

MINUTES
FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
THURSDAY, JULY 28, 2016 9:00 AM EST
EXECUTIVE COUNCIL MEETING
Hyatt Regency Orlando Airport, Orlando, FL (Mirabel Room)

The July 28th, 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 9:00am, who welcomed and thanked members and guests for attending the meeting. Chair Bock asked Mary Baker, the Executive Assistant, to call roll. Council Members present during the meeting were the Honorable Sharon Bock, Honorable Ken Burke, Honorable Stacy Butterfield, Honorable Bob Inzer, Honorable John Crawford, Honorable Jeff Smith, Honorable Tim Sanders, and Honorable Paula S. O'Neil. The Honorable Harvey Ruvin and the Honorable Ron Ficarrota were present via phone. The Honorable Kyle Hudson was not present. Mr. John Dew, CCOC Executive Director, stated that there was a quorum.

APPROVAL OF AGENDA

Chair Bock asked for the approval of the draft agenda. There are two items on the agenda, the 2016-17 CCOC office budget and the recommendation from the Budget Committee on the Clerks' 2016-17 budget. She noted that this is an open meeting and it has been legally noticed. A motion to approve the agenda was made by Clerk Inzer and seconded by Clerk Butterfield. The agenda was approved unanimously.

Before turning the agenda over to Clerk Butterfield to cover the two budget items in detail, Chair Bock recapped how the budget will be approached. She stated that during the discussion and before the final vote, Clerks would be able to speak to the Council either in person or on the phone for 3-5 minutes. She included the statutory roll of the CCOC under Florida Statute 28.35 and 28.36, is to present a balanced budget to the Legislature Budget Commission by August 1 of each year. To do this, the Budget Committee reviews budgets individually for all 67 Clerks. The Clerks were asked to give the Budget Committee a needs based budget request. The Budget Committee then undertook the task of cutting this needs based budget to fit the declining revenue. This was a difference of \$44 million. In order to make the \$44 million reduction, the Budget Committee had to agree on assumptions that Clerk Butterfield will outline. Chair

Bock thanked everyone that was part of the process and for their work. She called on Clerk Butterfield to review the budget process and then make the motion for this Council to vote on the 2016-17 Budget.

BUDGET COMMITTEE

Clerk Butterfield thanked Chair Bock. She began with the CCOC office budget that has to be approved by the Council each year. The 2016-17 CCOC office budget is a continuation budget. Clerk Butterfield made a motion to approve the budget as presented. Clerk Crawford seconded the motion. Chair Bock asked if there was any discussion. Clerk Butterfield noted that this was the fourth consecutive year of a continuation budget. The vote was taken and the motion passed unanimously.

Clerk Butterfield continued and wanted to thank all who were involved with the budget process. During the process, 66 of the 67 Clerks or their staff presented their budgets in a professional manner. She summarized how the Budget Committee arrived at the recommendation for moving forward with a budget for each Clerk. It was a two-step process. The first part was the needs based budget submitted by the Clerks. Then, Clerks were asked to attend the review process within their peer groups. All six peer groups met and discussed their budgets. The peer groups had a "Toolbox" that had a lot of valuable information that Clerks did not have in previous years. Clerks attending the peer group process were able to see and discuss why their offices were different. She wanted to stress that in the process they used a weighted workload benchmark budget, which was key. This year, the Committee looked at cases at a subcase level using various weights. The North Highlands study was used for the weighting measurements. There was movement this year in recognizing that the ten division case-type levels needed additional information and analysis to put Clerks on an equal playing field. Clerk Butterfield pointed out that it is actually in the law for the CCOC to do a comparative analysis and examine outliers. The outliers are those that are above and those that are below peer group averages, but the expectations were clear that you may have a Clerk that is above their benchmark or below their benchmark. There are reasons for that and these were articulated, and this year also quantified and compared. There may be reasons that there are still Clerks that are above or below that are completely justifiable. If there is an expectation that everyone is going to be at their calculated benchmark, Clerk Butterfield believed this was an unreal expectation. There are differences in the Clerks' offices as was pointed out by the Chair and things that are beyond a Clerk's control..

