	15,160
Net assets released from restrictions	<u>650,385</u>	<u>236,822</u>
 Total support, revenue and reclassifications	 <u>12,859,166</u>	 <u>13,459,033</u>
 Expenses:		
Program services -		
Research and development grants and contracts	10,385,652	10,747,665
Other program services	<u>45,981</u>	<u>39,965</u>
Total program services	<u>10,431,633</u>	<u>10,787,630</u>
 Supporting services -		
Fundraising services -		
Salaries and employee benefits	6,669	5,458
Other fundraising expenses	<u>79,156</u>	<u>136,344</u>
	85,825	141,802
General and administrative	<u>2,183,963</u>	<u>1,518,641</u>
Total supporting services	<u>2,269,788</u>	<u>1,660,443</u>
 Total expenses	 <u>12,701,421</u>	 <u>12,448,073</u>
 Change in unrestricted net assets	 <u>157,745</u>	 <u>1,010,960</u>

The accompanying notes are an integral
part of these financial statements.

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2012 AND 2011
(Continued)

	<u>2012</u>	<u>2011</u>
Change in Temporarily Restricted Net Assets:		
Contributions	922,861	527,000
Loss from uncollectible restricted pledges	(7,092)	(4,000)
Net assets released from restrictions	<u>(650,385)</u>	<u>(236,822)</u>
Change in temporarily restricted net assets	<u>265,384</u>	<u>286,178</u>
Change in Net Assets	<u>423,129</u>	<u>1,297,138</u>
Net Assets, Beginning of Year	<u>8,232,324</u>	<u>6,935,186</u>
Net Assets, End of Year	<u><u>\$ 8,655,453</u></u>	<u><u>\$ 8,232,324</u></u>

The accompanying notes are an integral
part of these financial statements.

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 423,129	\$ 1,297,138
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities -		
Depreciation and amortization	539,450	509,633
Bad debt expense	1,037	-
Loss on uncollectible restricted pledges	7,092	4,000
Changes in operating assets and liabilities -		
Grants, contracts, and accounts receivable	(623,769)	307,869
Pledges receivable	17,858	16,417
Prepaid expenses	(30,399)	(21,478)
Deposits	-	(250)
Accounts payable	95,824	(2,906)
Accrued payroll and related liabilities	(188,608)	47,981
Refundable advances	(1,059,518)	143,677
Net cash provided by (used in) operating activities	<u>(817,904)</u>	<u>2,302,081</u>
Cash Flows From Investing Activities:		
Purchases of property and equipment	<u>(291,089)</u>	<u>(245,921)</u>
Cash Flows From Financing Activities:		
Principal payments of note payable	<u>(110,073)</u>	<u>(105,310)</u>
Net Increase (Decrease) in Cash	(1,219,066)	1,950,850
Cash at Beginning of Year	<u>5,189,296</u>	<u>3,238,446</u>
Cash at End of Year	<u><u>\$ 3,970,230</u></u>	<u><u>\$ 5,189,296</u></u>
Supplemental Disclosure of Cash Flow Information:		
Interest paid	<u><u>\$ 174,757</u></u>	<u><u>\$ 183,236</u></u>

The accompanying notes are an integral
part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose:

Florida Institute for Human and Machine Cognition, Inc. ("IHMC") was organized as a Florida not-for-profit corporation on February 25, 2004, pursuant to Section 1004.447, Florida Statutes, exclusively as an information-technology related organization for research, education, scientific advancement, and economic development.

Basis of Accounting:

IHMC follows standards of accounting and financial reporting prescribed for not-for-profit organizations. It uses the accrual basis of accounting, which recognizes revenue when earned and expenses as incurred.

Basis of Presentation:

Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of IHMC and changes therein are classified as follows:

Permanently restricted net assets are subject to donor-imposed stipulations that the assets be maintained permanently, but permit IHMC to use or expend part or all of the income derived from the donated assets for either specified or unspecified purposes. IHMC had no permanently restricted net assets at June 30, 2012 and 2011.

Temporarily restricted net assets are subject to donor-imposed stipulations that can be fulfilled by actions of IHMC pursuant to those stipulations or that expire by the passage of time.

Unrestricted net assets are not subject to donor-imposed stipulations, or the donor-imposed restrictions have expired. Unrestricted net assets may be designated for specific purposes by the action of the Board of Directors, or may otherwise be limited by contractual agreements with outside parties.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Legislative Appropriation:

Support from legislative appropriation represents amounts received from the Florida state budget, general revenue fund. During the years ended June 30, 2012 and 2011, IHMC received an additional \$440,000 from the general fund through the University of Central Florida, an affiliated organization.

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions:

Contributions are reported as temporarily restricted if the donor limits the use of the donated assets. When the restrictions expire, these temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as *net assets released from restrictions*. Donor-restricted contributions are classified as unrestricted revenues if the restrictions are met in the same reporting period in which the contributions are received.

Unconditional promises to give are reported when the pledges are received at the present value of their net realizable value. Conditional promises to give are not recorded in the financial statements.

Noncash contributions are recorded at fair market value at the time of donation.

In-Kind Contributions:

Donated services are recognized if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by IHMC. The computation of value for the contributions is based on the fair value of the contributed occupancy and donated services at the date received. These in-kind contributions are reported as support and expense in the period received.

Grants and Contracts:

Revenue from grants and contracts, awarded to and accepted by IHMC, is recognized as earned, that is, as the related allowable costs are incurred or the performance of milestones is achieved under the grant or contract agreements.

Facilities and administrative costs recovered on grants and contracts are recorded at rates established by IHMC with its Federal cognizant agency, or predetermined by the non-Federal sponsor. Facilities and administrative cost rates for government grants and contracts are subject to audit, and subsequent final settlements, if any, are recorded as current period adjustments. Management believes the impact of any future settlements to be immaterial to the financial statements.

Financing Costs:

Financing costs, including legal and other expenses associated with the issuance of IHMC's debt, have been capitalized and are being amortized on a straight-line basis over the terms of the related debt. Accumulated amortization was \$66,794 and \$50,683 at June 30, 2012 and 2011, respectively.

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment:

Property and equipment are recorded at cost or at their estimated fair value at date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Building	30 years
Computers and software	3-5 years
Machinery and equipment	5-10 years
Furniture and fixtures	5 years
Vehicle	5 years
Robotics	3-5 years

Additions and betterments of \$5,000 or more are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently. Costs of equipment that are acquired or constructed for research and development activities are generally expensed; however, equipment acquired or constructed which have alternative future uses in research and development projects or otherwise are also capitalized.

Refundable Advances:

Refundable advances represent funds received by IHMC, from grantor agencies that have not been spent at the end of the year. Advances must be returned to the grantor agency if not spent for their intended purpose within the grant period unless re-appropriated or extended by the grantor.

Advertising Costs:

Advertising costs are expensed when incurred.

Income Taxes:

IHMC is a nonprofit organization exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and has been classified by the Internal Revenue Service as a public charity. Accordingly, no provision for income taxes has been provided in the accompanying financial statements. With few exceptions, IHMC is no longer subject to examination by tax authorities for years before 2009.

Reclassifications:

Certain reclassifications have been made to previously reported 2011 amounts to conform to the 2012 presentation. These reclassifications had no effect on previously reported net assets.

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events:

Management has evaluated subsequent events through September 14, 2012, the date which the financial statements were available for issue.

NOTE 2 - GRANTS, CONTRACTS AND ACCOUNTS RECEIVABLE

At June 30, 2012 and 2011, amounts due from grantor and other contracting agencies were as follows:

	<u>2012</u>	<u>2011</u>
Research and development grants and contracts -		
Federal and pass-through grants	\$ 807,849	\$ 1,107,192
Other grants and contracts	1,341,564	436,006
Other receivables	<u>57,916</u>	<u>41,399</u>
	<u><u>\$ 2,207,329</u></u>	<u><u>\$ 1,584,597</u></u>

Management considers all grants, contracts and accounts receivable at June 30, 2012 and 2011 to be fully collectible; therefore, no allowance for uncollectible accounts has been established.

NOTE 3 - PLEDGES RECEIVABLE

Unconditional promises to give at June 30, 2012 and 2011 are due as follows:

	<u>2012</u>	<u>2011</u>
In one year or less	\$ 19,980	\$ 47,889
Between one and five years	<u>642</u>	<u>1,643</u>
Total pledges receivable	20,622	49,532
Less discounts to net present value	<u>3,082</u>	<u>7,042</u>
Net pledges receivable	<u><u>\$ 17,540</u></u>	<u><u>\$ 42,490</u></u>

The discount rates used to calculate net present value range from 3 to 5%.

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

NOTE 3 - PLEDGES RECEIVABLE (Continued)

Management considers all pledges receivable at June 30, 2012 and 2011 to be fully collectible; therefore, no allowance for uncollectible pledges has been established. In the event a pledge becomes uncollectible, the pledge will be charged off as a bad debt loss. For the years ended June 30, 2012 and 2011, IHMC recorded a bad debt loss in temporarily restricted net assets totaling \$7,092 and \$4,000, respectively.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment is comprised of the following:

	2012	2011
Land	\$ 1,142,640	\$ 1,142,640
Buildings	5,711,851	5,656,683
Computers and software	906,688	827,996
Machinery and equipment	847,905	796,240
Robotics	570,392	464,825
Furniture and fixtures	157,262	157,262
Vehicle	24,130	24,130
Art collection	5,950	5,950
	<u>9,366,818</u>	<u>9,075,726</u>
Less accumulated depreciation and amortization	<u>2,420,037</u>	<u>1,896,695</u>
	<u><u>\$ 6,946,781</u></u>	<u><u>\$ 7,179,031</u></u>

Depreciation and amortization expense for property and equipment for the years ended June 30, 2012 and 2011 was \$539,450 and \$509,633, respectively.

Certain fixed assets of IHMC were purchased with federal, state and local grants and contracts. As a result, if such assets are disposed, the granting agency that participated in the funding of the purchase has a contractual right to participate in the proceeds from the disposition. Also, at the end of the project for which the asset was purchased, the granting agency has the right to reclaim such equipment. IHMC accounts for these items separately until final release of the item has been received by IHMC.

In September 2008, IHMC received a grant for \$958,300 from the U.S. Department of Commerce's Economic Development Administration (EDA) for the renovation of the Ocala, Florida facility. The grant restricts the use of the building to research and development, unless an alternate purpose is approved by the grantor agency administrators. The EDA has determined the useful life of the project for purposes of this restriction to be 20 years.

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

NOTE 5 - NOTE PAYABLE

In May 2008, the Pensacola-Escambia County Promotion and Development Commission (“the Commission”) issued \$4,292,500 industrial revenue bonds to provide financial assistance to IHMC for the refinance of debt with the University of West Florida Foundation, Inc. The bonds are payable solely from payments received from the underlying financing agreement with a term of 7 years, bearing interest at a rate of 4.43%, and secured by the property financed. Upon repayment of the bonds, ownership of the facilities transfers to IHMC. Pursuant to the financing and leasing agreements, IHMC has agreed to make rental payments to the Commission sufficient to pay all principal and interest amounts. IHMC executed and delivered a promissory note to the Commission, who has assigned to a Lender all rights to receive payments from IHMC related to these agreements. The Commission has no obligation in any manner for repayment of the bonds.

Maturities of the note payable are as follows:

Year ending June 30,

2013	\$ 115,049
2014	120,250
2015	<u>3,636,821</u>
	<u>\$ 3,872,120</u>

NOTE 6 - NET ASSETS

Temporarily restricted net assets include contributions restricted by donors for specific purposes that have not yet been accomplished and unconditional promises to give with payments due in future periods to be used for the activities of IHMC. Temporarily restricted net assets at June 30, 2012 and 2011 are presented as follows:

	<u>2012</u>	<u>2011</u>
Educational Outreach Youth Programs	\$ 57,140	\$ 5,649
Innovation In Action Campaign	528	22,890
MINA project	558,985	324,327
Other	<u>1,597</u>	<u>-</u>
	<u>\$ 618,250</u>	<u>\$ 352,866</u>

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

NOTE 7 - RETIREMENT PLANS

IHMC established a defined contribution retirement plan that operates under Section 403(b) of the Internal Revenue Code on March 1, 2005. The purpose of the plan is to provide retirement benefits for participating employees. Benefits are provided through Teachers Insurance and Annuity Association ("TIAA"), College Retirement Equities Fund ("CREF"). The plan year begins on July 1 and ends on June 30. All benefits under the Plan are fully funded and provided through the funding vehicle(s) selected by the participant. Benefits are not subject to, nor covered by, federal plan termination insurance.

The plan covers substantially all employees except part-time and leased. IHMC contributes 11% of eligible employee's compensation on a bi-weekly basis. Contributions to the plan amounted to \$670,767 in 2012 and \$656,774 in 2011.

In addition to the defined contribution plan, IHMC also established an elective deferral plan with TIAA CREF. To participate, an eligible employee must enter into a written salary reduction agreement with IHMC. Under the salary reduction agreement, the employee's salary (paid after the agreement is signed) is reduced and the amount of the reduction is applied as premiums to the funding vehicles available under this plan.

IHMC has established an elective deferral plan that operates under Section 457(b) of the Internal Revenue Code. To participate, an eligible employee must enter into a written salary reduction agreement with IHMC. Under the salary reduction agreement, the employee's salary (paid after the agreement is signed) is reduced and the amount of the reduction is applied as premiums to the funding vehicles available under this plan's provider, Edward Jones.

NOTE 8 - RELATED PARTY TRANSACTIONS

Prior to the creation of IHMC as a separate nonprofit entity, the Institute for Human and Machine Cognition ("UWF IHMC") performed information-technology research as a research division of the University. To assist in the transition of UWF IHMC activities to IHMC, the University and IHMC have entered into an affiliation agreement ("the agreement") that addresses IHMC's use of or participation in University programs and services, including monies, personnel or services, and the use of facilities. One member of IHMC's Board of Directors serves on the Board of Trustees for the University. This individual is asked to abstain from voting on items before the Board of Directors that will be funded by the University.

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Concentration of Credit Risk - Uninsured Cash Balances:

IHMC maintains cash balances with three banks. In addition to the FDIC coverages provided by the three banks, the demand deposit accounts held at one bank are also protected under the Chapter 280, Florida Statutes, Public Fund Deposit Collateral Program. At June 30, 2012, IHMC had cash balances in excess of insured limits of approximately \$465,000.

Line of Credit:

IHMC has a revolving, unsecured, \$2,000,000 line of credit with a financial institution. The line of credit carries interest of 2.5% over the one month LIBOR rate and expires on June 14, 2013. IHMC had no amounts outstanding as of June 30, 2012 and 2011 under the line of credit.

Lease Commitments:

IHMC is leasing three office spaces, one apartment, and a vehicle. The leased property located at 127 South Alcaniz Street, Pensacola, Florida, is dedicated to IHMC's administrative function. This lease expires in September 2016. The leased properties located at 100 South Alcaniz are dedicated to the robot prototype research. Those leases expire in September 2012 and November 2014. The leased property located at 44 S. Magnolia Avenue, Ocala, Florida, is personal living space provided to an employee. This lease expires in November 2012. The leased vehicle is used for IHMC's general purpose. This lease expires in March 2015.

Future minimum lease payments under these leases are as follows:

<u>Year ending June 30,</u>	
2013	\$ 112,658
2014	103,203
2015	77,058
2016	56,049
2017	<u>14,115</u>
	<u>\$ 363,083</u>

Rental expense for these leases for the years ended June 30, 2012 and 2011 was \$117,845 and \$106,137, respectively.

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012 AND 2011

NOTE 9 - COMMITMENTS AND CONTINGENCIES (Continued)

Contingencies:

Grants and contracts require the fulfillment of certain conditions as set forth in the applicable agreements. Failure to fulfill the conditions could result in the return of funds to the grantors or contracting agencies. Although that is a possibility, IHMC deems the contingency remote, since by acceptance of the grants and contracts and their terms, it has structured the objectives of IHMC to meet the provisions of the agreements.

In July 2008, IHMC received an Economic Incentive Grant for \$550,000 from the Marion County, Florida, Board of County Commissioners ("the County"). The grant funding is to be used at IHMC's discretion for recruitment, advertising, operations and administration associated with the startup of the research facility in Ocala, Florida. The grant requires IHMC to comply with various conditions for the employment and compensation of employees at the facility over a specified time period. Failure to comply with these conditions could result in the return of all or part of the grant funding to the County. For the years ended June 30, 2012 and 2011, IHMC expended \$243,683 and \$306,317 under the grant, respectively.

SUPPLEMENTARY INFORMATION

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.
SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES
YEARS ENDED JUNE 30, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
Salaries, including in-kind services	\$ 2,292,686	\$ 2,043,976
Payroll taxes	144,886	136,479
Employee benefit programs	350,144	312,029
Administrative travel	156,971	146,048
Meals and entertainment	32,326	23,968
Insurance	90,106	83,459
Legal and professional	415,924	434,718
Occupancy, including in-kind	465,190	428,269
Interest expense	174,757	183,236
Repairs and maintenance	8,110	10,415
Office expenses	175,928	182,381
Telephone	48,502	92,366
Advertising expense	3,371	1,649
Lobbying costs	124,405	147,425
Licenses and fees	14,229	6,093
Memberships and continuing education	25,539	26,819
Community relations	9,774	6,991
Employee morale and welfare	14,079	12,131
Other	54,456	34,589
Depreciation and amortization	539,450	509,633
Indirect applied overhead, payroll taxes and employee benefits	<u>(2,956,870)</u>	<u>(3,304,033)</u>
Total General and Administrative Expenses	<u><u>\$ 2,183,963</u></u>	<u><u>\$ 1,518,641</u></u>

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2012

Federal Grantor, Pass-through Grantor, Program or Cluster Title	CFDA Number	Pass-through Agency's Identifying Number	Federal Expenditures
<u>Research and Development Cluster:</u>			
<u>Office of Naval Research</u>			
Generic Dialogue Technology for Human-Robot Coordination	12.300	N00014-08-1-0979	\$ 6,356
An Agile Computing Approach to a Flexible and Adaptive Information Dissemination System	12.300	N00014-09-1-0012	173,115
Grounding and Learning in Human-Robot Communication	12.300	N00014-12-1-0547	30,462
Assistive Technologies for Injured Servicemembers	12.300	N00014-10-1-0847	209,811
Deep Spatial Processing of Natural Language	12.630	HM1582-07-1-2038	<u>20,268</u>
Total Office of Naval Research			<u>440,012</u>
<u>Defense Threat Reduction Agency</u>			
Brain Activity Modeling of Multisensory Interface Effectiveness	12.351	HDTRA1-09-1-0010	<u>250,896</u>
<u>U.S. Army Medical Command</u>			
Anthro-Centric Multisensory interfaces for Vision Augmentation/Substitution	12.420	W81XWH-10-1-0084	<u>146,226</u>
<u>Army Research Laboratory</u>			
Agile Computing for Army Future Combat Systems	12.431	W911NF-05-2-0051	60,180
Extending Agile Computing to Support Battlefield Information Management, Command & Control Data to Decision and Network Science	12.431	W911NF-11-2-0095	<u>162,639</u>
Total Army Research Laboratory			<u>222,819</u>
<u>U.S. Army Research Development and Engineering Command, Simulation and Training Technology Center</u>			
Passed through Columbia State University			
Cognitive Map-Based Modeling and Simulation for Tactical Decision Support	12.114	W91CRB-08-R-0073	<u>134,679</u>

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2012
(Continued)

Federal Grantor, Pass-through Grantor, Program or Cluster Title	CFDA Number	Pass-through Agency's Identifying Number	Federal Expenditures
<u>Department of the Air Force,</u>			
Air Force Research Laboratory			
Workshop on Human-Machine Trust for Robust Autonomous Systems	12.800	FA2386-12-1-1003	27,779
Intelligent Proxy Services and Android Support for Tactical Edge Networks	12.300	FA8750-11-2-0095	244,870
Process Integrated Mechanism for Human-Computer Collaboration and Coordination	12.800	FA9550-10-1-0302	359,617
The Role of Benevolence in Trust of Autonomous Systems	12.800	FA9550-12-1-0097	151,837
A Hybrid Emulation Environment for Airborne Wireless Networks	12.300	FA8750-11-1-0263	129,277
Assessing Current Research on Autonomous Systems and Related Technologies in Australasia	12.800	FA2386-11-1-4064	3,970
Generic and Integrated Dynamic Information Relationship Exploitation for Service-Oriented Information Management Systems	12.300	FA8750-10-1-0203	45,705
Total Department of the Air Force			<u>963,055</u>
<u>Defense Advanced Research Projects Agency</u>			
Extensible Collaborative Systems for Mission Planning	12.910	W911NF-11-2-0015	251,736
FastRunner: High Speed, Efficient, Dynamically Stable, Bipedal Robot	12.910	W91CRB-11-1-0001	849,240
Total Defense Advanced Research Projects Agency			<u>1,100,976</u>
<u>National Aeronautics and Space Administration,</u>			
<u>Ames Research Center</u>			
Robotic Exoskeleton Development	43.001	NNX12AB59A	212,082
NASA Innovative Concepts for Exploration	43.002	NNX09AT06A	583,784
Robonaut Walking Algorithm Development	43.002	NNX10AG54A	449,214
NASA Advanced Concepts for Human Space Exploration	43.003	NNX11AR31A	291,807
Total National Aeronautics and Space Administration			<u>1,536,887</u>

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2012
(Continued)

Federal Grantor, Pass-through Grantor, Program or Cluster Title	CFDA Number	Pass-through Agency's Identifying Number	Federal Expenditures
<u>National Science Foundation</u>			
Deep Understanding Resources	47.070	CNS-0958193	35,798
RI-Large: Activity Learning and Recognition for a Cognitive Assistant	47.070	IIS-1012205	<u>341,539</u>
Total National Science Foundation			<u>377,337</u>
<u>National Institutes of Health</u>			
Passed through the H. Lee Moffitt Cancer Center			
ARRA - Developing Information Infrastructure Focused on Cancer Comparative Effectiveness Research	93.701	1 RC2 CA148332-01	34,863
Passed through the University of Pittsburgh			
Novel Glaucoma Diagnostics for Structure and Function	93.867	NIH 2 R01 EY013178-11	<u>37,924</u>
Total National Institute of Health			<u>72,787</u>
<u>Department of Energy</u>			
Adaptive Supervisory Control and Data Acquisition Technology for Infrastructure Protection	81.122	DE-OE0000511	<u>207,861</u>
Total Expenditures of Federal Awards			<u><u>\$ 5,453,535</u></u>

NOTE: This schedule is presented on the accrual basis of accounting in accordance with generally accepted accounting principles.

