

MINUTES
FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
FRIDAY, APRIL 15, 2016 2:00 PM EST
EXECUTIVE COUNCIL MEETING
TELEPHONIC

The April 15th, 2016 meeting of the Executive Council of the Florida Clerks of Court Operations Corporation (CCOC) was called to order by Executive Council Chair Sharon Bock at approximately 2:03 PM, who welcomed and thanked members for attending the Executive Council Meeting. Mr. John Dew, Executive Director called roll. Council Members present during the meeting were the Honorable Sharon Bock, Honorable Bob Inzer, Honorable Ken Burke, Honorable Stacy Butterfield, Honorable John Crawford, Honorable Tim Sanders, Honorable Judge Ron Ficarrota, Honorable Neil Kelly, Honorable Harvey Ruvin, and Honorable Paula S. O'Neil. The Honorable Kyle Hudson was not present. Mr. Dew informed Chair Bock that there was a quorum.

Chair Bock noted that the agenda has been made public and this is a public meeting. This meeting is to go over the recommendations of the Budget Committee that met on April 5 in Orlando, FL. The agenda once again is cutting the Clerks' budgets due to the fact that there is not enough revenue to sustain the budgets that were approved. Chair Bock asked Clerk Butterfield to provide the Council with the recommendations so they could vote as the CCOC Executive Council.

Clerk Butterfield stated that the April 5th Budget Committee meeting was a follow-up to the March 14th meeting. At the March 14th meeting, the Budget Committee discussed the situation that it appears based on the revenues that were coming in this year and the revenue projections that there would not be enough revenue to support the budget that had been approved. The Committee discussed options and decided first to go to the Clerks and ask for their projections that the CCOC projected based on revenue trends and different methodologies. The Committee decided on a very conservative one and they would meet again on April 5th. All Clerks responded to the revenue projections they were given. They either confirmed the projections or gave another projection that they were asked to substantiate why

their projection was different. The CCOC Trust Fund started with a budget of \$417 million and excluding the 10%, setting that number aside. The revenue projections that came in from Clerks was \$381 million, \$381,394,099 to be exact. Then you add \$4.8 million in revenue carried forward from the previous fiscal year and add the \$12.9 million that the Legislature did provide the Clerks from GR. This is not a long term solution, but a partial solution for this year as well as a provision for jury reimbursement. By the April 5th meeting, there was additional information from the JAC to indicate that the amount of revenue per quarter for juror reimbursement would be capped at the \$2,925,000. On page 2 of the materials, that is a grand total of resources available, excluding the 10% of \$402,019,152. The number had to be compared to the CCOC Trust Fund Authority of \$417 million that leaves a shortage of \$15,061,315. The Budget Committee talked about methodologies for cuts at both the March 14th and the April 5th meetings. Clerk Butterfield thanked all the Clerks for their input. They received many comments from Clerks between these meetings as well as at the meeting on April 5th. Clerks recognize that they wanted a different outcome, but at this point they have to deal with the situation. Looking at methodologies, Clerk Butterfield would like the Council to hear a summary from the meeting with the Budget Committee members. It is simply that when the budget was approved for the year we are in last summer, the Clerks submitted their budgets based upon needs. Then the committee started their work with the CCOC staff doing an analysis and then the committee looking at each Clerk's budget and made recommendations. The committee made decisions from a tentative budget and each Clerk had an opportunity to come to the committee. Many Clerks presented information to the committee and decisions were made. The whole process was vetted and because of that, the Committee felt that at this point to be fair and to deal with this cut, it was an across the board cut. If we all went through the process to establish this budget, then at this point the across the board was the most appropriate method. The recommendation before the Council today is a 3.61% cut across the board and the results of that are on pages 3 and 4 of your materials. Clerk Butterfield made a motion to approve the Budget Committee recommendation to cut the budget by 3.61%. The details of which are included on pages 3 and 4 of the materials. Chair Bock said that there is a motion and Clerk Inzer seconded it. Chair Bock opened the call up for discussion starting with the Executive