The Clerks submitted a budget on a needs basis of \$466 million. The committee, after going through all the peer review meetings, set forth some criteria to use in the first pass reviewing the budgets. The criteria used was the weighted workload benchmark budgets and from that, limits were set: if a Clerk

was more than 5% above the weighted workload benchmark budget for Peer Groups 3 through 6, the committee was going to make a hard cut to that 5% level. If a Clerk was more than 10% for groups 1 and 2, then there was a hard cut to that 10% level. In addition to the hard cut which produced about \$9 million worth of cuts, the committee also looked at the reasons Clerks brought forward and were compared to others in their peer group. The committee went through every single Clerk's budget request and then took a vote after the hard cuts from the weighted workload and asked if they had the information that they felt was quantifiable and truly made a Clerk's need different. From that, the committee decided whether to add back dollars or not as Clerks came forward and gave their requests to add back from the hard cuts. A vote was taken for every single Clerk. There were adjustments made. That amounted to about \$2.5 million added back. There was a net reduction of \$7 million based on the weighted workload. If that is taken off the \$466 million, that puts the budget need at \$459 million. In Clerk Butterfield's opinion, that number is what the committee determined was the appropriate budget based on comparison. Even though the committee asked for a needs based budget, the committee compared budgets as was required by law.

Clerks do not have the revenue that they are allowed to keep in order to fund a \$459 million budget. They only projected to have \$422 million. Additional cuts had to be made. So, there were other hard criteria that were used. One criteria was that if any Clerk had more than 3% salary increases included, the committee limited it to 3%. If the Clerks had more than 8% increase in their overall budget, the committee limited it to 8%. The committee thought it was a reasonable approach. After those two cuts and with the weighted workload, the committee was at \$444 million. The budget was still a good way from \$422 million. The committee had originally looked at an across the board cut to adjust to the available revenue. There was a memo that went out as well as training that was held. The committee had to get from \$444 million to \$422 million. The committee did an across the board cut and then looked at the results. After looking at the results, the committee stopped and reflected on what this looked like. It produced, at that point, some double digit increases as well as a double digit decreases in Clerk's budgets from the current year. There were 20% decreases in some budgets. The Budget Committee then met Monday, July 25 and moved forward a hybrid method. The hybrid method took all the work the committee had done, including the information from the peer groups and budget deliberations. Starting from that point, the committee put additional limitations on growth in a budget and additional limitations on the amount of reduction a Clerk could take. We were now faced with the fact that Clerks only have \$422 million. No Clerk is going to leave with a budget that is going to fulfil their needs to do their mandatory and statutory constitutional duties. That was recognized by the committee and that limited the growth to 1% and then limited the amount of decrease on a tiered

amount based on peer group, over the current year's budgets. Peer Groups 1 & 2 were limited to 5% decrease; Peer Groups 3 & 4 were limited to 8.5% decrease; Peer Groups 5 & 6 were limited to 12% decrease. There are Clerks that took a 12% decrease, 5% and 8.5% decreases and Clerks that have a 1% increase. That was the process. It was very deliberative and again the committee's final recommendation did take into account everything that was presented to the committee and used the weighted workload as well as other criteria to get to a balanced budget which is simply the requirement. The challenge for this council is to look at this recommendation. Clerk Butterfield then put it into a form of a motion. The motion is for the council to approve the recommendation of the Budget Committee of the hybrid method that produces a budget for each Clerk and produces a balanced statewide budget. A second to the motion was made by Clerk Burke.

Chair Bock stated that there was a motion that the Council approve the hybrid budget that was voted on and recommended by the Budget Committee and there is a second. The floor was opened for discussion. Clerk Butterfield added a couple of discussion points now that the motion was on the floor. The process used this year was a great progress towards being able to answer questions, being able to model the expectations of the Legislature, and looking at outliers as well as being able to know what the differences are. The model that was used is not perfect, but this model can be refined and there is an expectation that it be refined as the committee moves forward each year. The plan is a two or three year plan to get to a refined model. Clerk Butterfield made a recommendation to the Budget Committee to pass it to the PIE Committee and they would look at continuing cases and examine outliers and be sure that the committee can prioritize the major outliers. The PIE Committee would come up with a recommendation on a standardized quantification of identifying those differences. Clerk Butterfield emphasized that there was room for refinement and the committee will be working with the PIE Committee.

There were questions by council members how the discussion and vote would proceed. Chair Bock restated the process that would be used. The consensus would be that the meeting would be opened up to any Clerk that would like to approach the council. That would mean any Clerk that is physically present at the meeting and any Clerk that is on the telephone. The process for the procedure on the phone was sent out by CCOC staff at 9:05 AM. A raised hand will be taken in order for discussion purposes. The motion will not be entertained during this discussion. Each Clerk will have 3 to 5 minutes to make their presentation. There will be no discussion or changes to the recommended budget until the council comes back in as a council again.