OTHER REPORTS AND SCHEDULES

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Florida Institute for Human and Machine Cognition, Inc.
Pensacola, Florida

We have audited the financial statements of Florida Institute for Human and Machine Cognition, Inc. ("IHMC") (a nonprofit organization) as of and for the year ended June 30, 2012, and have issued our report thereon dated September 14, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of IHMC is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered IHMC's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of IHMC's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of IHMC's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Board of Directors
Florida Institute for Human and Machine Cognition, Inc.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether IHMC's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of IHMC's management, the audit committee, the Board of Directors, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Saltmarsh Cleveland & Bend".

Pensacola, Florida
September 14, 2012

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors
Florida Institute for Human and Machine Cognition, Inc.
Pensacola, Florida

Compliance

We have audited the compliance of Florida Institute for Human and Machine Cognition, Inc.'s ("IHMC") (a nonprofit organization) with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of IHMC's major federal programs for the year ended June 30, 2012. IHMC's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of IHMC's management. Our responsibility is to express an opinion on IHMC's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about IHMC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on IHMC's compliance with those requirements.

In our opinion, IHMC complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs identified in the accompanying schedule of findings and questioned costs for the year ended June 30, 2012.

Board of Directors
Florida Institute for Human and Machine Cognition, Inc.

Internal Control Over Compliance

Management of IHMC is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered IHMC's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of IHMC's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information and use of management, the audit committee, the Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Pensacola, Florida
September 14, 2012

**FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

A. SUMMARY OF AUDITOR'S RESULTS

1. The independent auditor's report expresses an unqualified opinion on the financial statements of the Florida Institute for Human and Machine Cognition, Inc.
2. No significant deficiencies in internal control related to the audit of the financial statements were reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Florida Institute for Human and Machine Cognition, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for major federal award programs for the Florida Institute for Human and Machine Cognition, Inc. expresses an unqualified opinion on all major federal programs.
6. Our audit disclosed no findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 in this Schedule.
7. The programs tested as major programs included the following:

Research and Development Cluster:

Collaborative Research and Development	CFDA No. 12.114
Basic and Applied Scientific Research	CFDA No. 12.300
Basic Science Research – Combating Weapons of Mass Destruction	CFDA No. 12.351
Military Medical Research and Development	CFDA No. 12.420
Basic Scientific Research	CFDA No. 12.431
Basic, Applied, and Advanced Research in Science and Engineering	CFDA No. 12.630
Air Force Defense Research Sciences Program	CFDA No. 12.800
Research and Technology Development	CFDA No. 12.910
Science	CFDA No. 43.001
Aeronautics	CFDA No. 43.002
Exploration	CFDA No. 43.003
Computer and Information Science and Engineering	CFDA No. 47.070
Electricity Delivery and Energy Reliability, Research, Development and Analysis	CFDA No. 81.122
ARRA - Trans-NIH Recovery Act Research Support	CFDA No. 93.701
Vision Research	CFDA No. 93.867

FLORIDA INSTITUTE FOR HUMAN AND MACHINE COGNITION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012
(Continued)

A. SUMMARY OF AUDITOR'S RESULTS (Continued)

8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. Florida Institute for Human and Machine Cognition, Inc. was determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

There were no findings relating to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

There were no findings and questioned costs relating to the major federal award programs which are required to be reported in accordance with OMB Circular A-133.

**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE WITH BOND RESOLUTION**

To the Board of Directors
Florida Institute for Human and Machine Cognition, Inc.
Pensacola, Florida

We have audited the financial statements of Florida Institute for Human and Machine Cognition, Inc. ("IHMC") (a nonprofit organization) as of and for the year ended June 30, 2012, and have issued our report thereon dated September 14, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

In connection with our audit, nothing came to our attention that caused us to believe that IHMC failed to comply with the covenants of the resolution relating to the Revenue Bonds (Florida Institute for Human and Machine Cognition, Inc. Project), Series 2008 issued by the Pensacola-Escambia County Promotion and Development Commission as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

This report is intended solely for the information and use of management, the audit committee, the Board of Directors, and the Pensacola-Escambia County Promotion and Development Commission, and is not intended to be and should not be used by anyone other than these specified parties.



Pensacola, Florida
September 14, 2012

Committee of the Whole

4.

Meeting Date: 06/13/2013

Issue: Library Budget/MSTU

From: Amy Lovoy, Department Head

Information

Recommendation:

Library Budget/MSTU (Municipal Services Taxing Unit)

(Amy Lovoy - 45 min)

A. Board Discussion

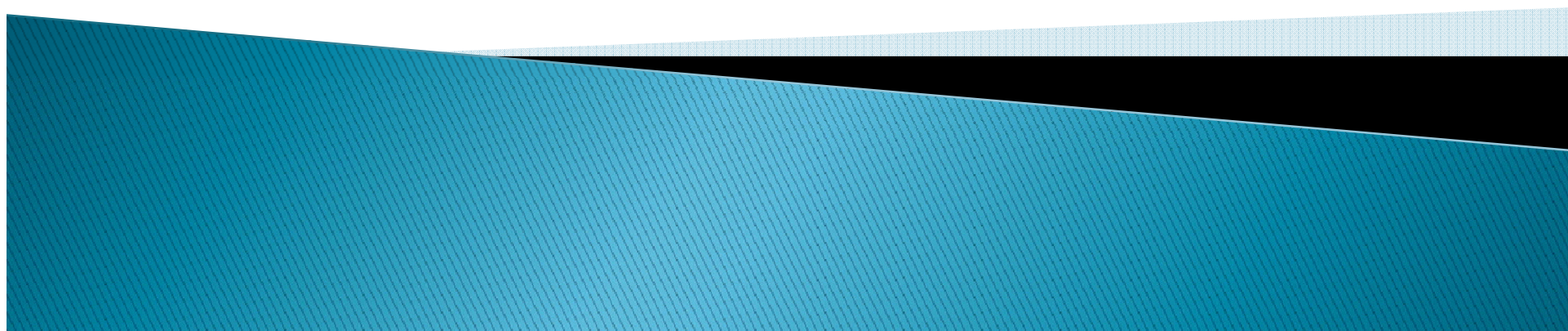
B. Board Direction

Attachments

Library Budget

Proposed Budget

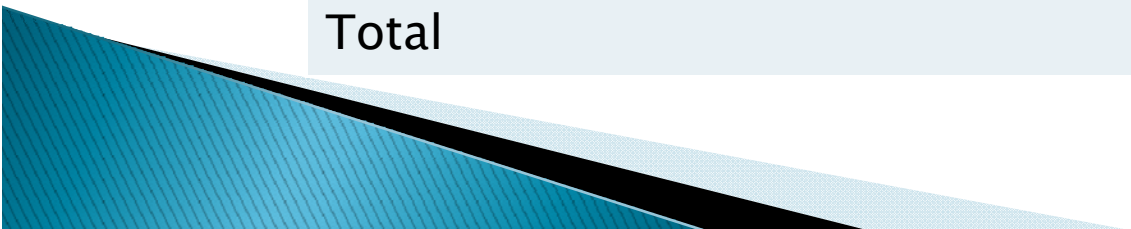
West Florida Public Library System



Current Library Budget

Revenue Title	Amount
County Contribution	\$3,152,425
City Contribution	1,487,300
State Grant	112,000
Library Fines	107,000
One-Time Monies	441,275
Total	\$5,300,000


Positions	Number
Full Time	36
Part Time	23
Contract	39
Total	98



Proposed Budget

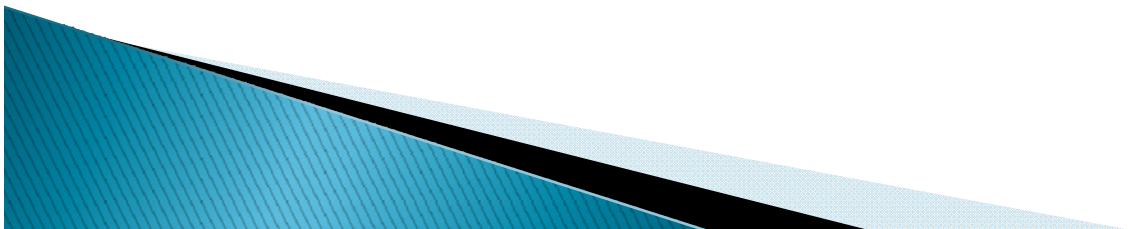
Revenue Title	Amount
Library MSTU	\$4,883,921
State Library Grant	112,000
Library Fines	107,000
Less: 5% for Estimated Revenues	(255,146)
Total	\$4,847,775

Positions	Number
Full Time	62
Part Time	23
Contract	17
Total	102



Proposed Budget

- ▶ Maintains current operational hours for less money.
- ▶ Provides full-time positions at every public service point including Century and Molino.
- ▶ Provides funding for a full-time marketing position and training & volunteer coordination
- ▶ Includes additional paraprofessional and MLS degreed librarian positions.

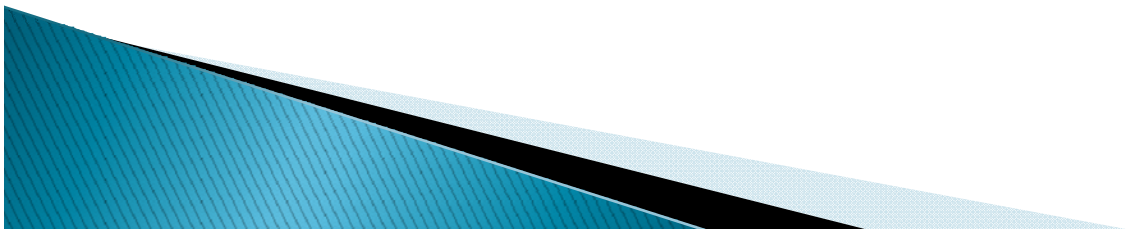


Expenses:	Library Operations	Facilities Management	Information Technology	Total
Regular Salaries & Wages	\$1,806,986	\$48,204	\$84,882	\$1,940,072
Other Salaries & Wages	269,548	0	0	269,548
FICA Taxes	158,855	3,688	6,493	169,036
Retirement Contributions	121,249	3,234	5,696	130,179
Life & Health	513,000	18,000	18,000	549,000
Workers Compensation	5,607	2,420	229	8,256
PERSONNEL COSTS	\$2,875,244	\$75,546	\$115,300	\$3,066,090
Professional Services	0	0	0	0
Other Contractual Services	376,406	14,475	10,000	400,881
Travel & Per Diem	1,400	0	3,500	4,900
Communications	245	504	118,000	118,749
Freight & Postage Services	12,500	0	0	12,500
Utility Services	0	223,812	0	223,812
Rentals & Leases	51,318	416	0	51,734
Insurance	1,000	1,000	0	2,000
Repair & Maintenance	5,500	32,515	95,000	133,015
Printing & Binding	6,800	0	0	6,800
Other Current Charges & Obligations	255,146	330	0	255,476
Office Supplies	3,100	0	2,000	5,100
Operating Supplies	45,000	11,600	31,000	87,600
Fuel	9,000	0	0	9,000
Books, Pubs, & Subs	181,025	0	0	181,025
Training & Registrations	3,600	0	1,500	5,100
OPERATING COSTS	\$952,040	\$284,652	\$261,000	\$1,497,692
Machinery & Equipment		0	48,000	48,000
Books, Publications & Library Materials	235,993			235,993
CAPITAL OUTLAY	\$235,993	\$0	\$48,000	\$283,993
TOTAL OUTLAY	\$4,063,277	\$360,198	\$424,300	\$4,847,775

Millage Rates Scenario #1

Gross Funds Raised	\$4,883,921
Less: 5% Estimated Revenues	(244,196)
Net Funds Received	\$4,639,725
MSTU Rate	.3613
Countywide Roll-back	(.2332)

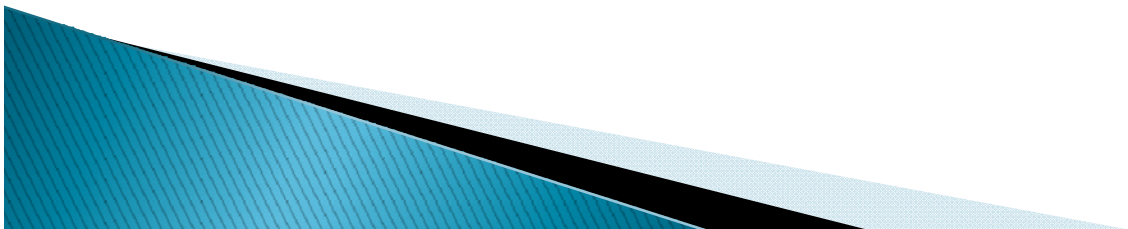
- MSTU rate is set to net the same amount of money as contributed by the City and the County.
- Roll-back is set to decrease by the amount of money contributed by the County only.



Millage Rates Scenario #1

- These rates are revenue neutral to the County. It will generate no more money than current for the County; however, there will be a tax differential to property owners.

Taxable Value	Difference
\$50,000	\$6.67
100,000	13.34
150,000	20.01
200,000	26.68



Millage Rates Scenario #2

Gross Funds Raised	\$4,883,921
Less: 5% Estimated Revenues	(244,196)
Net Funds Received	\$4,639,725
MSTU Rate	.3613
Countywide Roll-back	(.3613)

- ▶ MSTU rate is set to net the same amount of money as contributed by the City and the County.
- ▶ Roll-back is set to decrease by the amount of money contributed by the County and City.
- ▶ The County will lose \$1,487,300 in revenue.



Committee of the Whole

5.

Meeting Date: 06/13/2013

Issue: Sheriff's Budget/DOJ Proposals for FY13-14

From: Amy Lovoy, Department Head

Information

Recommendation:

Sheriff's Budget/Department of Justice Proposals for Fiscal Year 2013-2014

(Amy Lovoy - 60 min)

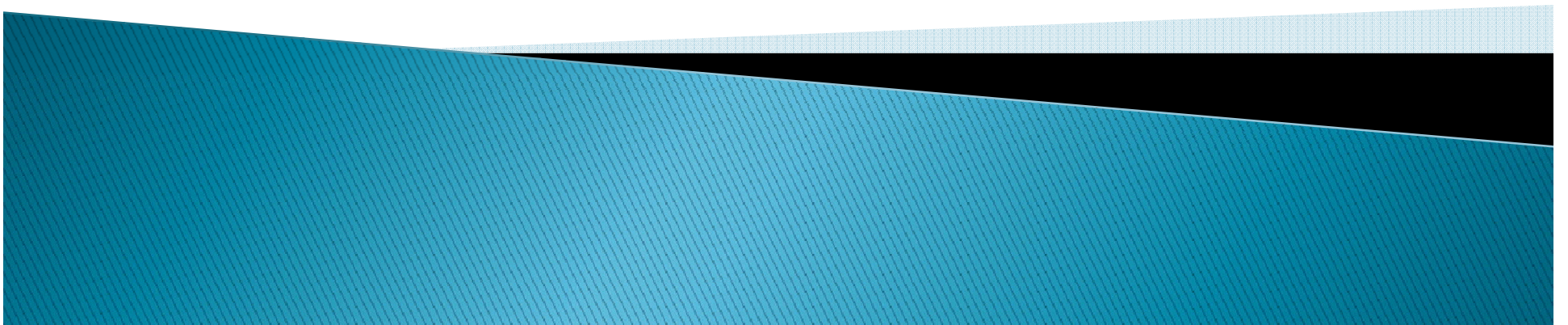
A. Board Discussion

B. Board Direction

Attachments

Sheriff's Budget Proposals

Proposals to Address the Sheriff's Budget



Proposal #1

- ▶ Eliminate the proposed 3% COLA Countywide generating about \$2,500,000 in funds that could be used to hire about 38 detention employees and;
- ▶ Reduce Sheriff's Law Enforcement budget to cover the necessary staffing and administration detention costs however;
- ▶ Sheriff would return responsibility for the jails to the County.



Proposal #2

► Raise the millage rate:

- .1923 on the Countywide millage rate. This would raise about \$2,600,000 and would fund about 40 additional detention employees and to create parity among all County employees*, reduce all employees to double time and ONLY allow them to be paid for 1.0 times and to bank the other 1.0 times or;
- .5622 on the Countywide millage rate. This would raise about \$7,600,000 and would fund about 40 additional detention employees and allow Sheriff's employees to be paid for their holiday time and overtime or;
- 1.000 on the Countywide millage rate. This would raise about \$13,500,000.
 - \$7,600,000 would fund the Sheriff's needs
 - \$5,900,000 would fund crime prevention and human services needs of the County.

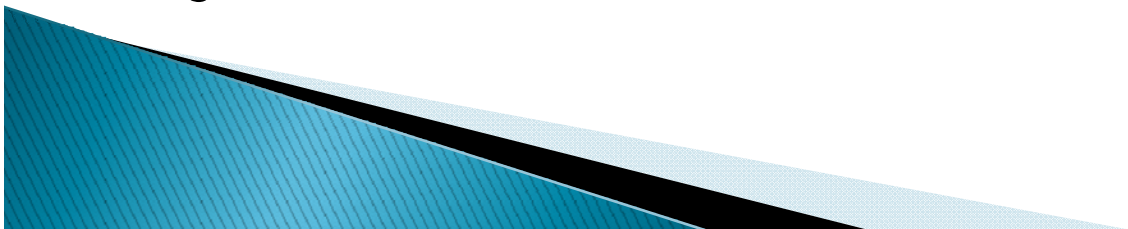
► Sheriff would retain responsibility for the jails.