Council members. Hearing no questions, the line was opened to others on the telephone conference. Clerk Tim Sanders commented that this budget is cutting to the bone for the Clerks of this state. He noted that the budget cut was going to be hard for the small counties that have limited staff and any reduction would be catastrophic. He suggested a 1.8% for small counties. Chair Bock thanked Clerk Sanders. She wanted those to know that the Budget Committee process was very extensive and many small counties spoke of their needs. There is not a single Clerk in the state that does not understand how small counties work compared to larger counties, however the consensus was hours long. The issue is that if in fact we treat some Clerks differently, every Clerk is in exactly the same position and that means that some Clerks would have to take more of a cut. And as you can see that the number of funded clerks is growing and the number of depository clerks is getting smaller. Chair Bock noted that she understood, but the Budget Committee fully vetted this. Chair Bock asked Clerk Butterfield if she had anything to add. Clerk Butterfield just wanted to reiterate the point that there was extensive discussions about this very issue. Clerk Sanders stated that he appreciated the work of the committee, but he had to say this on behalf of the smaller counties that he represents. Clerk Butterfield thanked him and stated that she understood and noted that the middle and large counties will be feeling this too.

Chair Bock recognized Clerk Matousek of Volusia County. She stated that the weighted workload should be taken into consideration. Clerk Matousek believed that the counties below the workload standards should be held harmless and the counties operating above should receive the cuts. She stated this at the April 5th meeting that whether it is a small, medium or large county, the across the board cut unfairly penalizes the Clerks who have taken measures to make their operations efficient. She continued that to take across the board cut and not cutting the Clerks that operate above the standards is what makes the legislators and others suspicious of the budget process and it hurts the Clerks' credibility. Clerk Butterfield asked to be recognized. She said that the Committee had taken that concept and under another agenda item that process is going to be used for the next budget process and is going to take the weighted workload measure even further. Next year's process will be discussed at the end of this meeting. But for this, across the board cut is the only appropriate measure. Clerk Matousek

agreed, but something needs to be done that is fair. Clerk Inzer asked to speak. He stated that the Budget Committee has tried for years to treat the Clerks equitably. And every year it is recognized that there are a variety of factors. He said that if you take just the weighted workload measure, it would be a 50% cut for Lafayette County and that is one of the counties with 6 or 7 employees. Clerk Matousek stated that she was asking for the process to be scrutinized and that there are extenuating circumstances that should be considered. Chair Bock thanked Clerk Matousek for her comments. Chair Bock noted that there was a motion and a second. Vote was taken and the motion passed unanimously.

Chair Butterfield continued with other business from the Budget Committee. On page 7 of the budget materials, there are several actions to bring before the Council for approval. She began with number 1 on the list and all these refer to a page number in parentheses. That page number is the meeting materials from the April 5 Budget Committee meeting and those are also included in your packet for reference. In the meeting on April 5, there was a motion made for the CCOC staff to work with the FCCC to develop options to present to the Legislature about collecting more data on costs and cost structures to be able to make better comparisons between counties. As a committee, it was talked about the need to collect additional data from Clerks during the budget process and to be able to run additional analysis for those comparisons in those peer groups that can substantiate those cost comparisons. Clerk Butterfield noted that this year there was a study that pointed out a number of things that were differences among Clerks. It also pointed out a lot of drivers. Most of those drivers on the revenue side and the cost side were identified that were out of the control of the Clerk. It also pointed out that the cases as they decreased were not an indicator of workload. So we are trying to get to workload. Workload does not equal revenue. There is additional information that can be used in those analyses to make those comparisons. This is because there are a lot of things that are perceived as differences among the Clerks and there may be actual data that supports why this costs more here and not here. Clerk Butterfield stated that this is the motion. She asked Chair Bock if the Council wanted to vote on each or all together. Chair Bock said that she wanted to do them all together because they all had a similar connection.

Clerk Butterfield continued with number 2. There was a motion from the Committee moving forward to work with the FCCC to make a formal request to the Legislature to determine what information is expected from Clerks so the Legislature will feel comfortable that they do have the actual objective data to be able to see and provide the Clerks with the funding. Clerk Burke asked that the word "staff" be removed from that. Clerk Butterfield agreed to take that off for this motion. It will say CCOC will work with FCCC to make a formal request to the Legislature to determine what information is expected to be provided from Clerks.

Clerk Butterfield continued with number 3. This says CCOC staff also to work with FCCC to study factors impacting revenues. The revenue is continuing to decline so there is an action item. Clerk Burke asked that "staff" be removed and that it is Clerks and staff that are working on this.

On number 4, the Committee brought forward a number of suggestions from a Budget Workgroup. They are listed on page 32 -33 in the materials.