Chair Bock opened up the floor to those Clerks that were in the room that would like to address the council. Clerk Gail Wadsworth was the first to speak. She stated that she had sent Mr. Dew an appeal

which had been sent to the council as well. Her appeal hinged on not being fully funded for medical insurance and thus she will lose another FTE. She will have fewer FTEs at that point than 2005-06. At the peer group meetings and on Monday, she asked to gain the two FTEs which were lost during the revenue shortfall recently. Clerk Wadsworth asked if there were any questions. Clerk Butterfield wanted to know the specific amount of money the Clerk was asking for in your appeal. She stated that it would be \$60,000 for the FTEs + \$48,000 for the health insurance she could not cover for a total of around \$108,000. She thanked the Council.

Next to speak was Clerk JD Peacock. He had comments to the process used by the Budget Committee and about his own budget. He worked on another option which both staff and the Budget Chair looked at it and compared it to the current hybrid. He agrees that the money that the Budget Committee is tasked to split is not sufficient and sustainable. He agrees that Clerks do not have control over some of the aspects that are driving the costs. He noted that he can look at Clerks that have taken proactive steps to find ways to gain efficiencies. He agreed that there are things that Clerks cannot control, but he believes over time Clerks can make changes. There are examples of that. He continued with comments on the Hybrid 3. He was disappointed with all the brain power, that there has not been a simple solution found. He believed that we have to find a way to easily educate the legislative folks on our situation. There has to be a simpler way to tell the story. His option would be a better starting place because it is objective and not subjective. It would limit a significant decrease and limit a significant increase. Overtime, it would bring Clerks closer together. He added that Clerk Butterfield said that it is unreasonable to bring everybody back to the same, however, the committee is tasked to bring Clerks closer together. Overtime, his solution has a less drastic effect, but it incentivizes Clerks to find efficiencies over time. He agreed that it cannot be done overnight, but over time there are Clerks who have proven that you can get more efficient. The model he is proposing will do that over time. It can be used in an increasing revenue state and a decreasing revenue state. It starts with an objective review that no one is applying their own particular issues. After the initial objective review, they will weigh in on the cost drivers and make adjustments from there. Clerk Peacock concluded with his particular case, in his county he is taking a 4.75% decrease on the hybrid when across the board cut would have been 2.410%. His county is 20% below the benchmark budget. He can point to reasons and decisions made by staff that has gotten them there. Those were not uncontrollable reasons but decisions by the Clerk and Clerk staff over time. He can see his point of reference being cut unfairly. He noted that he will be bringing his model forward as a starting point next year. Clerk Peacock asked if there were any questions.

Clerk Butterfield stated that she did what the committee asked her to do. She looked and analyzed his model along with staff. Whenever Clerk Peacock is ready she will give those comments at the end. Chair Bock asked if she should give it now. Clerk Inzer stated that there were Clerks waiting and he felt that it should be part of the discussion but should be part of the policy at the end not here and should be part of the Council's deliberations. He would like to encourage the council to stay the process. All agreed. Chair Bock thanked Clerk Peacock.

Chair Bock asked if there were any others in the audience who would like to speak. Clerk Moore Russell of Orange County introduced herself and spoke about the process. Prior to becoming a Clerk she was a County Commissioner for eight years and had been through the budget process with Orange County. She stated that she would like to see more time for the budget process. She felt it was unsettling to be rushing the budget process and there was not enough time to address issues. In Orange County, they start the budget process in January of that year. She would like to see the process start early enough that some of the issues can be resolved. She felt more time should be given to all the staff and the CCOC staff to prepare the budget. Chair Bock thanked Clerk Moore Russell.

Clerk Ronnie Fussell from Duval County spoke next. Clerk Fussell thanked the Council for allowing him to speak again. A handout was given out to the Council and audience. He began by pointing out the differences in Duval County compared to the other 67 counties. One is their pension costs. Since he has taken office three years ago, there has been a 17% increase in their pension costs. The total pension cost is 36.79%. He believed that Duval was in the wrong peer group. There was an ERS Peer group study in 2012 and again in June, 2014, he was expecting another in June, 2016. He felt that there is a need to look at peer groups and how the numbers are run. Lastly, he noted that Clerks were told of the process for weeks, Clerks gave numbers and met those numbers and then at the very end changes were made by utilizing the hybrid model. He and other Clerks have concerns about how the process was handled. He thanked the council and noted that he and his staff are here to answer any questions.