* Currently, BCC employees working holidays are paid double time. They have the option to bank half of this time. When Sheriff employees work holidays they earn 2.5 times but are required to bank 1.5 of these times.



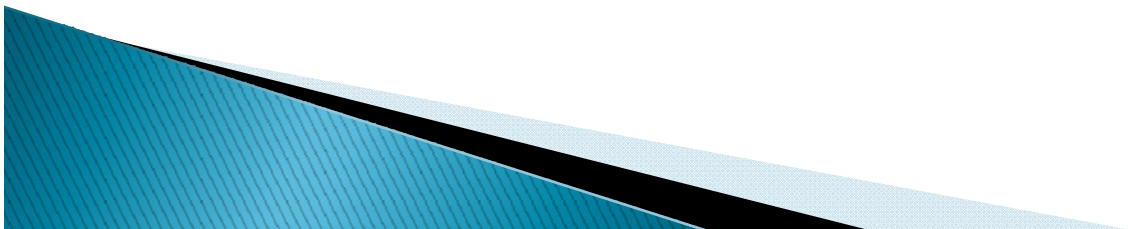
Proposal #3

- ▶ Eliminate the proposed 3% COLA Countywide generating about \$2,500,000 in funds that could be used to hire about 38 detention employees and;
- ▶ Raise the Millage rate .3699 to address the holiday and overtime issue experienced at the Sheriff's Office.
- ▶ Sheriff would retain responsibility for the jails.



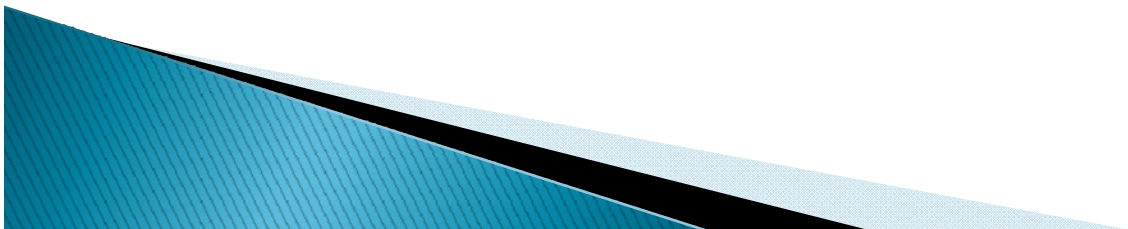
Proposal #4

- ▶ Explore the option of privatizing the jails.
 - This would require paying out all the detention employees for their accrued leave balances. This cost is about \$10,000,000.
 - The amortized savings (over 10 years) must therefore be greater than \$1,142,588 per year
- ▶ The Sheriff's Office has informed staff he would return responsibility for the jails to the County.



Department of Justice

- ▶ All proposals are subject to approval by the Department of Justice.



Committee of the Whole

6.

Meeting Date: 06/13/2013

Issue: Additional Strategies for the Code Enforcement-Nuisance Abatement Lien Collection Policy

From: Amy Lovoy, Department Head

Information

Recommendation:

Additional Strategies for Code Enforcement-Nuisance Abatement Lien Collection Policy

(Amy Lovoy/Dianne Taylor - 20 min)

A. Board Discussion

B. Board Direction

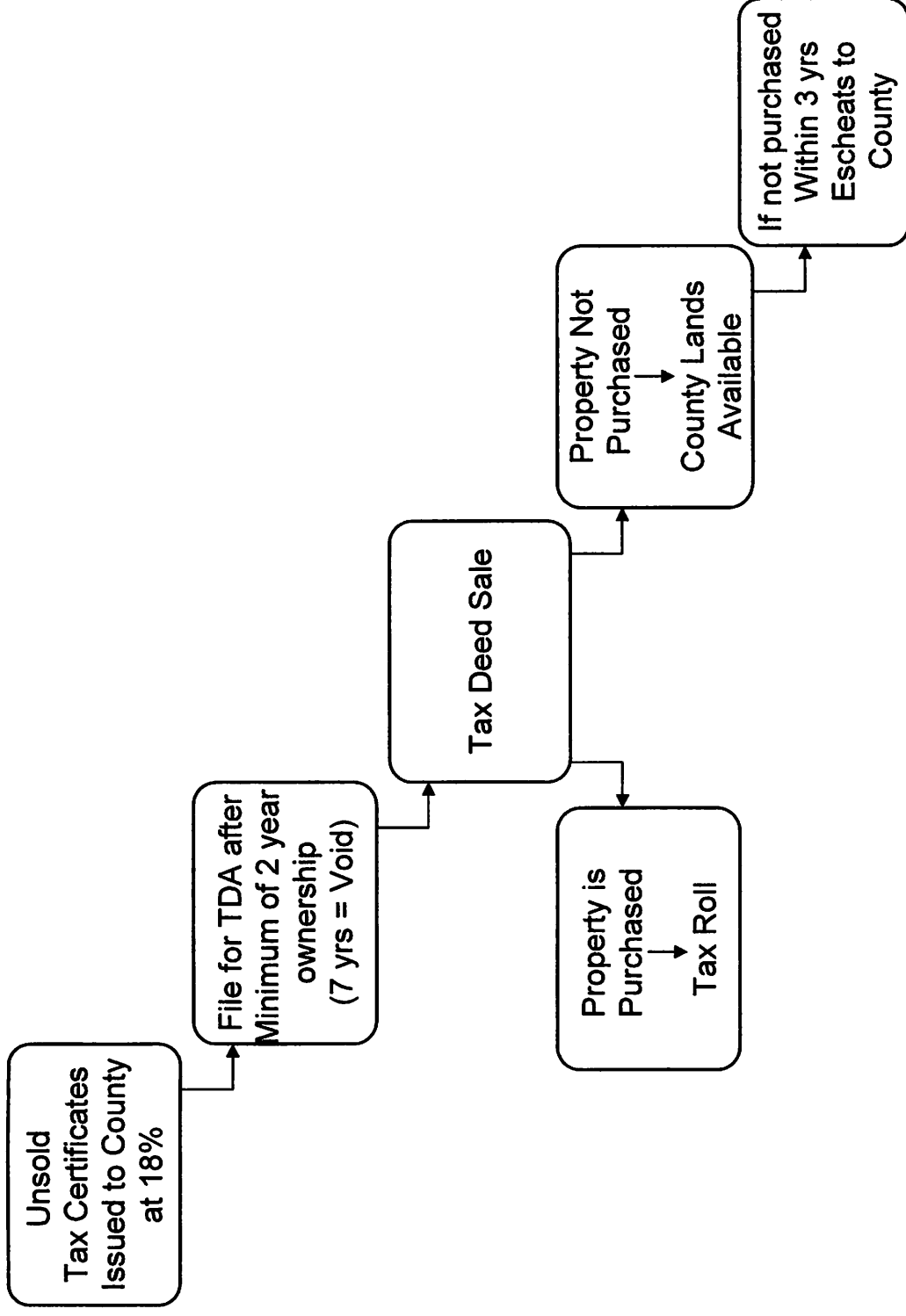
Attachments

2013 June13 backup

CE-NA LIEN COLLECTION POLICY

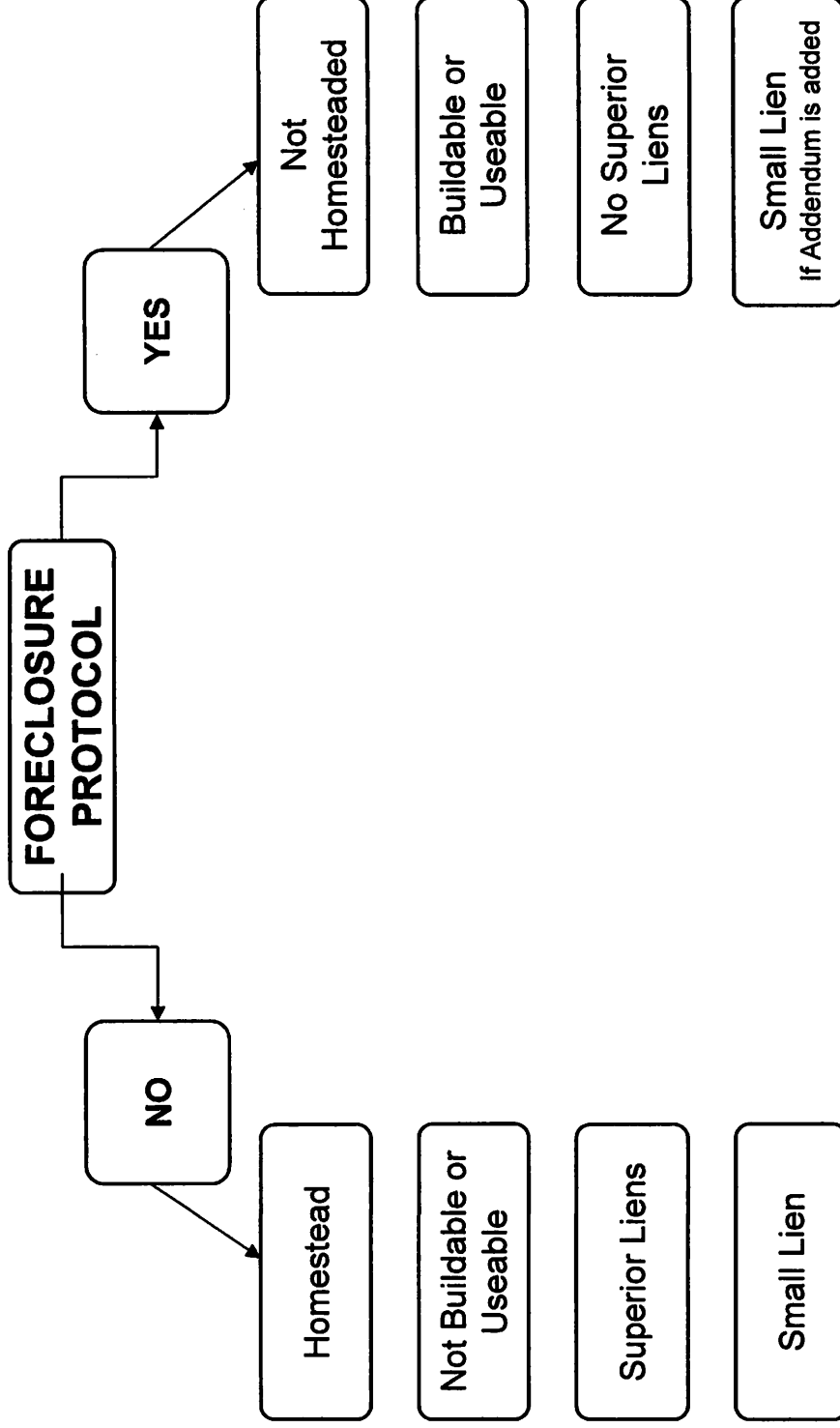
ADDITIONAL STRATEGIES

LIFE OF A COUNTY TAX CERTIFICATE



CE-NA LIEN COLLECTION POLICY

Day 30 – 1st Collection Letter -> Day 90 – 2nd Collection Letter
Day 120 – List of Unpaid Properties sent to County for Foreclosure



EXAMPLES OF SUPERIOR LIENS

- Taxes
 - General Lien Rule: “First in Time, First in Line”
 - The priority order in which liens on property are honored and paid
 - Mortgages
 - Lis Pendens/Foreclosures
 - Federal Tax Liens
 - Judgments
-

ADDITIONAL STRATEGIES

End of Life Strategy for CE Liens

- Will re-record older Code Enforcement Liens if they meet the Foreclosure Protocol
- Cost: \$41-\$63 per lien
 - Print Original lien: \$2.00 for Certification and \$1.00 for each page of lien
 - Re-recording of lien: \$10.00 for the first page & \$8.50 for each additional page
 - If additional indexing is needed, \$1.00 charge per name over 4 names

Add Addendum to CE-NA Lien Collection Policy

- Property owner will be responsible for legal fees once the foreclosure process has began.
-

Board of County Commissioners

Escambia County, Florida

Title: Code Enforcement/Nuisance Abatement Lien Collection Policy,
Section III, Part H.3
Date Adopted: June 19, 2008
Effective Date: May 19, 2011 As Amended
Reference:
Policy Amended: July 9, 2009, May 19, 2011

- A. Purpose: To provide a systematic method of collecting code enforcement/nuisance abatement liens.
- B. 1. Process: As soon as the violation is abated, Code Enforcement will forward a notice of the lien to the Clerk of the Circuit Court.
2. For liens sent by Code Enforcement or for liens currently in place as of July 1, 2008, the Clerk of the Circuit Court will send the first of two (2) letters. The first letter will notify the property owner of the lien, request payment and offer to set up a partial payment plan. The Clerk of the Circuit Court will charge the payer a fee of \$25 to set up the partial payment plan.

The partial payment plan terms shall be as follows:

- a. For liens less than or equal to \$1,200 the payment plan may extend to a maximum of one (1) year.
- b. For liens greater than \$1,200 and less than or equal to \$5,000 the payment plan may extend to a maximum of two (2) years.
- c. For liens greater than \$5,000 and less than or equal to \$10,000 the payment plan may extend to a maximum of three (3) years.
- d. For liens greater than \$10,000 the payment plan may extend to a maximum of five (5) years

The realization that certain set partial payment plans are unattainable for some citizens needs to be addressed. Upon recommendation from the Clerk of the court, a longer payment process will be added which will not extend beyond 10 years. The County administrator or his designee will give final approval.

* In all cases full lien must be satisfied when subject parcel is sold.

3. On day 90, the Clerk of the Circuit Court will send the second of two (2) letters. This letter will again request payment, offer to set up a partial payment plan and inform the property owner the subject property may be sent to foreclosure. For any payments received prior to foreclosure, the Clerk of the Circuit Court will receive a 20% commission. The remaining funds will be remitted to the County.
4. On day 120, the Clerk of the Circuit Court will send the County a list of properties for which

they have not received payment. The County can then choose which properties (if any) upon which to foreclose based on the following criteria:

- a. Property must be non-homesteaded.
 - b. The subject lot must be buildable and have no obvious environmental liabilities.
 - c. If the value of the property exceeds the lien, the property will be referred to a contracted firm to determine if there is enough equity in the property after paying other liens, judgments or debts recorded on the parcel to move to foreclosure.
 - d. If the value of the property is less than the lien, the County will perform a title search to determine other outstanding obligations recorded against the referenced parcel. If the County's lien(s) is the sole or superior obligation the parcel will be referred for foreclosure.
 - e. If the County holds a tax certificate on a parcel with a code enforcement lien, the County may choose to exercise its option under Florida Statutes 197.502(7) to purchase the tax deed by making the minimum required bid rather than submitting the parcel for foreclosure.
5. Once the County owns the subject parcel, it may be sold at auction to the highest and most responsive bidder. In this context, the most responsive bidder shall mean a qualified bidder who has no record of code enforcement violations in Escambia County.

Subject parcels may be excluded from auction for an overriding County interest such as urban infill projects. These parcels will be determined by the Board of County Commissioners on a case-by-case basis.

6. If a Code Enforcement lien is paid on a subject parcel during the process of foreclosure in addition to the legal foreclosure costs, a Reinstatement Processing Fee will be added to cover the following expenses:
- Assemble foreclosure legal cost fees
 - Gather and update lien cost information
 - Collect and process payment
 - Disburse payment into several different cost centers (Clerk & County)
 - Administer foreclosure legal payment

The cost of this processing fee will be 5% of the Code Enforcement hard costs or \$275.00 whichever is higher. The Clerk will receive \$100 per processing fee to cover their administrative costs. The remaining amount will go into the General Fund.

7. The price of a County property that has not sold within a four (4) month period will be discounted 10%. If the property still does not sell, it will be discounted 10% every four (4) months until a sale is achieved.

Committee of the Whole

7.

Meeting Date: 06/13/2013

Issue: First Transit Fleet

From: Joy D. Blackmon, P.E., Department Director

Information

Recommendation:

First Transit Fleet Presentation

(First Group [First Transit] - Presenter - 20 min)

A. Board Discussion

B. Board Direction

Attachments

First Transit Fleet Presentation

Fleet Options

*Information and
Comparison*



Topics for Discussion

- CNG vs. Diesel – Costs, Tailpipe emissions, Training
- Bus Purchases – New vs. Used
- New First Transit Management Structure
 - Introducing Herold Humphrey ECAT GM
- Recommendations – ECAT Future Growth, Bus Size and Configuration
- Q & A

CNG vs. Diesel



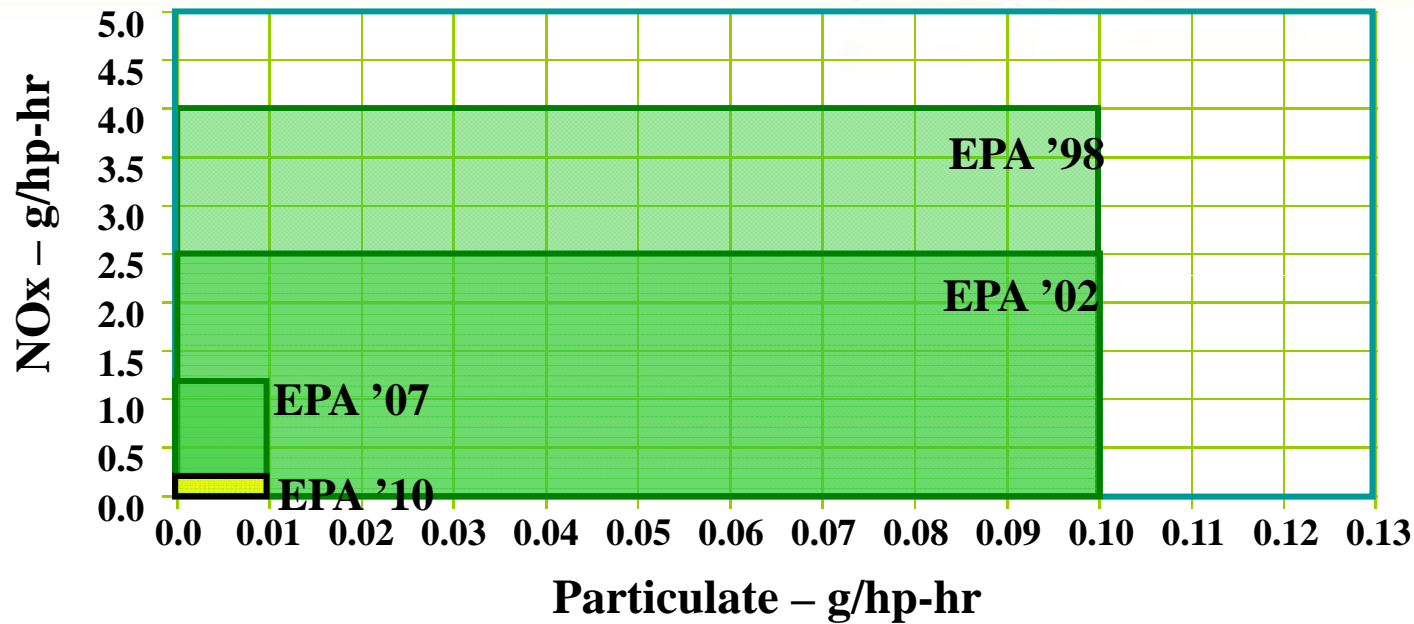
From an article titled “Natural Gas Vehicle Emissions” found on the website listed below;

http://www.afdc.energy.gov/vehicles/natural_gas_emissions.html

Natural gas burns cleaner than conventional gasoline or diesel due to its lower carbon content. When used as a vehicle fuel, it can offer life cycle greenhouse gas (GHG) emissions benefits over conventional fuels, depending on vehicle type, drive cycle, and engine calibration. In addition, using natural gas may reduce some types of tailpipe emissions.