As far as the budget process for 16-17 which goes along the number 5, no changes but additional forms with supplemental information is what the Committee is asking for. These need to go out to the Clerks.

The 6th item is that we ask a workgroup to be established to vet details regarding the juror program reimbursement that was provided by the Legislature. Clerk Butterfield is quite happy that was provided, but this needs to be worked on. Clerk Vick and Clerk Inzer have volunteered to work on that group.

Clerk Butterfield made a motion that Items 1-6 on page 7 be approved by the Council with the adjustments on numbers 1, 2 and 3 to say instead of CCOC staff but to say CCOC which would imply obviously that both staffs of the organizations will be a part of that. The motion was seconded by Clerk Burke. Chair Bock asked if there was any discussion.

Clerk Spencer from Santa Rosa County stated that we keep addressing costs and its impact on revenues. He said how revenue is going to be generated should be addressed. He does not see anywhere a statement on how revenue is going to be generated. He would like to suggest that be addressed especially in the budget process. Clerk Butterfield responded that is was the intent of the motion at the Committee to encompass all of that. It is anything that impacts a

Clerk's revenue. From the study by an independent source stated that most of the things that impact the Clerks' revenues are not in their control. An example that Clerk Butterfield gave was if the law enforcement has a change in their policies and procedures in traffic tickets, this impacts a Clerk's revenue. The Clerks' collection efforts which you are referring also are out of the control of Clerks with the actions of the Judiciary. Clerks are mostly driven by things that are out of their control and this impact takes into account both. Chair Bock added that in past years, the PIE Committee would break out into a subgroup and that subgroup would be tasked in making recommendations for the Legislature Committee to vet and review revenues. The CCOC's role is to provide that information to the Legislative Committee and then the FCCC's Legislative Committee. Chair Bock thanked Clerk Spencer.

Clerk Green made a comment about raising revenues and collections. She noted that the Financial/Analysis Enhancement Workgroup and Revenue Enhancement that was led by Clerk Kelly have been working on the minimum collections so that Clerks can communicate on what we have in our control. We have standards around them and we are measuring them. At this time, areas that we may enhance our revenue through legislative initiatives are being looked at and addressed. She stated that Clerk Spencer was ahead of the game with his collections and revenues and she is not sure how it would look like this across the state. The minimum collection standards is a way that we will be able to check off that Clerks are using the tools that they have available to them through the statutes and within their offices to show that they are able to impact revenues that are in their control. Clerk Spencer thanked Clerk Green, Clerk Butterfield and Chair Bock.

Clerk Inzer wanted to give a report on Number 6 that he and Clerk Vick met with staff and he feels the motion on the table needed to be amended. There are policies and procedures on page 58 of the materials that need to be incorporated into the motion for adoption. These need to be in place prior to our next Council meeting. If they are not adopted today, then a special meeting will be needed. He suggested they be adopted in concept. They will be vetted through a workgroup and delegate to the Chair Clerk Vick the ability to make modifications to this. This would be the amendment to the motion. Clerk Butterfield asked Clerk Inzer for a summary of his amendment. After hearing the summary, Clerk Butterfield amended her motion. Chair Bock

asked Clerk Burke if he agreed and he did. Chair Bock asked if there was a second motion, but Clerk Inzer said that it was not a motion but a concept he wanted everyone to understand. The concept is looking at the jury money as a source of funding instead of a separate budgetary process. So when the Clerks go through the regular budget process, all expenditures of the Clerk which includes jurors would be included. After everyone's allocation is approved, we will basically end up funding that total budget partially from CCOC's Trust fund and partially from the Jury money. Collectively it will support the entire budget. He just wanted everyone to appreciate and understand this methodology that will be used. Chair Bock inquired if this would require any change in Clerk Butterfield's motion. Clerk Inzer stated that he did not believe so because the worksheets done today encompassed all costs of the Clerk's office including jurors. So the weighted work load measures would incorporate that as well. Clerk Inzer stated that there is the jury money hanging out there. This becomes a source of funding and all the Clerk's total budget will be the one approved by the CCOC. Chair Bock asked Clerk Butterfield if that was alright with her and she stated yes, it was fine with her. Chair Bock reiterated that we have an amended motion and an approved second. She asked if there was any further discussion. Hearing none, Chair Bock called for a vote to the amended motion. The vote was taken and the motion passed unanimously.