Clerk Smith asked if \$1.3 million is what Clerk Fussell was asking for. There was some discussion and Clerk Butterfield asked the Chair to speak. She asked Clerk Fussell about the bullet on the very last page, it reads "If this is not restored, we would request a footnote be added to the request made to the LBC outlining Duval's differences with pension and collective bargaining and the fact that it was not funded in this request." Clerk Butterfield stated that is what was requested on day one and wanted to confirm that if Duval's request is not able to be funded that this is what he wanted added to the LBR request? Clerk Fussell said yes.

Clerk Burke asked that if any part of the request had salary increases? Clerk Fussell said no that the increase was for retention adjustments. Clerk Burke asked again and it was stated that it was not for

salary increases but retention duties that we have to put in place as stated in an HR study. Before the adjustment that was done, Duval was 66th in salaries, but with the adjustment it brought Duval up to 64th in salaries.

Clerk Butterfield noted for the record that the \$1.2 million Clerk Fussell was referring to was a result of collective bargaining whether it is retention or whatever, it is for salaries. Clerk Fussell stated that the adjustments on day 1 helped with the retention and Clerk Inzer's motion to the Budget Committee for the \$1.2 million was to help with the \$2.2 million in pension cost.

Clerk Inzer stated that the dollars were added in, the process was not directed to individual items. It was giving you 1% and you can use it anyway you want. The Budget Committee moved away from the model that was funding X or Y, but saying that you made an argument for an increase of which the committee is giving you an increase of 1%.

Clerk Butterfield felt that it was important to put the process on the record. Going through the process, the committee considered equity with weighted workload and each Clerk's presentation. There were some hard cuts taken and then adding back for requests based on the data that was provided to us and the committee's decision if that was something that would make a difference. The end result said that the totals was X dollars and was above where we would need to get to a balanced budget. The committee made decisions on how to get this number to that number. The committee decided to do this with limitations on growth and limitations on cuts. She wanted to make sure that the process was laid out.

Clerk Smith wanted to make clear that, from the handout, Duval is asking for \$1,300,000. That is the difference between the final on day 2 and the hybrid. \$1,330,301 is the number.

Chair Bock asked if there was anyone else in the audience that would like to speak. Brent Thurmond asked to speak. He stated that he wanted to talk generally and not about specifics. He wanted to encourage the Clerks to stay focused on the fact that they have a shared destiny. All are working on this process. Clerk Thurmond would like the Council to consider not giving any increases under the hybrid model unless the Clerks have made a compelling case. Also he knows that the peer group cannot be changed today, but if there are some outliers that can be taken into account, such as Wakulla. He noted that progress is being made but would like to mitigate the drastic cuts that the smaller counties are taking. Clerk Thurmond thanked the Council.

Clerk Burke asked Clerk Butterfield to clarify what the maximum percentage cuts were in Peer Group 1 & 2. Clerk Butterfield responded 5%. Clerk Butterfield noted that the cuts were limited to 5%, 8.5% and 12%. In recognition of saying that the committee is trying to move people to the middle, she wanted to point out her statement at the beginning, while there is a need to look at outliers and make

some movement, she does not believe the goal of all getting to the middle is realistic. She believed that the committee needs to prioritize those that are most pressing on the Clerks' workload and then give allowances in some standardized method for that then Clerks would end up where you are above or below with an appropriate justification.

Chair Bock thanked Clerk Thurmond and asked if there were any others that wanted to speak.

Clerk Sanders wanted to present a letter. He is not here to talk of policy, but to talk about an error that is his. He read the letter. He thanked the Council. He stated that the mistake was his and he is here to try and get it corrected if that can be considered.

Clerk Inzer said he was confused and Clerk Sanders restated that he was going to have some savings at the end of this fiscal year (15-16) in his CCOC budget. Clerk Inzer asked why he was not charging his CCOC budget 100% so the dollars are left in your 10% so you only have \$42,000. If we find the 10% and other funds in the general operating, we could eliminate that. Mr. Dew stated that the 10% might be capped. Mr. Inzer understood what Clerk Sanders was saying.