Tailpipe emissions result from fuel combustion in a vehicle's engine and are emitted from its exhaust system. The emissions of primary concern include the regulated emissions of [hydrocarbons](#), [oxides of nitrogen](#) (NO_x), [carbon monoxide](#) (CO), as well as [carbon dioxide](#) (CO₂). Due to increasingly stringent emissions regulations, the gap between tailpipe emissions benefits from natural gas vehicles (NGVs) and conventional vehicles with modern emissions controls has narrowed. That's because the U.S. Environmental Protection Agency (EPA) is holding all fuels and vehicle types accountable to the same levels of air pollutants emitted from vehicle combustion. Still, NGVs continue to provide emissions benefits—especially when replacing older conventional vehicles or when considering life cycle emissions.

EPA NA Emission Standards



Nox-g/hp-hr = Nitrogen Oxide – gram/per horsepower-hour

Particulate – g/hp-hr = gram/per horsepower-hour

Vehicle Costs

- Compressed Natural Gas transit coaches cost between \$60K and \$80K more than the Diesel equivalent depending on tank design
- Hybrid transit coaches are roughly \$230K higher than the Diesel

Infrastructure Costs

- The cost of a CNG station ranges dramatically depending on the type of fill (fast or slow) and depending on the available source of the natural gas.
- A typical station ranges from \$250K to \$1M+
- Contract for inspection and upkeep of fueling equipment will have to be negotiated – cost unknown.

Infrastructure Costs

- **Some typical building modifications required**
 - Explosion proof Maintenance bays are required
 - Methane detectors must be installed and tested regularly
 - Fast rollup doors must be installed
 - Existing heating system has to be replaced with approved system compatible with CNG
 - Additional inspection processes will have to be in place including annual, semi-annual building inspections

Maintenance Costs

- A Diesel fixed route bus running 50K miles/year will cost an average of \$111K in parts over a 12 year life
- A CNG fixed route will cost an average of \$133K (nearly 20% more than diesel)
- Although we do not have trend for a Hybrid transit coach for twelve full years, we are trending a CPM similar to the CNG with the additional expense of two sets of batteries at \$50K each over a 12 year life

Maintenance Costs

- ECAT presently employs thirteen technicians which will all have to be trained in some level of repair and handling of CNG vehicles. Estimated cost of training is \$15k to \$20k
- At least six Maintenance personnel will have to become CNG Fuel System Inspector Certified

Bus Purchases New vs. Used



New Buses vs. Used

- New buses come with warranty
- New buses have better fuel mileage
- Used buses have unknown maintenance history
- New buses have the latest emission requirements
- Used have limited available and varied specifications

Warranty Summary for TRIPS Contract

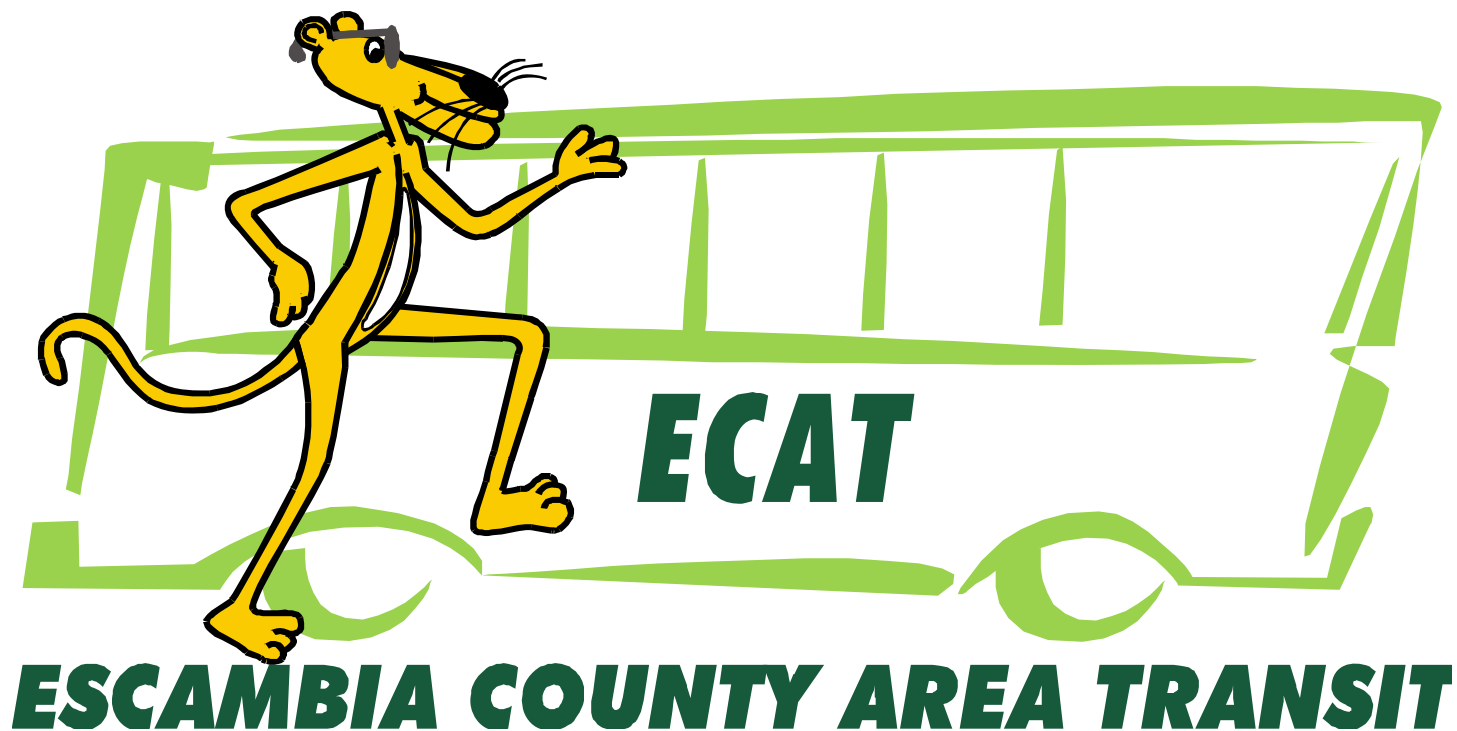
ElDorado National EZ Rider II Low Floor Buses

- | | |
|--|---------------------------|
| • Body General: | 2 Years / 50,000 Miles |
| • Anti-Corrosion – Perforation Coverage: | 4 Years / 100,000 Miles |
| • Body Structure Coverage: | 5 Years / 250,000 Miles |
| • Chassis General : | 2 Years / 50,000 Miles |
| • Steering Axle and Driver Axle: | 2 Years / 100,000 Miles |
| • Chassis Frame and Cross Members: | 5 Years / 250,000 Miles |
| • Cummins Engine: | 2 Years / Unlimited Miles |
| • Voith Transmission: | 2 Years / 150,000 Miles |
| • Thermo King Air Conditioning | 2 Years / Unlimited Miles |
| • Alternator | 2 Years / 50,000 Miles |
| • Wheelchair Lift / Ramp | 4 Years / Unlimited Miles |

Used Bus Warranty

- Used bus warranties are based on the amount of refurbishing requested by the customer and are based on built-in component warranty. Typically they do not extend beyond that.

New First Transit Management Structure



How to determine the size of vehicles to order?

- Passenger demand and future growth
- Routing, streets, turns, congestion, positioning of stops, frequency of service
- Different vehicle life span
- Physical restrictions – facility parking, bus stops
- Additional vehicle sizes may require larger and varied part inventories

First Transit – Going Forward

- New management and restructuring of staff
- Maximize grant funds
- Improve quality of service, presentation
- Improve overall employee morale and welfare
- Implement DBE program/Title VI requirements
- Improve Paratransit oversight
- Implement new technology

April 18th, FTA 5307 Grant Approved (\$1.2 million) – Request fleet change



Gillig Option – Approved 4/18

- Quantity (3)
- Cost 1.293 Million
- Lynx (Orlando) contract add-on
- 40 foot in length
- Cummins Engine/Voith Transmission



El Dorado E-Z Rider II Option

- Quantity (4)
- Cost 1.264 Million (\$29k cheaper)
- FDOT State Procured
- 32 foot in length (trendy, neighborhood appealing)
- Cummins Engine/Voith Transmission

FTA “State of Good Repair Grant” (49 U.S.C. Section 5337 / MAP-21 Section 20027) — Replacement of Paratransit vehicles and purchase of technology

1. These funds reflect a commitment to ensuring that public transit operates safely, efficiently, reliably, and sustainably so that communities can offer balanced transportation choices that help to improve mobility.
2. \$1.3 Million with no County match needed. 80% Federal with a 20% State of Florida Toll Revenue Credits. Total available for assets - \$1,053,401; requested \$1,053,399
3. Original grant was written for (9) cutaway paratransit vehicles, scheduling software and (46) 2 camera security systems for paratransit vehicles.
4. Revised grant application to include (13) smaller stylish paratransit vehicles, (2) passenger vans (46) 2 camera security systems for paratransit vehicles, removed scheduling software portion for more research.



First Transit

Questions & Answers

Action Items –

- 1. Approval of vehicle change from Gillig bus order to El Dorado buses**
- 2. Approval of Paratransit vehicle purchase**

Committee of the Whole

8.

Meeting Date: 06/13/2013

Issue: Discussion Regarding Escambia County Area Transit (ECAT)

From: Thomas Turner, Department Director

Information

Recommendation:

Discussion Regarding Escambia County Area Transit (ECAT)

(Tom Turner - 30 min)

A. Board Discussion

B. Board Direction

Attachments

ECAT Interview Summary

Summary of ECAT Employee Meetings

Background

On March 22, 2013, I began meeting with ECAT employees primarily at the Rosa Parks terminal on Fairfield. I met one employee in my office and talked to at least two others via telephone. I conducted unstructured interviews after I provided a brief explanation of the reason for the meeting. I generally opened the discussion by an open ended question such as “tell me what your impressions are of ECAT since First Transit assumed the contract?” From this point I would follow up to gain better clarification of comments. I conducted at least 56 interviews over six different days at times ranging from 7:30 a.m. to 7:30 p.m. I was not able to talk to every employee and not every employee wanted to talk to me. Most meetings were conducted in either the driver or mechanic break rooms. A union representative, Gerri Bell, accompanied me on the first two or three days. At least two employees provided me their concerns and views in writing.

Summary of Predominate Concerns

It is clear that the transition from Veolia to First Transit was neither smooth nor seamless. Not having a more structured conversion to the First Transit benefit plans may have led to some employees not fully understanding the requirements to obtain insurance coverage for their spouses and dependents. However, it is **very** clear that most employees that needed this coverage were able to follow the enrollment directions and obtain coverage. Some employees, for reasons likely known only to them, did not follow the instructions and did not successfully enroll in the benefit plans. An open enrollment plan offered in August resolved many but not all of the initial issues.

Issues of pay inaccuracies were raised from time to time. Initial claims were the employees would have to wait two weeks to get paid correctly. It appears this is not entirely true. One situation that was raised was addressed by providing the employee \$500 from petty cash to provide funds until a corrected check was delivered three days later on Monday. Other cases I heard were resolved with corrected checks as soon as the same payday.

It is also clear that the relationship between the General Manager and the union representatives is non-existent. It appears that the initial meeting to address contract issues began a downward slide that has continued with mutual distrust. The union suspects First Transit is seeking to terminate the union officers and point to a ULP (Unfair Labor Practice) settlement and required posting as proof of their claim. Management denies this motive.

Generally, the focus of complaints is made toward the “middle management” group. This group comprises most if not all of the first line supervisors who for the most part, also worked for Veolia. Claims of favoritism, harassment, unfair discipline and less than cordial interactions are made. From management’s view, this group is holding

employees accountable to perform their jobs efficiently and effectively. The frequent goal of many of the employees I interviewed was to rid ECAT of all current middle management with one or two possible exceptions. This desire continues up the chain to the General Manager in operations. In maintenance, it is directed more toward two Assistant Managers. There appeared to be more positive comments by a fairly substantial margin regarding the Assistant General Manager of Maintenance. Essentially no comments were made regarding the Assistant General Manager of Finance. It must be stated again, that the middle management is essentially the same as under Veolia, however, many employees were of the impression First Transit would remove most of these employees. This has not happened.

Several employees expressed their unhappiness on the termination of two middle managers in late 2012. Many claimed they were the only two they could respect and work with. The terminations surrounded their provision of information apparently to the union before, if ever, to management regarding an alleged disturbance at the transfer area at the Rosa Parks building between two drivers. One of the drivers was a union officer.

The employees seemed to be universally dissatisfied with the level of health benefits provided. It appears they are offered a Health Savings Account with a \$5000 deductible. The HSA account is funded at \$600 per year. This plan is similar to the county's HSA plan but county employees are offered two other options.

Operational issues that were mentioned include tight routes. Drivers voiced concern that on some routes, there was insufficient time to use a restroom or eat as they returned to the transfer areas at the Rosa Parks facility. Comments were made that certain routes were too heavily used to be accommodated in a single bus and help or additional capacity was not always available. The drivers were not happy that a new route, 59A, was instituted between the NAS and Cordova Mall. This route is financed by a grant but the drivers view it as a waste of resources as its passenger load is small.

Some mechanics were not happy that First Transit uses nationally negotiated contracts that may not allow continuity with past vendors. Some work procedures changed for ostensibly safety reasons. Examples provided included outsourcing tire replacement and towing rather than pushing buses. These changes are questioned as this is not how it used to be done.

Not all employees interviewed were upset with First Transit. I would estimate that about 10% to 20% of the employees interviewed fell into this category. Some voiced support for what the management was trying to do to improve service and routes. Others commented that the union just wants to run the transit company. Some said that middle management was doing their job in holding employees accountable for their work and disagreed that the group was harassing or badgering staff. Some employees expressed concerns about so-called reverse racism but without specificity.

Conclusion

Right or wrong, a large percentage of current ECAT employees are very unhappy with their situation under First Transit. The opinions are deeply seated and somewhat self-propagating.

The county does not currently have staff with the profound knowledge to successfully, competently and compliantly operate a public transit system. A former General Manager under Veolia that has been promoted by the union as a person that could solve all the ills, was terminated from Veolia when he was apparently found to have had substantial work performed on his personal boat by ECAT staff. As a public entity that needs to maintain the public trust, his re-employment may be problematic. Further, if wholesale changes are made in middle management, a gap will be evident in operating the transit system with accountability and effective supervision.

The current estimate of increased costs to assume the management of ECAT is approximately \$194,000 after factoring in increased Florida Employees' Retirement System employer contributions. An operational analysis to determine possible cost savings and other possible cost increases related to direct assumption of management has not been undertaken to date.

The Board of County Commissioners will decide the direction to be taken with ECAT. The Interim County Administrator will make a recommendation to the Commissioners Board public discussion currently planned for the June 13 Committee of the whole.

Committee of the Whole

9.

Meeting Date: 06/13/2013

Issue: Escambia County Fleet/Equipment

From: Joy D. Blackmon, P.E., Department Director

Information

Recommendation:

Escambia County Fleet/Equipment

(Joy Blackmon/Wes Moreno - 15 min)

A. Board Discussion

B. Board Direction

Attachments

Esc County Fleet/Equipment

Escambia County Fleet/Equipment Procurement

Wes Moreno
Deputy Director
Public Works

Terry Gray
Fleet Division Manager
Public Works



Alternative Fuels

Hybrid Electrics



Compressed Natural Gas



- ✓ 15 New CNG Pick Up Trucks Purchased September 2012
- ✓ Fuel Savings - \$7,000 (September 2012 – May 2013)



Renewable Natural Gas Methane to RNG

- ✓ Create Fueling Infrastructure
- ✓ Build Pipeline from Solid Waste to Roads Compound
- ✓ Convert or replace vehicles/heavy equipment



Fueling Infrastructure

Solid Waste can deliver 100 scfm of gas, equal to approximately 140,000 gallons of gasoline

Solid Waste RNG Processing Facility	\$720,000
Pipeline to Deliver RNG from Solid Waste to Roads	\$1.4 Million
Fueling Infrastructure at Roads (Fast and Time Fill)	\$1.3 Million
Total	\$3.42 Million

Annual Operating Costs
\$181,000



Future Vehicle Purchase: Gas vs. CNG

	Conventional Fuel	CNG
Heavy Vehicles (Dump Trucks)	\$125,000	\$175,000
Equipment (Sweepers)	\$225,000	\$285,000
Light Vehicles	\$26,000	\$39,500

Only vehicles driven in excess of 20,000 miles annually would be considered for replacement.



Additional Considerations:

- **Type of Replacement Vehicle/Equipment**
- **Vehicle/Equipment Specifications**
- **Historic Performance vs. Maintenance Costs**
- **Price (New/Used)**
- **Method of Purchase**



John Deere 544K Loader

Purchase Options

(New) List Price \$187,000



New 2013
(Sheriff's Assoc. Contract)
w/5yr 5,000 Hour
Full Warranty
\$135,000

Used 2009
w/3,500 Hours
Limited Warranty
\$123,245

or



Questions



Committee of the Whole

10.

Meeting Date: 06/13/2013

Issue: County Administrator Search Update

From: Thomas Turner, Department Director

Information

Recommendation:

County Administrator Search Update (REFERRED FROM THE 05-09-2013 COMMITTEE OF THE WHOLE WORKSHOP)

(Tom Turner - 5 min)

A. Board Discussion

B. Board Direction

Attachments

Active County Administrator Appicants as of June 6, 2013

County Administrator Applicants

06/05/2013

- | | |
|--------------|-------------|
| 1. Danny | Blair |
| 2. Alexander | Boamah |
| 3. Ouida | Burgess |
| 4. Tyrus | Campbell |
| 5. Melinda | Carlton |
| 6. Heidi | Catano |
| 7. Vincent | Cautero |
| 8. Travis | Cooper |
| 9. Edward | Ellington |
| 10. Kenneth | Fields |
| 11. Vern | Gavin |
| 12. Patricia | Glover |
| 13. Tim | Gobble |
| 14. Laura | Grainger |
| 15. Kenneth | Griffin |
| 16. Kevin | Hamilton |
| 17. Terry | Hanson |
| 18. Dana | Hlavac |
| 19. Larry | Hochendoner |
| 20. Timothy | Horton |
| 21. Patrick | Howard |
| 22. Clifford | Hughes |
| 23. James | Hunt |
| 24. Star | Jackson |
| 25. Joanna | Johannes |
| 26. Dennis | Kelly |
| 27. Patricia | Kirkpatrick |
| 28. Avara | Knowles |
| 29. Ted | Lakey |
| 30. James | Marchand |
| 31. James | Marker |
| 32. Samuel | Merrick |
| 33. Michael | Nagy |
| 34. Laura | Nelson |
| 35. Richard | Osborne |
| 36. Kamran | Pahlavan |
| 37. Albert | Penksa |
| 38. Yesenia | Perez-West |
| 39. Bill | Press |
| 40. Alan | Probst |
| 41. Ronald | Rabun |

42. Kevin	Seawright
43. Ronald	Shaddix
44. James	Spencer
45. David	Sweany
46. Mark	Thornton
47. Joseph	Threadcraft
48. Edward	Troy
49. Leon	Walker
50. Scorpio	Welch
51. Rachel	Young

Committee of the Whole

11.