Clerk Frank asked to speak. She said if you look at what the Clerks get to keep on fees and cost, it has not changed much. We should look at the workload study and ask the legislature to change those amounts and that would allow the Clerks to keep the money before it goes to General Revenue. Chair Bock thanked Clerk Frank and stated that there have been so many good ideas discussed.

Chair Bock asked Clerk Butterfield if there was any other business that she needed to bring to the Council. Clerk Butterfield stated nothing that needed a vote, but information she wanted to share.

Clerk Burke needed to leave and had two quick items. He publically thanked Judge Ficarrotta for his comments at the TCBC meeting last week about the plight of the Clerks' budgets. Judge Ficarrotta thanked Clerk Burke and stated that the TCBC and the CCOC are in the same predicament as far as budgets and they need to present a united front. He said that

Chair, Judge Mahon and Vice-chair Judge Roundtree both understand the Clerks' positions. Clerk Burke's second item was about Depository Clerks and Funded Clerks. On page 5 and 6 of the material packet, there is the list for both. He was a little shocked and asked if there is a major shift of Clerks from Depository to Funded? He asked Clerk Butterfield to explain this trend. She began by stating that you have list of Depository Clerks and Funded Clerks. There are eleven Clerks that prior to this action, a projection of revenue as well as a reduction, have gone from being a Depository Clerk to a Funded Clerk. The amount you actually see on page 5 and 6 are the amount Clerks can expect for the remainder of this year as a Depository Clerk or a Funded Clerk. She pointed out that this was a cash flow number, but still shows that eleven Clerks who were Depository on October 1, 2015 are now Funded Clerks due to reduction in the revenue even with the reduction in expenses. Clerk Burke thanked Clerk Butterfield. Chair Bock thanked him for acknowledging Judge Ficarrota and she thanked the Judge and appreciated all he has done.

Chair Bock asked Clerk Butterfield if the budgets keep being reduced will this be a continuing trend of Depository Clerks vs. Funded Clerks. Clerk Butterfield acknowledged that this is the trend of more depository Clerks becoming funded clerks. She stated that even with a reduced budget, revenues are down. Chair Bock noted that for the Clerks on the phone, we have seen as the budgets are reduced the inability of Clerks to fund the Trust Account. The February amounts to the Funded Clerks were sent out at the end of March. As we continue, the timeframe will get longer. Chair Bock asked if there were any other questions. Clerk Butterfield continued with looking at the next year's budget FY 16-17 with the current revenue projections of the REC made in February, the revenue projections are not going up, but they are going down. So while we are looking at these cuts now, the revenue projections for the next fiscal year are going to be less because just taking into account if they held steady, the \$12.9 million the Legislature provided to us this year was a one-time funding. The Clerks are very appreciative for the relief for this year. One of the things that was discussed at the Budget Committee and all Clerks will see an email, either this afternoon or Monday about the budget process and meetings that will be held this summer. All Clerks' budgets are due by June 1, 2016 and when those budgets are received, there will be technical reviews performed as well as

some analysis on those budgets. There is additional information being collected and there will be a Toolbox of items that we will be using this year. A schedule has been put together of Peer Group meetings. The budgets will come in June 1st and the analysis and Tool box will be used. A packet will be sent back out to the Clerks so they will know where they are in comparison within their peer groups. Then Peer group meetings will be held in July with the Peer Group 1 & 2 on July 7. Peer Groups 5 & 6 will be on July 12th and Peer Groups 3 & 4 will be on July 13th. That will be an opportunity for the Clerks in that peer group to come and discuss the Tool Box items and the analyses. It will also be an opportunity for the Budget Committee members to ask questions and get information to use in the Budget Deliberations on July 18th & 19th. From the process on July 18 and 19, a budget will be moved forward to the Council during the week of July 25th in order to meet our statutory requirement of August 1 with the submittal to the LBC. Clerk Butterfield wanted to point out the process and talk about the Peer Group meetings. She spoke to the fact that the Clerks are going to have cost comparisons and different tools to look at the cost comparisons as well as pieces on revenue. Clerk Butterfield asked if there were any questions. There were none. Chair Bock thanked Clerk Butterfield and asked if there were any other questions, comments or other business.

Chair Bock moved to Other Business and at this time there is none. She asked if there was any other business that the Council members would like to bring up. Hearing none, Chair Bock thanked all for being on the phone today. The next Executive Council meeting will be June 27, 2016. Motion to adjourn was made by Clerk O'Neil. Second was by Clerk Inzer.