Mr. Dew asked to be recognized. If the issue could have been found a week ago, it could have been resolved. Another way to handle it is the possibility of other Clerks offering some dollars. That is up to the individual Clerks. Another option is next year if the budget gets approved additional dollars, then we would go back and see if there could be dollars moved from one Clerk to the next while staying within the budget cap. He noted that there are options out there. He appreciated Clerk Sanders bringing this forward.

Clerk Sanders said that his budget is very dependent on his 10% dollars. The decrease in his needs in the aggregate budget is about 7.5% and with the \$57,000 decrease it is about another 11% decrease. He stated that he appreciated any help.

Chair Bock thanked Clerk Sanders and asked if there was any one present in the room that would like to speak. There were no others and the Chair noted that there were Clerks on the phone that would like to speak. The first will be Clerk Johnson from Franklin County.

Clerk Johnson noted that she wanted to make two points. She would like to see the needs budget sent to the Legislature along with the budgets that are approved in the end. This would show the legislative staff what the Clerks sent in as their needs. The other thing was that she was limited to the 5% cut with the hybrid model. She thanked the committee for that, but there may be members that would like to ask questions about the cost drivers, because at the workshops her peer group members requested money back and were approved except her. She sent a letter of appeal to the Budget Committee and she is willing to speak to those members if they had any questions they do not understand about her budget.

Chair Bock thanked Clerk Johnson. She recapped that the budget by law is to be submitted by August 1. Along with that submittal will be an Executive Summary and data that backs up the budget request. Part of that data is going to be the needs based budget for the very reason Clerk Johnson mentioned. Chair Bock asked Clerk Butterfield if she had anything to add. She noted that the chart started on page 16 of the budget request draft has the needs budget for every Clerk.

Chair Bock continued that the information that is submitted is extremely complex. The documents that are being submitted have been created by a committee headed by Clerk Vick. The submittal is going to be more reflective of the kind of budgets that are submitted by state agencies. This has been worked on now for several weeks. She is hoping that the complexities of the budget are more apparent to the legislative staff, the LBC, and the Appropriation Committee and that there will be a recognition and understanding of what it entails to run a Clerk's office.

Chair Bock called on Clerk Kinsaul of Bay County. He wanted to highlight some of the things that Clerk Peacock mentioned. He would encourage the committee to look at some of these suggestions. Part of the duty of the committee is to narrow some of these gaps. Another point he made was that throughout this whole process and over the years, it is obvious and apparent that Clerks do not fit a statewide model. Every one of the counties are different. He would like to see the Budget Committee meet soon and come up with a model that allows for some sort of local option. Clerks offices do not fall under state anything, therefore there needs to be a local option of funds. He believes that the statewide model is not going to work for the Clerks' offices.

Chair Bock thanked Clerk Kinsaul. Clerk Inzer asked to comment that there are two aspects to this. One is looking for local revenue sources and the flip side of that would be a bill that requires when a local government imposes a cost on the Clerk then the local county fund the local mandates that they have incurred for that Clerk. This is a different model that has not been talked about and he felt is a derivative of what Clerk Kinsaul is talking about. He would like to see the Legislative Committee consider looking at this.

Next Clerk Timmann asked to speak. She wanted to echo some of the comments that have been made this morning about the tremendous amount of work that has gone into this process but still the very compact timing of it which made it very difficult to fully analyze and crunch numbers. Moving forward she hopes that a better time schedule will be used. During the process, discrepancies were identified. The issue of counties being in the wrong peer groups was brought up a number of times. It was talked about but was not addressed. Clerk Timmann would like to see this addressed in order to have true equity. She did not want this to fall off the chart. If the Clerks are facing additional cuts throughout the year, the committee needs to have that data better aligned and analyzed before the

additional cuts are made. She reiterated her comments about needing a true peer based model that excludes local factors. It has been talked about having that true base and then the layers that are out of Clerks' control highlighted. We are getting close to the cost drivers and she does not want to lose the momentum. This is a very valuable tool for the legislature to understand what the local cost drivers are and how we best handle that. She would like to see the committee have a fully categorized spreadsheet with a real base that is determined and then all those other local categories that are identified throughout this process clearly highlighted and pointed out. This and the peer group issue are her concerns. She thanked the council for allowing her to share her comments.

Chair Bock thanked Clerk Timmann and mentioned again through the CCOC PIE Committee under the leadership of Clerk Green and Clerk Connell with the workgroup, that is exactly what is being done. It is collecting, cataloging, and characterizing the differences. She wanted to let the Clerks know on the phone that they will be surveyed to answer questions so we can move into a direction that Clerk Timmann is speaking about.