Meeting Date: 06/13/2013

Issue: Amended Ethics Law, Chapter 2013-36

From: Alison Rogers, County Attorney

Information

Recommendation:

Amended Ethics Law - Chapter 2013-36

(Alison Rogers - 10 min)

A. Board Discussion

B. Board Direction

Attachments

Summary of Chapter 2013-36

Chapter 2013-36, Laws of Florida

Committee on Ethics and Elections

CS/SB 2 — Ethics

by Rules Committee; Ethics and Elections Committee; and Senators Latvala, Gardiner, Thrasher, Legg, Lee, Benacquisto, Flores, Diaz de la Portilla, Gaetz, Abruzzo, Altman, Bean, Bradley, Brandes, Braynon, Bullard, Clemens, Dean, Detert, Evers, Galvano, Garcia, Gibson, Grimsley, Hays, Hukill, Joyner, Margolis, Montford, Negron, Richter, Ring, Sachs, Simmons, Simpson, Smith, Sobel, Soto, Stargel, and Thompson

The bill (Chapter 2013-36, L.O.F.) is an omnibus ethics reform package containing numerous significant changes to the Code of Ethics for Public Officers and Employees that include:

- **Dual Public Employment:** prohibiting public officers from accepting employment with the state or a political subdivision that is being offered for the purpose of gaining influence or other advantage based upon the person's holding office or candidacy; and providing criteria that must be met for the employment to be lawfully accepted.
- **Revolving Door:** prohibiting a former legislator from lobbying an executive branch agency, agency official, or employee for a period of two years after leaving office.
- **Ethics Training:** requiring all constitutional officers to complete 4 hours of ethics training each year; specifying requirements for ethics training; requiring the commission to adopt rules to establish minimum course content; and requiring each house of the Legislature to provide for ethics training pursuant to its rules.
- **Blind Trusts:** allowing public officers to create a blind trust in order to avoid conflicts of interests arising from the ownership of those assets; specifying that assets placed in a qualified blind trust cannot give rise to a conflict of interest under s. 112.313(3), F.S., s. 112.313(7), F.S., and s. 112.3143, F.S.; specifying that assets placed in the trust must be free of any restrictions concerning sale or trade and may not be improbable or impossible to transfer without the officer's knowledge; prohibiting certain conduct and communications to assure that the trust is truly "blind;" specifying who may serve as a trustee; prohibits certain individuals from managing the blind trust; and requiring the officer to file a notice of the trust or a copy of the trust agreement with the Commission on Ethics.
- **Voting Conflicts:** providing a definition for the terms "principal by whom retained" and "special private gain or loss;" prohibiting a state public officer from voting on any matter that would inure to his or her special private gain or loss; requiring disclosure of any interest prior to the vote unless it is not possible to do so; providing that, if it is not possible for an officer to disclose an interest prior to the vote, he or she must disclose the interest no later than 15 days after the vote; allowing members of the Legislature to satisfy the disclosure requirements using forms promulgated by their respective house; clarifying that an attorney who serves as a member of the Legislature is not required to disclose information that would violate confidentiality or privilege provided, however, that the member makes a general disclosure apprising the public of the general nature of the conflict; and clarifying that members of the Board of Directors of Enterprise Florida are subject to the voting conflict provisions relating to state public officers in s. 112.3143(2), F.S.

- **Financial Disclosure:** requiring the qualifying officer to electronically transmit financial disclosure forms of a candidate for elected office to the commission; requires the commission to refrain from taking action on complaints alleging immaterial, inconsequential, or de minimis errors or omissions for certain period of time to allow an officer time to cure such an error or omission; providing what constitutes an immaterial, inconsequential, or de minimis error or omission; authorizing an individual required to file a disclosure to have the statement prepared by an attorney or a certified public accountant; requiring an attorney or certified public accountant to sign the completed disclosure form to indicate compliance with applicable requirements and that the disclosure is true and correct based on reasonable knowledge and belief; providing that the failure of the attorney or certified public accountant to accurately transcribe information provided by the filing individual does not constitute a violation; authorizing an elected officer or candidate to use funds in an office account or campaign depository to pay an attorney or certified public accountant for preparing a disclosure; requiring all full and public disclosures of financial interests (CE Form 6) filed with the commission to be scanned and made publicly available on a searchable Internet database beginning with the 2012 filing year; requiring the commission to submit a proposal to the President of the Senate and the Speaker of the House of Representatives for a mandatory electronic filing system by December 1, 2015; revising the definitions in s. 112.3145, F.S. of the terms "local officer" and "specified state employee;" requiring a person filing a statement of financial interest to indicate the method of reporting income; amending the collections techniques available for collecting an unpaid fine for failing to timely file financial disclosure; requiring the commission to attempt to determine whether an individual owing certain fines is a current public officer or public employee; authorizing the commission to notify the Chief Financial Officer or the governing body of a county, municipality, or special district of the total amount of any fine owed to the commission by such individuals; requiring that the Chief Financial Officer or the governing body of a county, municipality, or special district begin withholding portions of any salary payment that would otherwise be paid to the current public officer or public employee until the fine is satisfied; authorizing the Chief Financial Officer or the governing body to retain a portion of payment for administrative costs; authorizing garnishment of wages to collect unpaid fines for failure to timely file financial disclosure owed by individuals who are no longer public officers or public employees; authorizing the commission to contract with a collection agency; authorizing a collection agency to utilize collection methods authorized by law; and extending the statute of limitations to allow up to twenty years to collect such an unpaid fine.
- **Gifts and Honoraria:** provides that a person is not a "procurement employee" if he or she does not exceed, or is expected not to exceed, \$10,000 in purchasing during a year; providing a definition of vendor; prohibiting solicitation of gifts and honoraria from vendors; removing references to committees of continuous existence and political committees from existing gifts and honoraria laws; creating a new prohibition on soliciting or accepting certain "gifts" from a political committee, regardless of the value of the "gift;" defining "gifts" for purposes of the new prohibition; and providing penalty.

- **Executive Branch Lobbying:** authorizing the commission to investigate sworn complaints alleging a prohibited expenditure; authorizing the commission to investigate a lobbyist or principal upon a sworn complaint or random audit; authorizing the Governor and Cabinet to assess a fine on a lobbyist or principal under specified conditions; and providing a civil penalty for failure to disclose certain required information.
- **Complaint Procedures:** authorizing the Commission on Ethics, upon a vote of six members, to investigate a referral alleging a breach of the public trust, or violation of the Code of Ethics that is received from the Governor, the Florida Department of Law Enforcement, a state attorney, or a U.S. Attorney; providing that a complaint may not be filed against a candidate for public office within the 30 day period before the election unless the complaint is based upon personal information or information other than hearsay; authorizing the commission to dismiss a complaint alleging a de minimis violation; providing exceptions; and defining "de minimis violation."

These provisions became law upon approval by the Governor on May 1, 2013.

Vote: Senate 37-0; House 117-0

CHAPTER 2013-36

Committee Substitute for Senate Bill No. 2

An act relating to ethics; amending s. 112.312, F.S.; revising the definitions of “business entity” and “gift”; creating s. 112.3125, F.S.; defining the term “public officer”; prohibiting public officers from accepting additional employment with the state or any of its political subdivisions under specified conditions; amending s. 112.313, F.S.; prohibiting a former legislator from acting as a lobbyist before an executive branch agency, agency official, or employee for a specified period following vacation of office; providing definitions; creating s. 112.3142, F.S.; defining the term “constitutional officers”; requiring constitutional officers to complete annual ethics training; specifying requirements for ethics training; requiring the commission to adopt rules to establish minimum course content; requiring each house of the Legislature to provide for ethics training pursuant to its rules; creating s. 112.31425, F.S.; providing legislative findings; providing that holding an economic interest in a qualified blind trust is not a prohibited conflict of interest; providing that a public officer may not attempt to influence, exercise control of, or obtain information regarding the holdings of the qualified blind trust; prohibiting communication regarding the qualified blind trust between a public officer or a person having a beneficial interest in the trust and the trustee; providing exceptions; requiring a public officer to report the qualified blind trust and its value on his or her financial disclosure form under specified circumstances; establishing requirements for creation of a qualified blind trust; requiring a public officer who holds a qualified blind trust to file a notice with the Commission on Ethics; requiring a covered public official to file an amendment to his or her most recent financial disclosure statement under specified conditions; amending s. 112.3143, F.S.; providing definitions; requiring state public officers to abstain from voting on any matter that the officer knows would inure to his or her special private gain or loss; requiring that a memorandum filed after a vote be filed no later than 15 days after the vote; providing that a member of the Legislature satisfies the disclosure requirement by filing a form created pursuant to the rules of his or her respective house; providing that confidential or privileged information need not be disclosed; amending s. 112.3144, F.S.; requiring the qualifying officer to electronically transmit a full and public disclosure of financial interests of a qualified candidate to the commission; providing timeframes for the filing of certain complaints; authorizing filing individuals to file an amended statement during a specified timeframe under specified conditions; authorizing the commission to immediately follow complaint procedures under specified conditions; prohibiting the commission from taking action on complaints alleging immaterial, inconsequential, or de minimis errors or omissions; providing what constitutes an immaterial, inconsequential, or de minimis error or omission; authorizing an individual required to file a disclosure to have the statement prepared by an attorney or a certified public accountant; requiring an attorney or

certified public accountant to sign the completed disclosure form to indicate compliance with applicable requirements and that the disclosure is true and correct based on reasonable knowledge and belief; providing circumstances under which the commission must determine if an attorney or a certified public accountant failed to disclose information provided by the filing individual on the filed statement; providing that the failure of the attorney or certified public accountant to accurately transcribe information provided by the filing individual does not constitute a violation; authorizing an elected officer or candidate to use funds in an office account or campaign depository to pay an attorney or certified public accountant for preparing a disclosure; creating s. 112.31445, F.S.; providing a definition for “electronic filing system”; requiring all disclosures of financial interests filed with the commission to be scanned and made publicly available on a searchable Internet database beginning with the 2012 filing year; requiring the commission to submit a proposal to the President of the Senate and the Speaker of the House of Representatives for a mandatory electronic filing system by a specified date; establishing minimum requirements for the commission’s proposal; amending s. 112.3145, F.S.; revising the definitions of “local officer” and “specified state employee”; revising procedures for the filing of a statement of financial interests with a candidate’s qualifying papers; requiring a person filing a statement of financial interest to indicate the method of reporting income; providing timeframes for the filing of certain complaints; authorizing filing individuals to file an amended statement during a specified timeframe under specified conditions; authorizing the commission to immediately follow complaint procedures under specified conditions; prohibiting the commission from taking action on complaints alleging immaterial, inconsequential, or de minimis errors or omissions; providing what constitutes an immaterial, inconsequential, or de minimis error or omission; authorizing an individual required to file a disclosure to have the statement prepared by an attorney or a certified public accountant; requiring an attorney or certified public accountant to sign the completed disclosure form to indicate compliance with applicable requirements and that the disclosure is true and correct based on reasonable knowledge and belief; providing circumstances under which the commission must determine if an attorney or a certified public accountant failed to disclose information provided by the filing individual on the filed statement; providing that the failure of the attorney or certified public accountant to accurately transcribe information provided by the filing individual does not constitute a violation; authorizing an elected officer or candidate to use funds in an office account or campaign depository to pay an attorney or certified public accountant for preparing a disclosure; creating s. 112.31455, F.S.; requiring the commission to attempt to determine whether an individual owing certain fines is a current public officer or public employee; authorizing the commission to notify the Chief Financial Officer or the governing body of a county, municipality, or special district of the total amount of any fine owed to the commission by such individuals; requiring that the Chief Financial Officer or the governing body of a county, municipality, or special district begin

withholding portions of any salary payment that would otherwise be paid to the current public officer or public employee; requiring that the withheld payments be remitted to the commission until the fine is satisfied; authorizing the Chief Financial Officer or the governing body to retain a portion of payment for administrative costs; authorizing collection methods for the commission or the Department of Financial Services for individuals who are no longer public officers or public employees; authorizing the commission to contract with a collection agency; authorizing a collection agency to utilize collection methods authorized by law; authorizing the commission to collect an unpaid fine within a specified period of issuance of the final order; amending s. 112.3147, F.S.; providing an exception to the requirement that all forms be prescribed by the commission; amending s. 112.3148, F.S.; revising the definition of “procurement employee”; creating a definition for “vendor”; prohibiting a reporting individual or procurement employee from soliciting or knowingly accepting a gift from a vendor; deleting references to committees of continuous existence; creating s. 112.31485, F.S.; providing definitions for “gift” and “immediate family”; prohibiting a reporting individual or procurement employee or a member of his or her immediate family from soliciting or knowingly accepting any gift from a political committee; prohibiting a political committee from giving any gift to a reporting individual or procurement employee or a member of his or her immediate family; providing penalties for a violation; requiring that individuals who violate this section be held personally liable; amending s. 112.3149, F.S.; revising the definition of “procurement employee”; defining the term “vendor”; prohibiting a reporting individual or procurement employee from knowingly accepting an honorarium from a vendor; prohibiting a vendor from giving an honorarium to a reporting individual or procurement employee; amending s. 112.317, F.S.; making technical changes; amending s. 112.3215, F.S.; authorizing the commission to investigate sworn complaints alleging a prohibited expenditure; authorizing the commission to investigate a lobbyist or principal upon a sworn complaint or random audit; authorizing the Governor and Cabinet to assess a fine on a lobbyist or principal under specified conditions; providing a civil penalty; amending s. 112.324, F.S.; authorizing specified parties to submit written referrals of a possible violation of the Code of Ethics for Public Officers and Employees or other possible breaches of the public trust to the Commission on Ethics; establishing procedures for the receipt of written referrals by the commission; extending the period in which the disclosure of the intent to file or the filing of a complaint against a candidate is prohibited; providing exceptions; authorizing the commission to dismiss a complaint of a de minimis violation; providing exceptions; defining a de minimis violation; reenacting s. 120.665, F.S., relating to disqualification of agency personnel, to incorporate the amendments to s. 112.3143, F.S., in a reference thereto; reenacting s. 286.012, F.S., relating to voting requirements at meetings of governmental bodies, to incorporate the amendments made to s. 112.3143, F.S., in a reference thereto; reenacting s. 287.175, F.S., relating to penalties, to incorporate the amendments made to s. 112.324, F.S., in a reference thereto; amending s. 288.901, F.S.; conforming

a cross-reference; amending s. 445.007, F.S., and reenacting subsection (1) of that section, relating to regional workforce boards, to incorporate the amendments made to s. 112.3143, F.S., in a reference thereto; conforming cross-references; reenacting s. 627.311(5)(m), F.S., relating to joint underwriters and joint reinsurers, to incorporate the amendments made to s. 112.3143, F.S., in a reference thereto; reenacting s. 627.351(6)(d), F.S., relating to Citizens Property Insurance Corporation, to incorporate the amendments made to s. 112.3143, F.S.; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Subsection (5) and paragraph (b) of subsection (12) of section 112.312, Florida Statutes, are amended to read:

112.312 Definitions.—As used in this part and for purposes of the provisions of s. 8, Art. II of the State Constitution, unless the context otherwise requires:

(5) “Business entity” means any corporation, partnership, limited partnership, company, limited liability company, proprietorship, firm, enterprise, franchise, association, self-employed individual, or trust, whether fictitiously named or not, doing business in this state.

(12)

(b) “Gift” does not include:

1. Salary, benefits, services, fees, commissions, gifts, or expenses associated primarily with the donee’s employment, business, or service as an officer or director of a corporation or organization.

2. Except as provided in s. 112.31485, contributions or expenditures reported pursuant to chapter 106, contributions or expenditures reported pursuant to federal election law, campaign-related personal services provided without compensation by individuals volunteering their time, or any other contribution or expenditure by a political party or affiliated party committee.

3. An honorarium or an expense related to an honorarium event paid to a person or the person’s spouse.

4. An award, plaque, certificate, or similar personalized item given in recognition of the donee’s public, civic, charitable, or professional service.

5. An honorary membership in a service or fraternal organization presented merely as a courtesy by such organization.

6. The use of a public facility or public property, made available by a governmental agency, for a public purpose.

7. Transportation provided to a public officer or employee by an agency in relation to officially approved governmental business.

8. Gifts provided directly or indirectly by a state, regional, or national organization which promotes the exchange of ideas between, or the professional development of, governmental officials or employees, and whose membership is primarily composed of elected or appointed public officials or staff, to members of that organization or officials or staff of a governmental agency that is a member of that organization.

Section 2. Section 112.3125, Florida Statutes, is created to read:

112.3125 Dual public employment.—

(1) As used in this section, the term “public officer” includes any person who is elected to state or local office or, for the period of his or her candidacy, any person who has qualified as a candidate for state or local office.

(2) A public officer may not accept public employment with the state or any of its political subdivisions if the public officer knows, or with the exercise of reasonable care should know, that the position is being offered by the employer for the purpose of gaining influence or other advantage based on the public officer’s office or candidacy.

(3) Any public employment accepted by a public officer must meet all of the following conditions:

(a)1. The position was already in existence or was created by the employer without the knowledge or anticipation of the public officer’s interest in such position;

2. The position was publicly advertised;

3. The public officer was subject to the same application and hiring process as other candidates for the position; and

4. The public officer meets or exceeds the required qualifications for the position.

(4) A person who was employed by the state or any of its political subdivisions before qualifying as a public officer for his or her current term of office or the next available term of office may continue his or her employment. However, he or she may not accept promotion, advancement, additional compensation, or anything of value that he or she knows, or with the exercise of reasonable care should know, is provided or given as a result of his or her election or position, or that is otherwise inconsistent with the promotion, advancement, additional compensation, or anything of value provided or given an employee who is similarly situated.

(5) This section may not be interpreted as authorizing employment that is otherwise prohibited by law.

Section 3. Paragraph (a) of subsection (9) of section 112.313, Florida Statutes, is amended to read:

112.313 Standards of conduct for public officers, employees of agencies, and local government attorneys.—

(9) POSTEMPLOYMENT RESTRICTIONS; STANDARDS OF CONDUCT FOR LEGISLATORS AND LEGISLATIVE EMPLOYEES.—

(a)1. It is the intent of the Legislature to implement by statute the provisions of s. 8(e), Art. II of the State Constitution relating to legislators, statewide elected officers, appointed state officers, and designated public employees.

2. As used in this paragraph:

a. “Employee” means:

(I) Any person employed in the executive or legislative branch of government holding a position in the Senior Management Service as defined in s. 110.402 or any person holding a position in the Selected Exempt Service as defined in s. 110.602 or any person having authority over policy or procurement employed by the Department of the Lottery.

(II) The Auditor General, the director of the Office of Program Policy Analysis and Government Accountability, the Sergeant at Arms and Secretary of the Senate, and the Sergeant at Arms and Clerk of the House of Representatives.

(III) The executive director and deputy executive director of the Commission on Ethics.

(IV) An executive director, staff director, or deputy staff director of each joint committee, standing committee, or select committee of the Legislature; an executive director, staff director, executive assistant, analyst, or attorney of the Office of the President of the Senate, the Office of the Speaker of the House of Representatives, the Senate Majority Party Office, Senate Minority Party Office, House Majority Party Office, or House Minority Party Office; or any person, hired on a contractual basis, having the power normally conferred upon such persons, by whatever title.

(V) The Chancellor and Vice Chancellors of the State University System; the general counsel to the Board of Governors of the State University System; and the president, provost, vice presidents, and deans of each state university.

(VI) Any person, including an other-personal-services employee, having the power normally conferred upon the positions referenced in this subparagraph.

b. "Appointed state officer" means any member of an appointive board, commission, committee, council, or authority of the executive or legislative branch of state government whose powers, jurisdiction, and authority are not solely advisory and include the final determination or adjudication of any personal or property rights, duties, or obligations, other than those relative to its internal operations.

c. "State agency" means an entity of the legislative, executive, or judicial branch of state government over which the Legislature exercises plenary budgetary and statutory control.

3.a. No member of the Legislature, appointed state officer, or statewide elected officer shall personally represent another person or entity for compensation before the government body or agency of which the individual was an officer or member for a period of 2 years following vacation of office. No member of the Legislature shall personally represent another person or entity for compensation during his or her term of office before any state agency other than judicial tribunals or in settlement negotiations after the filing of a lawsuit.

b. For a period of 2 years following vacation of office, a former member of the Legislature may not act as a lobbyist for compensation before an executive branch agency, agency official, or employee. The terms used in this sub-subparagraph have the same meanings as provided in s. 112.3215.

4. An agency employee, including an agency employee who was employed on July 1, 2001, in a Career Service System position that was transferred to the Selected Exempt Service System under chapter 2001-43, Laws of Florida, may not personally represent another person or entity for compensation before the agency with which he or she was employed for a period of 2 years following vacation of position, unless employed by another agency of state government.