Next to speak is Sherry Mehl, finance staff from Putnam County. She had issues that were related to the process that was involved in establishing a model as far as including reopened cases and appeals. Only new cases are viewed and the reopen cases are very high in family and criminal cases for their county. This exclusion affects the weighting cost per case. She would also like to see a major adjustment to the peer groups. She has been looking at the relationship of criminal activities versus civil traffic. There is a huge range. Some have 41% criminal cases when the average for the state is 20%. Some have civil traffic activity that is 80% when the average is 60%. Some are high in criminal activity and low in civil traffic and the peer groups do not reflect that. Also she would like to see some factoring in of the demographic information. For Putnam, low income and poverty rates do affect the Clerk costs in doing a simple case. The overall weighting of cases is odd to her county.

Chair Bock thanked her and noted that she brought up some excellent points.

Next to speak was Ms. Ortega, finance staff from Osceola County. She wanted to state for the record that Osceola County will have to cut or eliminate 25 to 28 positions this October. The Clerk may have to close the courthouse on Fridays and have four hour furloughs for employees. This was based on the \$1.4 million that Osceola got cut. They asked for \$1.1 million but did not get it.

Chair Bock thanked her and noted that all 67 Clerks will have to make adjustments due to the budget cuts.

Next to speak was Clerk Frank of Hillsborough County. She noted that she did not participate, but when the North Highlands Group were hired to do the workload study, this was to be a study that tells us what it costs exactly for a Clerk to do their job. In that study, it said that her county should have 30

more employees. Under this current proposal, she has to get rid of 39 employees. She wanted to go back to the needs based budget and submit a \$466 million budget and say this is what we need and this is what we are going to have. The Clerks would withhold the money that is sent to general revenue right now to make up the difference. Then Clerks would have the money they would need. She did a survey of three counties and Dade had sent \$20 million to general revenue. This is for the Clerks' trust fund and everything. Broward sent \$11 million. Hillsborough sent \$11 million. That is \$42 million that we can address the \$466 million figure with. She is asking the corporation to tell the Department of Revenue that her budget is a deficit budget and therefore she could withhold the money she is sending to general revenue and fund her deficit. She urged all Clerks to do the same thing and stay on the same page, and draw a line in the sand. The arbitrary amount the LBC draws that limits Clerks to a figure is not a true figure. Clerks are collecting more than that and sending it to general revenue that is paying for staff or some service at the Capitol. She noted that the money is needed at home where the Clerks have collected it and the people deserve it. She made a formal request with a letter that the corporation allow her to retain revenues she is sending to general revenue. She will put that money in a separate account in preparation of that letter being sent.

Chair Bock thanked Clerk Frank and noted that everybody got a copy of the letter that was sent to the Council. Clerk Inzer asked to speak. He stated that there are two separate issues here. One is as we look at next year's budget under state law, you cannot spend dollars other than those that are appropriated. This does not give the Clerks the authority to spend the excess of this budget. To spend dollars that have not been appropriated would be cause for removal from office. This is not just choosing to redirect dollars. If the dollars were budgeted then there might be some validity for consideration. He would counsel any Clerk that spending any money that exceeds the appropriation is against the law and is grounds for removal from office.

Clerk Frank followed that she was going to put the money aside and will not spend it until this is resolved. This is not an equitable system and does not like the patchwork quilt Clerks go through talking about their woes. She is going to take a position and that is what it is.

Chair Bock called on Clerk Butterfield who wanted to clarify that Clerk Frank's request of this council is to move forward her needs based budget. Clerk Frank confirmed that is her request. Clerk Butterfield was not sure the letter said something about withholding the money. She wants to make sure of what Clerk Frank is asking of this council. Then the General Counsel will tell us whether we can or not. She thought that the Clerks were limited to the REC estimate as to what could be moved forward. Clerk Inzer said that the needs based budget was going to be presented. The LBC will probably take action to approve a budget and he is assuming that we are going to give them a balanced budget as well as a needs based

budget. His assumption is the LBC will feel constrained by the numbers in the EDR and once they pass a budget it will be limited to the revenues that are in the trust fund and that will be the Clerks' limit to spend.