5. Any person violating this paragraph shall be subject to the penalties provided in s. 112.317 and a civil penalty of an amount equal to the compensation which the person receives for the prohibited conduct.

6. This paragraph is not applicable to:

a. A person employed by the Legislature or other agency prior to July 1, 1989;

b. A person who was employed by the Legislature or other agency on July 1, 1989, whether or not the person was a defined employee on July 1, 1989;

c. A person who was a defined employee of the State University System or the Public Service Commission who held such employment on December 31, 1994;

d. A person who has reached normal retirement age as defined in s. 121.021(29), and who has retired under the provisions of chapter 121 by July 1, 1991; or

e. Any appointed state officer whose term of office began before January 1, 1995, unless reappointed to that office on or after January 1, 1995.

Section 4. Section 112.3142, Florida Statutes, is created to read:

112.3142 Ethics training for specified constitutional officers.—

(1) As used in this section, the term “constitutional officers” includes the Governor, the Lieutenant Governor, the Attorney General, the Chief Financial Officer, the Commissioner of Agriculture, state attorneys, public defenders, sheriffs, tax collectors, property appraisers, supervisors of elections, clerks of the circuit court, county commissioners, district school board members, and superintendents of schools.

(2)(a) All constitutional officers must complete 4 hours of ethics training annually that addresses, at a minimum, s. 8, Art. II of the State Constitution, the Code of Ethics for Public Officers and Employees, and the public records and public meetings laws of this state. This requirement may be satisfied by completion of a continuing legal education class or other continuing professional education class, seminar, or presentation if the required subjects are covered.

(b) The commission shall adopt rules establishing minimum course content for the portion of an ethics training class that addresses s. 8, Art. II of the State Constitution and the Code of Ethics for Public Officers and Employees.

(3) Each house of the Legislature shall provide for ethics training pursuant to its rules.

Section 5. Section 112.31425, Florida Statutes, is created to read:

112.31425 Qualified blind trusts.—

(1) The Legislature finds that if a public officer creates a trust and does not control the interests held by the trust, his or her official actions will not be influenced or appear to be influenced by private considerations.

(2) If a public officer holds a beneficial interest in a qualified blind trust as described in this section, he or she does not have a conflict of interest prohibited under s. 112.313(3) or (7) or a voting conflict of interest under s. 112.3143 with regard to matters pertaining to that interest.

(3) The public officer may not attempt to influence or exercise any control over decisions regarding the management of assets in a qualified blind trust. The public officer or any person having a beneficial interest in the qualified blind trust may not make any effort to obtain information with respect to the

holdings of the trust, including obtaining a copy of any trust tax return filed or any information relating thereto, except as otherwise provided in this section.

(4) Except for communications that consist solely of requests for distributions of cash or other unspecified assets of the trust, the public officer or the person who has a beneficial interest may not have any direct or indirect communication with the trustee with respect to the trust, unless such communication is in writing and relates only to:

(a) A distribution from the trust which does not specify the source or assets within the trust from which the distribution is to be made in cash or in kind;

(b) The general financial interests and needs of the public officer or the person who has a beneficial interest, including, but not limited to, an interest in maximizing income or long-term capital gain;

(c) A notification of the trustee of a law or regulation subsequently applicable to the public officer which prohibits the officer from holding an asset and directs that the asset not be held by the trust; or

(d) A direction to the trustee to sell all of an asset initially placed in the trust by the public officer which, in the determination of the public officer, creates a conflict of interest or the appearance thereof due to the subsequent assumption of duties by the public officer.

(5) The public officer shall report the beneficial interest in the qualified blind trust and its value as an asset on his or her financial disclosure form, if the value is required to be disclosed. The public officer shall report the blind trust as a primary source of income on his or her financial disclosure forms and its amount, if the amount of income is required to be disclosed. The public officer is not required to report as a secondary source of income any source of income to the blind trust.

(6) In order to constitute a qualified blind trust, the trust established by the public officer must meet the following requirements:

(a) The appointed trustee must be a bank, trust company, or other institutional fiduciary or an individual who is an attorney, certified public accountant, broker, or investment advisor. If the trustee is an individual or if the trustee is a bank, trust company, or other institutional fiduciary, the individual responsible for managing the trust may not be:

1. The public officer's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, aunt, uncle, or first cousin, or the spouse of any such person;

2. A person who is an elected or appointed public officer or a public employee;

3. A person who has been appointed to serve in an agency by the public officer or by a public officer or public employee supervised by the public officer; or

4. A business associate or principal of the public officer.

(b) All assets in the trust must be free of any restrictions with respect to their transfer or sale. The trust may not contain investments or assets the transfer of which by the trustee is improbable or impractical without the public officer's knowledge.

(c) The trust agreement must:

1. Contain a statement that its purpose is to remove from the grantor control and knowledge of investment of trust assets so that conflicts between the grantor's responsibilities as a public officer and his or her private interests are eliminated.

2. Give the trustee complete discretion to manage the trust, including, but not limited to, the power to dispose of and acquire trust assets without consulting or notifying the covered public officer or the person having a beneficial interest in the trust.

3. Prohibit communication between the trustee and the public officer, or the person who has a beneficial interest in the trust, concerning the holdings or sources of income of the trust, except amounts of cash value or net income or loss, if such report does not identify any asset or holding, or except as provided in this section.

4. Provide that the trust tax return is prepared by the trustee or his or her designee and that any information relating thereto is not disclosed to the public officer or to the person who has a beneficial interest, except as provided in this section.

5. Permit the trustee to notify the public officer of the date of disposition and value at disposition of any original investment or interest in real property to the extent required by federal tax law so that the information can be reported on the public officer's applicable tax returns.

6. Prohibit the trustee from disclosing to the public officer or the person who has a beneficial interest any information concerning replacement assets to the trust, except for the minimum tax information necessary to enable the public official to complete an individual tax return required by law.

(d) Within 5 business days after the agreement is executed, the public officer shall file with the commission a notice setting forth:

1. The date that the agreement is executed.

2. The name and address of the trustee.

3. The acknowledgement by the trustee that he or she has agreed to serve as trustee.

4. A certification by the trustee on a form prescribed by the commission that the trust meets all of the requirements of this section. In lieu of said certification, the public officer may file a copy of the trust agreement.

5. A complete list of assets placed in the trust that the public officer would be required to disclose pursuant to ss. 112.3144 or 112.3145.

(7) If the trust is revoked while the covered public official is a public officer, or if the covered public official learns of any replacement assets that have been added to the trust, the covered public official shall file an amendment to his or her most recent financial disclosure statement. The amendment shall be filed no later than 60 days after the date of revocation or the addition of the replacement assets. The covered public official shall disclose the previously unreported pro rata share of the trust's interests in investments or income deriving from any such investments. For purposes of this section, any replacement asset that becomes known to the covered public official shall thereafter be treated as though it were an original asset of the trust.

Section 6. Subsections (1) and (2) of section 112.3143, Florida Statutes, are amended, current subsection (5) of that section is renumbered as subsection (6), and a new subsection (5) is added to that section, to read:

112.3143 Voting conflicts.—

(1) As used in this section:

(a) “Principal by whom retained” means an individual or entity, other than an agency as defined in s. 112.312(2), that for compensation, salary, pay, consideration, or similar thing of value, has permitted or directed another to act for the individual or entity, and includes, but is not limited to, one’s client, employer, or the parent, subsidiary, or sibling organization of one’s client or employer.

(b)(a) “Public officer” includes any person elected or appointed to hold office in any agency, including any person serving on an advisory body.

(c)(b) “Relative” means any father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, or daughter-in-law.

(d) “Special private gain or loss” means an economic benefit or harm that would inure to the officer, his or her relative, business associate, or principal, unless the measure affects a class that includes the officer, his or her relative, business associate, or principal, in which case, at least the following factors must be considered when determining whether a special private gain or loss exists:

1. The size of the class affected by the vote.

2. The nature of the interests involved.

3. The degree to which the interests of all members of the class are affected by the vote.

4. The degree to which the officer, his or her relative, business associate, or principal receives a greater benefit or harm when compared to other members of the class.

The degree to which there is uncertainty at the time of the vote as to whether there would be any economic benefit or harm to the public officer, his or her relative, business associate, or principal and, if so, the nature or degree of the economic benefit or harm must also be considered.

(2)(a) A No state public officer may not vote on any matter that the officer knows would inure to his or her special private gain or loss is prohibited from voting in an official capacity on any matter. However, Any state public officer who abstains from voting in an official capacity upon any measure that which the officer knows would inure to the officer's special private gain or loss, or who votes in an official capacity on a measure that; which he or she knows would inure to the special private gain or loss of any principal by whom the officer is retained or to the parent organization or subsidiary of a corporate principal by which the officer is retained other than an agency as defined in s. 112.312(2); or which the officer knows would inure to the special private gain or loss of a relative or business associate of the public officer, shall make every reasonable effort to, within 15 days after the vote occurs, disclose the nature of his or her interest as a public record in a memorandum filed with the person responsible for recording the minutes of the meeting, who shall incorporate the memorandum in the minutes. If it is not possible for the state public officer to file a memorandum before the vote, the memorandum must be filed with the person responsible for recording the minutes of the meeting no later than 15 days after the vote.

(b) A member of the Legislature may satisfy the disclosure requirements of this section by filing a disclosure form created pursuant to the rules of the member's respective house if the member discloses the information required by this subsection.

(5) If disclosure of specific information would violate confidentiality or privilege pursuant to law or rules governing attorneys, a public officer, who is also an attorney, may comply with the disclosure requirements of this section by disclosing the nature of the interest in such a way as to provide the public with notice of the conflict.

Section 7. Subsection (2) of section 112.3144, Florida Statutes, is amended, present subsection (7) is renumbered as subsection (9), and new subsections (7) and (8) are added to that section, to read:

112.3144 Full and public disclosure of financial interests.—

(2) A person who is required, pursuant to s. 8, Art. II of the State Constitution, to file a full and public disclosure of financial interests and who has filed a full and public disclosure of financial interests for any calendar or fiscal year shall not be required to file a statement of financial interests pursuant to s. 112.3145(2) and (3) for the same year or for any part thereof notwithstanding any requirement of this part. When a candidate has qualified for office, the qualifying officer shall forward an electronic copy of the full and public disclosure of financial interests to the commission no later than July 1. The electronic copy of the full and public disclosure of financial interests satisfies the annual disclosure requirement of this section. A candidate who does not qualify until after the annual full and public disclosure has been filed pursuant to this section, except that a candidate for office shall file a copy of his or her disclosure with the officer before whom he or she qualifies.

(7)(a) The commission shall treat an amended full and public disclosure of financial interests that is filed prior to September 1 of the current year as the original filing, regardless of whether a complaint has been filed. If a complaint pertaining to the current year alleges a failure to properly and accurately disclose any information required by this section or if a complaint filed pertaining to a previous reporting period within the preceding 5 years alleges a failure to properly and accurately disclose any information required to be disclosed by this section, the commission may immediately follow complaint procedures in s. 112.324. However, if a complaint filed after August 25 alleges an immaterial, inconsequential, or de minimis error or omission, the commission may not take any action on the complaint, other than notifying the filer of the complaint. The filer must be given 30 days to file an amended full and public disclosure of financial interests correcting any errors. If the filer does not file an amended full and public disclosure of financial interests within 30 days after the commission sends notice of the complaint, the commission may continue with proceedings pursuant to s. 112.324.

(b) For purposes of the final full and public disclosure of financial interests, the commission shall treat a new final full and public disclosure of financial interests as the original filing if filed within 60 days after the original filing, regardless of whether a complaint has been filed. If, more than 60 days after a final full and public disclosure of financial interests is filed, a complaint is filed alleging a complete omission of any information required to be disclosed by this section, the commission may immediately follow the complaint procedures in s. 112.324. However, if the complaint alleges an immaterial, inconsequential, or de minimis error or omission, the commission may not take any action on the complaint, other than notifying the filer of the complaint. The filer must be given 30 days to file a new final full and public disclosure of financial interests correcting any errors. If the filer does not file a new final full and public disclosure of financial interests within 30 days after the commission sends notice of the complaint, the commission may continue with proceedings pursuant to s. 112.324.

(c) For purposes of this section, an error or omission is immaterial, inconsequential, or de minimis if the original filing provided sufficient information for the public to identify potential conflicts of interest.

(8)(a) An individual required to file a disclosure pursuant to this section may have the disclosure prepared by an attorney in good standing with The Florida Bar or by a certified public accountant licensed under chapter 473. After preparing a disclosure form, the attorney or certified public accountant must sign the form indicating that he or she prepared the form in accordance with this section and the instructions for completing and filing the disclosure forms and that, upon his or her reasonable knowledge and belief, the disclosure is true and correct. If a complaint is filed alleging a failure to disclose information required by this section, the commission shall determine whether the information was disclosed to the attorney or certified public accountant. The failure of the attorney or certified public accountant to accurately transcribe information provided by the individual required to file is not a violation of this section.

(b) An elected officer or candidate who chooses to use an attorney or a certified public accountant to prepare his or her disclosure may pay for the services of the attorney or certified public accountant from funds in an office account created pursuant to s. 106.141 or, during a year that the individual qualifies for election to public office, the candidate's campaign depository pursuant to s. 106.021.

Section 8. Section 112.31445, Florida Statutes, is created to read:

112.31445 Electronic filing system; full and public disclosure of financial interests.—

(1) As used in this section, the term “electronic filing system” means an Internet system for recording and reporting full and public disclosure of financial interests or any other form that is required pursuant to s. 112.3144.

(2) Beginning with the 2012 filing year, all full and public disclosures of financial interests filed with the commission pursuant to s. 8, Art. II of the State Constitution or s. 112.3144 must be scanned and made publicly available by the commission through a searchable Internet database.

(3) By December 1, 2015, the commission shall submit a proposal to the President of the Senate and the Speaker of the House of Representatives for a mandatory electronic filing system. The proposal must, at a minimum:

(a) Provide for access through the Internet.

(b) Establish a procedure to make filings available in a searchable format that is accessible by an individual using standard web-browsing software.

(c) Provide for direct completion of the full and public disclosure of financial interests forms as well as upload such information using software approved by the commission.

(d) Provide a secure method that prevents unauthorized access to electronic filing system functions.

(e) Provide a method for an attorney or certified public accountant licensed in this state to sign the disclosure form to indicate that he or she prepared the form in accordance with s. 112.3144 and the instructions for completing and filing the disclosure form and that, upon his or her reasonable knowledge and belief, the form is true and correct.

(f) Address whether additional statutory or rulemaking authority is necessary for implementation of the system, and must include, at a minimum, the following elements: alternate filing procedures to be used in the event that the commission's electronic filing system is inoperable, issuance of an electronic receipt via electronic mail indicating and verifying to the individual who submitted the full and public disclosure of financial interests form that the form has been filed, and a determination of the feasibility and necessity of including statements of financial interests filed pursuant to s. 112.3145 in the proposed system.

Section 9. Paragraphs (a) and (b) of subsection (1), paragraph (a) of subsection (2), and subsection (3) of section 112.3145, Florida Statutes, are amended, present subsection (9) of that section is renumbered as subsection (11), and new subsections (9) and (10) are added to that section, to read:

112.3145 Disclosure of financial interests and clients represented before agencies.—

(1) For purposes of this section, unless the context otherwise requires, the term:

(a) “Local officer” means:

1. Every person who is elected to office in any political subdivision of the state, and every person who is appointed to fill a vacancy for an unexpired term in such an elective office.

2. Any appointed member of any of the following boards, councils, commissions, authorities, or other bodies of any county, municipality, school district, independent special district, or other political subdivision of the state:

a. The governing body of the political subdivision, if appointed;

~~b. An expressway authority or transportation authority established by general law;~~

~~b.e.~~ A community college or junior college district board of trustees;

~~c.d.~~ A board having the power to enforce local code provisions;

d.e. A planning or zoning board, board of adjustment, board of appeals, community redevelopment agency board, or other board having the power to recommend, create, or modify land planning or zoning within the political subdivision, except for citizen advisory committees, technical coordinating committees, and such other groups who only have the power to make recommendations to planning or zoning boards;

e.f. A pension board or retirement board having the power to invest pension or retirement funds or the power to make a binding determination of one's entitlement to or amount of a pension or other retirement benefit; or

f.g. Any other appointed member of a local government board who is required to file a statement of financial interests by the appointing authority or the enabling legislation, ordinance, or resolution creating the board.

3. Any person holding one or more of the following positions: mayor; county or city manager; chief administrative employee of a county, municipality, or other political subdivision; county or municipal attorney; finance director of a county, municipality, or other political subdivision; chief county or municipal building code inspector; county or municipal water resources coordinator; county or municipal pollution control director; county or municipal environmental control director; county or municipal administrator, with power to grant or deny a land development permit; chief of police; fire chief; municipal clerk; district school superintendent; community college president; district medical examiner; or purchasing agent having the authority to make any purchase exceeding the threshold amount provided for in s. 287.017 for CATEGORY ONE, on behalf of any political subdivision of the state or any entity thereof.

(b) "Specified state employee" means:

1. Public counsel created by chapter 350, an assistant state attorney, an assistant public defender, a criminal conflict and civil regional counsel, an assistant criminal conflict and civil regional counsel, a full-time state employee who serves as counsel or assistant counsel to any state agency, the Deputy Chief Judge of Compensation Claims, a judge of compensation claims, an administrative law judge, or a hearing officer.

2. Any person employed in the office of the Governor or in the office of any member of the Cabinet if that person is exempt from the Career Service System, except persons employed in clerical, secretarial, or similar positions.

3. The State Surgeon General or each appointed secretary, assistant secretary, deputy secretary, executive director, assistant executive director, or deputy executive director of each state department, commission, board, or council; unless otherwise provided, the division director, assistant division director, deputy director, bureau chief, and assistant bureau chief of any state department or division; or any person having the power normally conferred upon such persons, by whatever title.

4. The superintendent or institute director of a state mental health institute established for training and research in the mental health field or the warden or director of any major state institution or facility established for corrections, training, treatment, or rehabilitation.

5. Business managers, purchasing agents having the power to make any purchase exceeding the threshold amount provided for in s. 287.017 for CATEGORY ONE, finance and accounting directors, personnel officers, or grants coordinators for any state agency.

6. Any person, other than a legislative assistant exempted by the presiding officer of the house by which the legislative assistant is employed, who is employed in the legislative branch of government, except persons employed in maintenance, clerical, secretarial, or similar positions.

7. Each employee of the Commission on Ethics.

(2)(a) A person seeking nomination or election to a state or local elective office shall file a statement of financial interests together with, and at the same time he or she files, qualifying papers. When a candidate has qualified for office prior to the deadline to file an annual statement of financial interests, the statement of financial interests that is filed with the candidate's qualifying papers shall be deemed to satisfy the annual disclosure requirement of this section. The qualifying officer must record that the statement of financial interests was timely filed. However, if a candidate does not qualify until after the annual statement of financial interests has been filed, the candidate may file a copy of his or her statement with the qualifying officer.

(3) The statement of financial interests for state officers, specified state employees, local officers, and persons seeking to qualify as candidates for state or local office shall be filed even if the reporting person holds no financial interests requiring disclosure, in which case the statement shall be marked "not applicable." Otherwise, the statement of financial interests shall include, at the filer's option, either:

(a)1. All sources of income in excess of 5 percent of the gross income received during the disclosure period by the person in his or her own name or by any other person for his or her use or benefit, excluding public salary. However, this shall not be construed to require disclosure of a business partner's sources of income. The person reporting shall list such sources in descending order of value with the largest source first;

2. All sources of income to a business entity in excess of 10 percent of the gross income of a business entity in which the reporting person held a material interest and from which he or she received an amount which was in excess of 10 percent of his or her gross income during the disclosure period and which exceeds \$1,500. The period for computing the gross income of the business entity is the fiscal year of the business entity which ended on, or immediately prior to, the end of the disclosure period of the person reporting;

3. The location or description of real property in this state, except for residences and vacation homes, owned directly or indirectly by the person reporting, when such person owns in excess of 5 percent of the value of such real property, and a general description of any intangible personal property worth in excess of 10 percent of such person's total assets. For the purposes of this paragraph, indirect ownership does not include ownership by a spouse or minor child; and

4. Every individual liability that equals more than the reporting person's net worth; or

(b)1. All sources of gross income in excess of \$2,500 received during the disclosure period by the person in his or her own name or by any other person for his or her use or benefit, excluding public salary. However, this shall not be construed to require disclosure of a business partner's sources of income. The person reporting shall list such sources in descending order of value with the largest source first;

2. All sources of income to a business entity in excess of 10 percent of the gross income of a business entity in which the reporting person held a material interest and from which he or she received gross income exceeding \$5,000 during the disclosure period. The period for computing the gross income of the business entity is the fiscal year of the business entity which ended on, or immediately prior to, the end of the disclosure period of the person reporting;

3. The location or description of real property in this state, except for residence and vacation homes, owned directly or indirectly by the person reporting, when such person owns in excess of 5 percent of the value of such real property, and a general description of any intangible personal property worth in excess of \$10,000. For the purpose of this paragraph, indirect ownership does not include ownership by a spouse or minor child; and

4. Every liability in excess of \$10,000.

A person filing a statement of financial interests shall indicate on the statement whether he or she is using the method specified in paragraph (a) or paragraph (b) of this subsection.

(9)(a) The commission shall treat an amended statement of financial interests that is filed prior to September 1 of the current year as the original filing, regardless of whether a complaint has been filed. If a complaint pertaining to the current year alleges a failure to properly and accurately disclose any information required by this section or if a complaint filed pertaining to a previous reporting period within the preceding 5 years alleges a failure to properly and accurately disclose any information required to be disclosed by this section, the commission may immediately follow complaint procedures in s. 112.324. However, if a complaint filed after August 25 alleges an immaterial, inconsequential, or de minimis error or omission, the commission may not take any action on the complaint, other than notifying

the filer of the complaint. The filer must be given 30 days to file an amended statement of financial interests correcting any errors. If the filer does not file an amended statement of financial interests within 30 days after the commission sends notice of the complaint, the commission may continue with proceedings pursuant to s. 112.324.

(b) For purposes of the final statement of financial interests, the commission shall treat a new final statement of financial interests, as the original filing, if filed within 60 days of the original filing regardless of whether a complaint has been filed. If, more than 60 days after a final statement of financial interests is filed, a complaint is filed alleging a complete omission of any information required to be disclosed by this section, the commission may immediately follow the complaint procedures in s. 112.324. However, if the complaint alleges an immaterial, inconsequential, or de minimis error or omission, the commission may not take any action on the complaint other than notifying the filer of the complaint. The filer must be given 30 days to file a new final statement of financial interests correcting any errors. If the filer does not file a new final statement of financial interests within 30 days after the commission sends notice of the complaint, the commission may continue with proceedings pursuant to s. 112.324.

(c) For purposes of this section, an error or omission is immaterial, inconsequential, or de minimis if the original filing provided sufficient information for the public to identify potential conflicts of interest.

(10)(a) An individual required to file a disclosure pursuant to this section may have the disclosure prepared by an attorney in good standing with The Florida Bar or by a certified public accountant licensed under chapter 473. After preparing a disclosure form, the attorney or certified public accountant must sign the form indicating that he or she prepared the form in accordance with this section and the instructions for completing and filing the disclosure forms and that, upon his or her reasonable knowledge and belief, the disclosure is true and correct. If a complaint is filed alleging a failure to disclose information required by this section, the commission shall determine whether the information was disclosed to the attorney or certified public accountant. The failure of the attorney or certified public accountant to accurately transcribe information provided by the individual who is required to file the disclosure does not constitute a violation of this section.

(b) An elected officer or candidate who chooses to use an attorney or a certified public accountant to prepare his or her disclosure may pay for the services of the attorney or certified public accountant from funds in an office account created pursuant to s. 106.141 or, during a year that the individual qualifies for election to public office, the candidate's campaign depository pursuant to s. 106.021.

Section 10. Section 112.31455, Florida Statutes, is created to read:

112.31455 Collection methods for unpaid automatic fines for failure to timely file disclosure of financial interests.—

(1) Before referring any unpaid fine accrued pursuant to s. 112.3144(5) or s. 112.3145(6) to the Department of Financial Services, the commission shall attempt to determine whether the individual owing such a fine is a current public officer or current public employee. If so, the commission may notify the Chief Financial Officer or the governing body of the appropriate county, municipality, or special district of the total amount of any fine owed to the commission by such individual.

(a) After receipt and verification of the notice from the commission, the Chief Financial Officer or the governing body of the county, municipality, or special district shall begin withholding the lesser of 10 percent or the maximum amount allowed under federal law from any salary-related payment. The withheld payments shall be remitted to the commission until the fine is satisfied.

(b) The Chief Financial Officer or the governing body of the county, municipality, or special district may retain an amount of each withheld payment, as provided in s. 77.0305, to cover the administrative costs incurred under this section.

(2) If the commission determines that the individual who is the subject of an unpaid fine accrued pursuant to s. 112.3144(5) or s. 112.3145(6) is no longer a public officer or public employee or if the commission is unable to determine whether the individual is a current public officer or public employee, the commission may, 6 months after the order becomes final, seek garnishment of any wages to satisfy the amount of the fine, or any unpaid portion thereof, pursuant to chapter 77. Upon recording the order imposing the fine with the clerk of the circuit court, the order shall be deemed a judgment for purposes of garnishment pursuant to chapter 77.

(3) The commission may refer unpaid fines to the appropriate collection agency, as directed by the Chief Financial Officer, to utilize any collection methods provided by law. Except as expressly limited by this section, any other collection methods authorized by law are allowed.

(4) Action may be taken to collect any unpaid fine imposed by ss. 112.3144 and 112.3145 within 20 years after the date the final order is rendered.

Section 11. Section 112.3147, Florida Statutes, is amended to read:

112.3147 Forms.—Except as otherwise provided, all information required to be furnished by ss. 112.313, 112.3143, 112.3144, 112.3145, 112.3148, and 112.3149 and by s. 8, Art. II of the State Constitution shall be on forms prescribed by the Commission on Ethics.

Section 12. Paragraph (e) of subsection (2) of section 112.3148, Florida Statutes, is amended and paragraph (f) is added to that subsection, and subsections (3) through (5) of that section are amended, to read:

112.3148 Reporting and prohibited receipt of gifts by individuals filing full or limited public disclosure of financial interests and by procurement employees.—

(2) As used in this section:

(e) “Procurement employee” means any employee of an officer, department, board, commission, ~~or~~ or council, or agency of the executive branch or judicial branch of state government who has participated in the preceding 12 months ~~participates~~ through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, or auditing or in any other advisory capacity in the procurement of contractual services or commodities as defined in s. 287.012, if the cost of such services or commodities exceeds or is expected to exceed \$10,000 ~~\$1,000~~ in any fiscal year.

(f) “Vendor” means a business entity doing business directly with an agency, such as renting, leasing, or selling any realty, goods, or services.

(3) A reporting individual or procurement employee is prohibited from soliciting any gift from a vendor doing business with the reporting individual’s or procurement employee’s agency, a political committee ~~or committee of continuous existence~~, as defined in s. 106.011, or from a lobbyist who lobbies the reporting individual’s or procurement employee’s agency, or the partner, firm, employer, or principal of such lobbyist, where such gift is for the personal benefit of the reporting individual or procurement employee, another reporting individual or procurement employee, or any member of the immediate family of a reporting individual or procurement employee.

(4) A reporting individual or procurement employee or any other person on his or her behalf is prohibited from knowingly accepting, directly or indirectly, a gift from a vendor doing business with the reporting individual’s or procurement employee’s agency, a political committee ~~or committee of continuous existence~~, as defined in s. 106.011, or from a lobbyist who lobbies the reporting individual’s or procurement employee’s agency, or directly or indirectly on behalf of the partner, firm, employer, or principal of a lobbyist, if he or she knows or reasonably believes that the gift has a value in excess of \$100; however, such a gift may be accepted by such person on behalf of a governmental entity or a charitable organization. If the gift is accepted on behalf of a governmental entity or charitable organization, the person receiving the gift shall not maintain custody of the gift for any period of time beyond that reasonably necessary to arrange for the transfer of custody and ownership of the gift.

(5)(a) A vendor doing business with the reporting individual’s or procurement employee’s agency; a political committee ~~or a committee of continuous existence~~, as defined in s. 106.011; a lobbyist who lobbies a reporting individual’s or procurement employee’s agency; the partner, firm, employer, or principal of a lobbyist; or another on behalf of the lobbyist or

partner, firm, principal, or employer of the lobbyist is prohibited from giving, either directly or indirectly, a gift that has a value in excess of \$100 to the reporting individual or procurement employee or any other person on his or her behalf; however, such person may give a gift having a value in excess of \$100 to a reporting individual or procurement employee if the gift is intended to be transferred to a governmental entity or a charitable organization.

(b) However, a person who is regulated by this subsection, who is not regulated by subsection (6), and who makes, or directs another to make, an individual gift having a value in excess of \$25, but not in excess of \$100, other than a gift that the donor knows will be accepted on behalf of a governmental entity or charitable organization, must file a report on the last day of each calendar quarter for the previous calendar quarter in which a reportable gift is made. The report shall be filed with the Commission on Ethics, except with respect to gifts to reporting individuals of the legislative branch, in which case the report shall be filed with the Office of Legislative Services. The report must contain a description of each gift, the monetary value thereof, the name and address of the person making such gift, the name and address of the recipient of the gift, and the date such gift is given. In addition, if a gift is made which requires the filing of a report under this subsection, the donor must notify the intended recipient at the time the gift is made that the donor, or another on his or her behalf, will report the gift under this subsection. Under this paragraph, a gift need not be reported by more than one person or entity.

Section 13. Section 112.31485, Florida Statutes, is created to read:

112.31485 Prohibition on gifts involving political committees.—

(1)(a) For purposes of this section, the term “gift” means any purchase, payment, distribution, loan, advance, transfer of funds, or disbursement of money or anything of value that is not primarily related to contributions, expenditures, or other political activities authorized pursuant to chapter 106.

(b) For purposes of this section, the term “immediate family” means any parent, spouse, child, or sibling.

(2)(a) A reporting individual or procurement employee or a member of his or her immediate family is prohibited from soliciting or knowingly accepting, directly or indirectly, any gift from a political committee.

(b) A political committee is prohibited from giving, directly or indirectly, any gift to a reporting individual or procurement employee or a member of his or her immediate family.

(3) Any person who violates this section is subject to a civil penalty equal to three times the amount of the gift. Such penalty is in addition to the penalties provided in s. 112.317 and shall be paid to the General Revenue Fund of the state. A reporting individual or procurement employee or a member of his or her immediate family who violates this section is personally

liable for payment of the treble penalty. Any agent or person acting on behalf of a political committee who gives a prohibited gift is personally liable for payment of the treble penalty.

Section 14. Paragraph (e) of subsection (1) of section 112.3149, Florida Statutes, is amended, and paragraph (f) is added to that subsection, and subsections (3) and (4) of that section are amended, to read:

112.3149 Solicitation and disclosure of honoraria.—

(1) As used in this section:

(e) “Procurement employee” means any employee of an officer, department, board, commission, or council, or agency of the executive branch or judicial branch of state government who has participated in the preceding 12 months ~~participates~~ through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, or auditing or in any other advisory capacity in the procurement of contractual services or commodities as defined in s. 287.012, if the cost of such services or commodities exceeds \$10,000 ~~\$1,000~~ in any fiscal year.

(f) “Vendor” means a business entity doing business directly with an agency, such as renting, leasing, or selling any realty, goods, or services.

(3) A reporting individual or procurement employee is prohibited from knowingly accepting an honorarium from a political committee ~~or committee of continuous existence~~, as defined in s. 106.011, from a vendor doing business with the reporting individual’s or procurement employee’s agency, from a lobbyist who lobbies the reporting individual’s or procurement employee’s agency, or from the employer, principal, partner, or firm of such a lobbyist.

(4) A political committee ~~or committee of continuous existence~~, as defined in s. 106.011, a vendor doing business with the reporting individual’s or procurement employee’s agency, a lobbyist who lobbies a reporting individual’s or procurement employee’s agency, or the employer, principal, partner, or firm of such a lobbyist is prohibited from giving an honorarium to a reporting individual or procurement employee.

Section 15. Section 112.317, Florida Statutes, is amended to read:

112.317 Penalties.—

(1) Any violation of ~~any provision of~~ this part, including, but not limited to, ~~any failure to file any disclosures required by this part or violation of any standard of conduct imposed by this part, or any violation of any provision of~~ s. 8, Art. II of the State Constitution, in addition to any criminal penalty or other civil penalty involved, ~~shall~~, under applicable constitutional and statutory procedures, constitutes ~~constitute~~ grounds for, and may be punished by, one or more of the following:

(a) In the case of a public officer:

1. Impeachment.
2. Removal from office.
3. Suspension from office.
4. Public censure and reprimand.
5. Forfeiture of no more than one-third of his or her salary per month for no more than 12 months.
6. A civil penalty not to exceed \$10,000.
7. Restitution of any pecuniary benefits received because of the violation committed. The commission may recommend that the restitution penalty be paid to the agency of which the public officer was a member or to the General Revenue Fund.

(b) In the case of an employee or a person designated as a public officer by this part who otherwise would be deemed to be an employee:

1. Dismissal from employment.
2. Suspension from employment for not more than 90 days without pay.
3. Demotion.
4. Reduction in his or her salary level.
5. Forfeiture of no more than one-third salary per month for no more than 12 months.
6. A civil penalty not to exceed \$10,000.
7. Restitution of any pecuniary benefits received because of the violation committed. The commission may recommend that the restitution penalty be paid to the agency by which the public employee was employed, or of which the officer was deemed to be an employee, or to the General Revenue Fund.
8. Public censure and reprimand.

(c) In the case of a candidate who violates ~~the provisions of this part or s. 8(a) and (i), Art. II of the State Constitution:~~

1. Disqualification from being on the ballot.
2. Public censure.
3. Reprimand.
4. A civil penalty not to exceed \$10,000.

(d) In the case of a former public officer or employee who has violated a provision applicable to former officers or employees or whose violation occurred before the officer's or employee's leaving public office or employment:

1. Public censure and reprimand.
2. A civil penalty not to exceed \$10,000.

3. Restitution of any pecuniary benefits received because of the violation committed. The commission may recommend that the restitution penalty be paid to the agency of the public officer or employee or to the General Revenue Fund.

(e) In the case of a person who is subject to the standards of this part, other than a lobbyist or lobbying firm under s. 112.3215 for a violation of s. 112.3215, but who is not a public officer or employee:

1. Public censure and reprimand.
2. A civil penalty not to exceed \$10,000.

3. Restitution of any pecuniary benefits received because of the violation committed. The commission may recommend that the restitution penalty be paid to the agency of the person or to the General Revenue Fund.

(2) In any case in which the commission finds a violation of this part or of s. 8, Art. II of the State Constitution and the proper disciplinary official or body under s. 112.324 imposes a civil penalty or restitution penalty, the Attorney General shall bring a civil action to recover such penalty. No defense may be raised in the civil action to enforce the civil penalty or order of restitution that could have been raised by judicial review of the administrative findings and recommendations of the commission by certiorari to the district court of appeal. The Attorney General shall collect any costs, attorney's fees, expert witness fees, or other costs of collection incurred in bringing the action.

(3) The penalties prescribed in this part shall not be construed to limit or to conflict with:

(a) The power of either house of the Legislature to discipline its own members or impeach a public officer.

(b) The power of agencies to discipline officers or employees.

(4) Any violation of this part or of s. 8, Art. II of the State Constitution by a public officer constitutes ~~shall constitute~~ malfeasance, misfeasance, or neglect of duty in office within the meaning of s. 7, Art. IV of the State Constitution.

(5) By order of the Governor, upon recommendation of the commission, any elected municipal officer who violates ~~any provision of this part or of s. 8, Art. II of the State Constitution~~ may be suspended from office and the office filled by appointment for the period of suspension. The suspended officer may at any time before removal be reinstated by the Governor. The Senate may, in proceedings prescribed by law, remove from office, or reinstate, the suspended official, and for such purpose the Senate may be convened in special session by its President or by a majority of its membership.

(6) In any case in which the commission finds probable cause to believe that a complainant has committed perjury in regard to any document filed with, or any testimony given before, the commission, it shall refer such evidence to the appropriate law enforcement agency for prosecution and taxation of costs.

(7) In any case in which the commission determines that a person has filed a complaint against a public officer or employee with a malicious intent to injure the reputation of such officer or employee by filing the complaint with knowledge that the complaint contains one or more false allegations or with reckless disregard for whether the complaint contains false allegations of fact material to a violation of this part, the complainant shall be liable for costs plus reasonable attorney ~~attorney's~~ fees incurred in the defense of the person complained against, including the costs and reasonable attorney ~~attorney's~~ fees incurred in proving entitlement to and the amount of costs and fees. If the complainant fails to pay such costs and fees voluntarily within 30 days following such finding by the commission, the commission shall forward such information to the Department of Legal Affairs, which shall bring a civil action in a court of competent jurisdiction to recover the amount of such costs and fees awarded by the commission.

Section 16. Paragraphs (a) and (c) of subsection (8) and subsection (10) of section 112.3215, Florida Statutes, are amended, present subsections (11) through (14) are renumbered as (12) through (15), respectively, and a new subsection (11) is added to that section to read:

112.3215 Lobbying before the executive branch or the Constitution Revision Commission; registration and reporting; investigation by commission.—

(8)(a) The commission shall investigate every sworn complaint that is filed with it alleging that a person covered by this section has failed to register, has failed to submit a compensation report, has made a prohibited expenditure, or has knowingly submitted false information in any report or registration required in this section.

(c) The commission shall investigate any lobbying firm, lobbyist, principal, agency, officer, or employee upon receipt of information from a sworn complaint or from a random audit of lobbying reports indicating a possible violation other than a late-filed report.

(10) If the Governor and Cabinet finds that a violation occurred, it may reprimand the violator, censure the violator, or prohibit the violator from lobbying all agencies for a period not to exceed 2 years. If the violator is a lobbying firm, lobbyist, or principal, the Governor and Cabinet may also assess a fine of not more than \$5,000 to be deposited in the Executive Branch Lobby Registration Trust Fund.

(11) Any person who is required to be registered or to provide information under this section or under rules adopted pursuant to this section and who knowingly fails to disclose any material fact that is required by this section or by rules adopted pursuant to this section, or who knowingly provides false information on any report required by this section or by rules adopted pursuant to this section, commits a noncriminal infraction, punishable by a fine not to exceed \$5,000. Such penalty is in addition to any other penalty assessed by the Governor and Cabinet pursuant to subsection (10).

Section 17. Section 112.324, Florida Statutes, is amended to read:

112.324 Procedures on complaints of violations and referrals; public records and meeting exemptions.—

~~(1) Upon a written complaint executed on a form prescribed by the commission and signed under oath or affirmation by any person, The commission shall investigate an any alleged violation of this part or any other alleged breach of the public trust within the jurisdiction of the commission as provided in s. 8(f), Art. II of the State Constitution; in accordance with procedures set forth herein.~~

(a) Upon a written complaint executed on a form prescribed by the commission and signed under oath of affirmation by any person; or

(b) Upon receipt of a written referral of a possible violation of this part or other possible breach of the public trust from the Governor, the Department of Law Enforcement, a state attorney, or a United States Attorney which at least six members of the commission determine is sufficient to indicate a violation of this part or any other breach of the public trust.

Within 5 days after receipt of a complaint by the commission or a determination by at least six members of the commission that the referral received is deemed sufficient, a copy shall be transmitted to the alleged violator.

(2)(a) The complaint and records relating to the complaint or to any preliminary investigation held by the commission or its agents, by a Commission on Ethics and Public Trust established by any county defined in s. 125.011(1) or by any municipality defined in s. 165.031, or by any county or municipality that has established a local investigatory process to enforce more stringent standards of conduct and disclosure requirements as provided in s. 112.326 are confidential and exempt from the provisions of s. 119.07(1) and s. 24(a), Art. I of the State Constitution.

(b) Any proceeding conducted by the commission, a Commission on Ethics and Public Trust, or a county or municipality that has established such local investigatory process, pursuant to a complaint or preliminary investigation, is exempt from the provisions of s. 286.011, s. 24(b), Art. I of the State Constitution, and s. 120.525.

(c) The exemptions in paragraphs (a) and (b) apply until the complaint is dismissed as legally insufficient, until the alleged violator requests in writing that such records and proceedings be made public, or until the commission, a Commission on Ethics and Public Trust, or a county or municipality that has established such local investigatory process determines, based on such investigation, whether probable cause exists to believe that a violation has occurred. ~~In no event shall~~ A complaint or referral under this part against a candidate in any general, special, or primary election may not be filed nor may ~~or any intention of filing such a complaint or referral~~ be disclosed on the day of any such election or within the 30 ~~5~~ days immediately preceding the date of the election, unless the complaint or referral is based upon personal information or information other than hearsay.

(d) This subsection is subject to the Open Government Sunset Review Act in accordance with s. 119.15 and shall stand repealed on October 2, 2015, unless reviewed and saved from repeal through reenactment by the Legislature.

(3) A preliminary investigation shall be undertaken by the commission of each legally sufficient complaint or referral over which the commission has jurisdiction to determine whether there is probable cause to believe that a violation has occurred. If, upon completion of the preliminary investigation, the commission finds no probable cause to believe that this part has been violated or that any other breach of the public trust has been committed, the commission shall dismiss the complaint or referral with the issuance of a public report to the complainant and the alleged violator, stating with particularity its reasons for dismissal ~~of the complaint~~. At that time, the complaint or referral and all materials relating to the complaint or referral shall become a matter of public record. If the commission finds from the preliminary investigation probable cause to believe that this part has been violated or that any other breach of the public trust has been committed, it shall so notify the complainant and the alleged violator in writing. Such notification and all documents made or received in the disposition of the complaint or referral shall then become public records. Upon request submitted to the commission in writing, any person who the commission finds probable cause to believe has violated any provision of this part or has committed any other breach of the public trust shall be entitled to a public hearing. Such person shall be deemed to have waived the right to a public hearing if the request is not received within 14 days following the mailing of the probable cause notification required by this subsection. However, the commission may on its own motion, require a public hearing, may conduct such further investigation as it deems necessary, and may enter into such stipulations and settlements as it finds to be just and in the best interest of the state. The commission is without jurisdiction to, and no respondent may

voluntarily or involuntarily, enter into a stipulation or settlement which imposes any penalty, including, but not limited to, a sanction or admonition or any other penalty contained in s. 112.317. Penalties shall be imposed only by the appropriate disciplinary authority as designated in this section.

(4) If, in cases pertaining to members of the Legislature, upon completion of a full and final investigation by the commission, the commission finds that there has been a violation of this part or of any provision of s. 8, Art. II of the State Constitution, the commission shall forward a copy of the complaint or referral and its findings by certified mail to the President of the Senate or the Speaker of the House of Representatives, whichever is applicable, who shall refer the complaint or referral to the appropriate committee for investigation and action which shall be governed by the rules of its respective house. It is shall be the duty of the committee to report its final action upon the matter ~~complaint~~ to the commission within 90 days of the date of transmittal to the respective house. Upon request of the committee, the commission shall submit a recommendation as to what penalty, if any, should be imposed. In the case of a member of the Legislature, the house in which the member serves has ~~shall have~~ the power to invoke the penalty provisions of this part.

(5) If, in cases ~~pertaining to complaints~~ against impeachable officers, upon completion of a full and final investigation by the commission, the commission finds that there has been a violation of this part or of any provision of s. 8, Art. II of the State Constitution, and the commission finds that the violation may constitute grounds for impeachment, the commission shall forward a copy of the complaint or referral and its findings by certified mail to the Speaker of the House of Representatives, who shall refer the complaint or referral to the appropriate committee for investigation and action which shall be governed by the rules of the House of Representatives. It is shall be the duty of the committee to report its final action upon the matter ~~complaint~~ to the commission within 90 days of the date of transmittal.

(6) If the commission finds that there has been a violation of this part or of any provision of s. 8, Art. II of the State Constitution by an impeachable officer other than the Governor, and the commission recommends public censure and reprimand, forfeiture of a portion of the officer's salary, a civil penalty, or restitution, the commission shall report its findings and recommendation of disciplinary action to the Governor, who has ~~shall~~ have the power to invoke the penalty provisions of this part.

(7) If the commission finds that there has been a violation of this part or of any provision of s. 8, Art. II of the State Constitution by the Governor, and the commission recommends public censure and reprimand, forfeiture of a portion of the Governor's salary, a civil penalty, or restitution, the commission shall report its findings and recommendation of disciplinary action to the Attorney General, who shall have the power to invoke the penalty provisions of this part.

(8) If, in cases ~~pertaining to complaints~~ other than complaints or referrals against impeachable officers or members of the Legislature, upon completion

of a full and final investigation by the commission, the commission finds that there has been a violation of this part or of s. 8, Art. II of the State Constitution, it ~~is shall be~~ the duty of the commission to report its findings and recommend appropriate action to the proper disciplinary official or body as follows, and such official or body ~~has shall have~~ the power to invoke the penalty provisions of this part, including the power to order the appropriate elections official to remove a candidate from the ballot for a violation of s. 112.3145 or s. 8(a) and (i), Art. II of the State Constitution:

(a) The President of the Senate and the Speaker of the House of Representatives, jointly, in any case concerning the Public Counsel, members of the Public Service Commission, members of the Public Service Commission Nominating Council, the Auditor General, or the director of the Office of Program Policy Analysis and Government Accountability.

(b) The Supreme Court, in any case concerning an employee of the judicial branch.

(c) The President of the Senate, in any case concerning an employee of the Senate; the Speaker of the House of Representatives, in any case concerning an employee of the House of Representatives; or the President and the Speaker, jointly, in any case concerning an employee of a committee of the Legislature whose members are appointed solely by the President and the Speaker or in any case concerning an employee of the Public Counsel, Public Service Commission, Auditor General, or Office of Program Policy Analysis and Government Accountability.

(d) Except as otherwise provided by this part, the Governor, in the case of any other public officer, public employee, former public officer or public employee, candidate or former candidate, or person who is not a public officer or employee, other than lobbyists and lobbying firms under s. 112.3215 for violations of s. 112.3215.

(e) The President of the Senate or the Speaker of the House of Representatives, whichever is applicable, in any case concerning a former member of the Legislature who has violated a provision applicable to former members or whose violation occurred while a member of the Legislature.

(9) In addition to reporting its findings to the proper disciplinary body or official, the commission shall report these findings to the state attorney or any other appropriate official or agency having authority to initiate prosecution when violation of criminal law is indicated.

(10) Notwithstanding the foregoing procedures of this section, a sworn complaint against any member or employee of the Commission on Ethics for violation of this part or of s. 8, Art. II of the State Constitution shall be filed with the President of the Senate and the Speaker of the House of Representatives. Each presiding officer shall, after determining that there are sufficient grounds for review, appoint three members of their respective bodies to a special joint committee who shall investigate the complaint. The

members shall elect a chair from among their number. If the special joint committee finds insufficient evidence to establish probable cause to believe a violation of this part or of s. 8, Art. II of the State Constitution has occurred, it shall dismiss the complaint. If, upon completion of its preliminary investigation, the committee finds sufficient evidence to establish probable cause to believe a violation has occurred, the chair thereof shall transmit such findings to the Governor who shall convene a meeting of the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Chief Justice of the Supreme Court to take such final action on the complaint as they shall deem appropriate, consistent with the penalty provisions of this part. Upon request of a majority of the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Chief Justice of the Supreme Court, the special joint committee shall submit a recommendation as to what penalty, if any, should be imposed.

(11)(a) Notwithstanding subsections (1)-(8), the commission may dismiss any complaint or referral at any stage of disposition if it determines that the violation that is alleged or has occurred is a de minimis violation attributable to inadvertent or unintentional error. In determining whether a violation was de minimis, the commission shall consider whether the interests of the public were protected despite the violation. This subsection does not apply to complaints or referrals pursuant to ss. 112.3144 and 112.3145.

(b) For the purposes of this subsection, a de minimis violation is any violation that is unintentional and not material in nature.

~~(12)~~(11) Notwithstanding the provisions of subsections (1)-(8), the commission may, at its discretion, dismiss any complaint or referral at any stage of disposition should it determine that the public interest would not be served by proceeding further, in which case the commission shall issue a public report stating with particularity its reasons for the dismissal.

Section 18. For the purpose of incorporating the amendment made by this act to section 112.3143, Florida Statutes, in a reference thereto, subsection (1) of section 120.665, Florida Statutes, is reenacted to read:

120.665 Disqualification of agency personnel.—

(1) Notwithstanding the provisions of s. 112.3143, any individual serving alone or with others as an agency head may be disqualified from serving in an agency proceeding for bias, prejudice, or interest when any party to the agency proceeding shows just cause by a suggestion filed within a reasonable period of time prior to the agency proceeding. If the disqualified individual was appointed, the appointing power may appoint a substitute to serve in the matter from which the individual is disqualified. If the individual is an elected official, the Governor may appoint a substitute to serve in the matter from which the individual is disqualified. However, if a quorum remains after the individual is disqualified, it shall not be necessary to appoint a substitute.

Section 19. For the purpose of incorporating the amendment made by this act to section 112.3143, Florida Statutes, in a reference thereto, section 286.012, Florida Statutes, is reenacted to read:

286.012 Voting requirement at meetings of governmental bodies.—No member of any state, county, or municipal governmental board, commission, or agency who is present at any meeting of any such body at which an official decision, ruling, or other official act is to be taken or adopted may abstain from voting in regard to any such decision, ruling, or act; and a vote shall be recorded or counted for each such member present, except when, with respect to any such member, there is, or appears to be, a possible conflict of interest under the provisions of s. 112.311, s. 112.313, or s. 112.3143. In such cases, said member shall comply with the disclosure requirements of s. 112.3143.

Section 20. For the purpose of incorporating the amendment made by this act to section 112.324, Florida Statutes, in a reference thereto, section 287.175, Florida Statutes, is reenacted to read:

287.175 Penalties.—A violation of this part or a rule adopted hereunder, pursuant to applicable constitutional and statutory procedures, constitutes misuse of public position as defined in s. 112.313(6), and is punishable as provided in s. 112.317. The Chief Financial Officer shall report incidents of suspected misuse to the Commission on Ethics, and the commission shall investigate possible violations of this part or rules adopted hereunder when reported by the Chief Financial Officer, notwithstanding the provisions of s. 112.324. Any violation of this part or a rule adopted hereunder shall be presumed to have been committed with wrongful intent, but such presumption is rebuttable. Nothing in this section is intended to deny rights provided to career service employees by s. 110.227.

Section 21. Paragraph (c) of subsection (1) of section 288.901, Florida Statutes, is amended to read:

288.901 Enterprise Florida, Inc.—

(1) CREATION.—

(c) The Legislature determines that it is in the public interest for the members of Enterprise Florida, Inc., board of directors to be subject to the requirements of ss. 112.3135, 112.3143(2) ~~112.3143~~, and 112.313, excluding s. 112.313(2), notwithstanding the fact that the board members are not public officers or employees. For purposes of those sections, the board members shall be considered to be public officers or employees. The exemption set forth in s. 112.313(12) for advisory boards applies to the members of Enterprise Florida, Inc., board of directors. Further, each member of the board of directors who is not otherwise required to file financial disclosures pursuant to s. 8, Art. II of the State Constitution or s. 112.3144, shall file disclosure of financial interests pursuant to s. 112.3145.

Section 22. Subsection (1) of section 445.007, Florida Statutes, is reenacted for the purpose of incorporating the amendment made by this act to section 112.3143, Florida Statutes, in a reference thereto, and subsection (11) of that section is amended, to read:

445.007 Regional workforce boards.—

(1) One regional workforce board shall be appointed in each designated service delivery area and shall serve as the local workforce investment board pursuant to Pub. L. No. 105-220. The membership of the board shall be consistent with Pub. L. No. 105-220, Title I, s. 117(b) but may not exceed the minimum membership required in Pub. L. No. 105-220, Title I, s. 117(b)(2)(A) and in this subsection. Upon approval by the Governor, the chief elected official may appoint additional members above the limit set by this subsection. If a public education or training provider is represented on the board, a representative of a private nonprofit provider and a representative of a private for-profit provider must also be appointed to the board. The board shall include one nonvoting representative from a military installation if a military installation is located within the region and the appropriate military command or organization authorizes such representation. It is the intent of the Legislature that membership of a regional workforce board include persons who are current or former recipients of welfare transition assistance as defined in s. 445.002(2) or workforce services as provided in s. 445.009(1) or that such persons be included as ex officio members of the board or of committees organized by the board. The importance of minority and gender representation shall be considered when making appointments to the board. The board, its committees, subcommittees, and subdivisions, and other units of the workforce system, including units that may consist in whole or in part of local governmental units, may use any method of telecommunications to conduct meetings, including establishing a quorum through telecommunications, provided that the public is given proper notice of the telecommunications meeting and reasonable access to observe and, when appropriate, participate. Regional workforce boards are subject to chapters 119 and 286 and s. 24, Art. I of the State Constitution. If the regional workforce board enters into a contract with an organization or individual represented on the board of directors, the contract must be approved by a two-thirds vote of the board, a quorum having been established, and the board member who could benefit financially from the transaction must abstain from voting on the contract. A board member must disclose any such conflict in a manner that is consistent with the procedures outlined in s. 112.3143. Each member of a regional workforce board who is not otherwise required to file a full and public disclosure of financial interests pursuant to s. 8, Art. II of the State Constitution or s. 112.3144 shall file a statement of financial interests pursuant to s. 112.3145. The executive director or designated person responsible for the operational and administrative functions of the regional workforce board who is not otherwise required to file a full and public disclosure of financial interests pursuant to s. 8, Art. II of the State Constitution or s. 112.3144 shall file a statement of financial interests pursuant to s. 112.3145.

(11) To increase transparency and accountability, a regional workforce board must comply with the requirements of this section before contracting with a member of the board or a relative, as defined in s. 112.3143(1)(c) ~~112.3143(1)(b)~~, of a board member or of an employee of the board. Such contracts may not be executed before or without the approval of Workforce Florida, Inc. Such contracts, as well as documentation demonstrating adherence to this section as specified by Workforce Florida, Inc., must be submitted to the Department of Economic Opportunity for review and recommendation according to criteria to be determined by Workforce Florida, Inc. Such a contract must be approved by a two-thirds vote of the board, a quorum having been established; all conflicts of interest must be disclosed before the vote; and any member who may benefit from the contract, or whose relative may benefit from the contract, must abstain from the vote. A contract under \$25,000 between a regional workforce board and a member of that board or between a relative, as defined in s. 112.3143(1)(c) ~~112.3143(1)(b)~~, of a board member or of an employee of the board is not required to have the prior approval of Workforce Florida, Inc., but must be approved by a two-thirds vote of the board, a quorum having been established, and must be reported to the Department of Economic Opportunity and Workforce Florida, Inc., within 30 days after approval. If a contract cannot be approved by Workforce Florida, Inc., a review of the decision to disapprove the contract may be requested by the regional workforce board or other parties to the disapproved contract.

Section 23. For the purpose of incorporating the amendment made by this act to section 112.3143, Florida Statutes, in a reference thereto, paragraph (m) of subsection (5) of section 627.311, Florida Statutes, is reenacted to read:

627.311 Joint underwriters and joint reinsurers; public records and public meetings exemptions.—

(5)

(m) Senior managers and officers, as defined in the plan of operation, and members of the board of governors are subject to the provisions of ss. 112.313, 112.3135, 112.3143, 112.3145, 112.316, and 112.317. Senior managers, officers, and board members are also required to file such disclosures with the Commission on Ethics and the Office of Insurance Regulation. The executive director of the plan or his or her designee shall notify each newly appointed and existing appointed member of the board of governors, senior manager, and officer of his or her duty to comply with the reporting requirements of s. 112.3145. At least quarterly, the executive director of the plan or his or her designee shall submit to the Commission on Ethics a list of names of the senior managers, officers, and members of the board of governors who are subject to the public disclosure requirements under s. 112.3145. Notwithstanding s. 112.313, an employee, officer, owner, or director of an insurance agency, insurance company, or other insurance entity may be a member of the board of governors unless such employee, officer, owner, or director of an insurance agency, insurance company, other

insurance entity, or an affiliate provides policy issuance, policy administration, underwriting, claims handling, or payroll audit services. Notwithstanding s. 112.3143, such board member may not participate in or vote on a matter if the insurance agency, insurance company, or other insurance entity would obtain a special or unique benefit that would not apply to other similarly situated insurance entities.

Section 24. For the purpose of incorporating the amendment made to this act to section 112.3143, Florida Statutes, in a reference thereto, paragraph (d) of subsection (6) of section 627.351, Florida Statutes, is reenacted to read:

627.351 Insurance risk apportionment plans.—

(6) CITIZENS PROPERTY INSURANCE CORPORATION.—

(d)1. All prospective employees for senior management positions, as defined by the plan of operation, are subject to background checks as a prerequisite for employment. The office shall conduct the background checks pursuant to ss. 624.34, 624.404(3), and 628.261.

2. On or before July 1 of each year, employees of the corporation must sign and submit a statement attesting that they do not have a conflict of interest, as defined in part III of chapter 112. As a condition of employment, all prospective employees must sign and submit to the corporation a conflict-of-interest statement.

3. Senior managers and members of the board of governors are subject to part III of chapter 112, including, but not limited to, the code of ethics and public disclosure and reporting of financial interests, pursuant to s. 112.3145. Notwithstanding s. 112.3143(2), a board member may not vote on any measure that would inure to his or her special private gain or loss; that he or she knows would inure to the special private gain or loss of any principal by whom he or she is retained or to the parent organization or subsidiary of a corporate principal by which he or she is retained, other than an agency as defined in s. 112.312; or that he or she knows would inure to the special private gain or loss of a relative or business associate of the public officer. Before the vote is taken, such member shall publicly state to the assembly the nature of his or her interest in the matter from which he or she is abstaining from voting and, within 15 days after the vote occurs, disclose the nature of his or her interest as a public record in a memorandum filed with the person responsible for recording the minutes of the meeting, who shall incorporate the memorandum in the minutes. Senior managers and board members are also required to file such disclosures with the Commission on Ethics and the Office of Insurance Regulation. The executive director of the corporation or his or her designee shall notify each existing and newly appointed member of the board of governors and senior managers of their duty to comply with the reporting requirements of part III of chapter 112. At least quarterly, the executive director or his or her designee shall submit to the Commission on Ethics a list of names of the senior managers and

members of the board of governors who are subject to the public disclosure requirements under s. 112.3145.

4. Notwithstanding s. 112.3148 or s. 112.3149, or any other provision of law, an employee or board member may not knowingly accept, directly or indirectly, any gift or expenditure from a person or entity, or an employee or representative of such person or entity, which has a contractual relationship with the corporation or who is under consideration for a contract. An employee or board member who fails to comply with subparagraph 3. or this subparagraph is subject to penalties provided under ss. 112.317 and 112.3173.

5. Any senior manager of the corporation who is employed on or after January 1, 2007, regardless of the date of hire, who subsequently retires or terminates employment is prohibited from representing another person or entity before the corporation for 2 years after retirement or termination of employment from the corporation.

6. Any senior manager of the corporation who is employed on or after January 1, 2007, regardless of the date of hire, who subsequently retires or terminates employment is prohibited from having any employment or contractual relationship for 2 years with an insurer that has entered into a take-out bonus agreement with the corporation.

Section 25. This act shall take effect upon becoming a law.

Approved by the Governor May 1, 2013.

Filed in Office Secretary of State May 1, 2013.