Clerk Frank said take the money in the general revenue and put it in and make a balanced budget. Chair Bock said that she may be right, but she has asked General Counsel Joe Boyd to give us time. Right now we are in deliberations for this year's budget and there is a motion that the council will have to move on today. The letter was received last night and did not give us enough time to really vet/examine the proposal that you have presented and the potential effect.

Chair Bock said that it is difficult to get 67 ways of looking at it. She wanted to reiterate that there is not a single Clerk that does not want to solve this problem. The difficulties have been heard that Clerks are not able to serve our customers at the county level. We are looking for solutions and yours is on the table. Our legal counsel will take it and vet it properly and then we will be talking about it at the next Budget Committee meeting. Clerk Frank stated that she is expecting a formal response from the corporation. This is her request, she has a deficit budget based on her needs and she needs sufficient funds according to the workload measures. She is stating that to you and you can verify that it is all court related expenses as she has done in her budget and that meets the requirement. She wants the council to make a decision on what your recommendation is as far as the Department of Revenue. Chair Bock answered that all the issues will be discussed at the end. And this will be included as a policy issue. There will be an open discussion.

Clerk Burke asked how Clerk Frank determined or defined the excess. Dan Klein noted that this is distribution to the general revenue out of the finds and fees. It is not going to any specific trust fund. It is what every Clerk is sending to general revenue. Clerk Burke asked what was the length of time for the previous dollar amounts. Mr. Klein said that this amount is not going to DOR but to general revenue. The \$11 million for Hillsborough was for the last fiscal year. Clerk Frank added it was the same for the other counties.

Chair Bock asked if there were any other questions. She thanked Clerk Frank.

Next to speak was Clerk Forman from Broward County. He stated that he appreciated Clerk Frank's efforts, but he had one correction and that was Broward's amount was \$13.5 million. He quoted Yogi Berra "that it was Déjà vu all over again". This is 11th post Article V budget and there has been a struggle with budgets since the 2009 session. He stated that the pie is just not big enough. The biggest problem is the amount of money being diverted to revenue and other places rather than the Clerk's office. He feels once this problem is solved, the Clerks will be back where they were.

Chair Bock thanked Clerk Forman and called on Clerk Harvey from Baker County. She noted that for a small county like hers she took a pretty hard hit as far as the budget. She has some situations that are going on in her office such as long term employees that are retiring and she has not received the county health insurance rate and does not know what her rate is going to be. She is in limbo with this budget and does not know what some of her cost factors are going to be. She wanted to put on the record that with the cut she has taken, she may have some trouble down the road.

Chair Bock thanked her and said that she appreciated Clerk Harvey's input because it is something that all Clerks across the state are facing.

Chair Bock said that was the last Clerk to speak. She asked if there was any other Clerk that wanted to speak. A ten minute break was taken.

Chair Bock called the meeting back to order. She stated the CCOC Executive Council will discuss the policy issues and other issues that were brought up today by the members of CCOC and our fellow Clerks. She reminded everyone that there is a motion on the table and a second to approve the recommendation that the Budget Committee brought to us today.

Clerk Inzer stated that he would like to have the General Counsel who is here today talk about the overarching issue that was raised by Hillsborough County. He stated that the council may want to take that issue and deal with it first before we get into the other details. It influences everything after that to the extent that we want to follow that model and it changes everything.

Mr. Joe Boyd was recognized. He stated that he had spoken with Clerk Frank previously and they had not completed the research of this, but we have done some preliminary review. He wanted to tell the council the departure point is that you will be looking at. 28.36(3) has a provision that mandates that you have to do certain things with regard to individual Clerks. Elsewhere, you are required to submit to the LBC a balanced budget. He stated that he would submit to you if you authorize a Clerk to withhold funds that are relied upon for the trust fund, you will be violating your obligation of having a balanced budget. If you do not send a balanced budget to the State August 1 you put in peril the Clerks' budgets of all 67 counties. He respects Clerk Frank's issue that she has raised, but you can make those findings. He thinks that the statement by Clerk Butterfield at the beginning with all of the Clerks having unfunded needs, that part should not be that difficult. With regard with what happens after that is something you are free to make a decision on. But if you authorize a Clerk and notify DOR that they are authorized to retain funds you will not have a balanced budget as he understands the current process. That completed his report.

Chair Bock asked if there were any questions. Clerk Inzer noted that it almost sounds like an interim during the year process issue compared to an approval process at the beginning of the year. He asked if

he was misreading and trying to put this together. Mr. Boyd was not comfortable giving an answer to that. He stated that it may be a mechanical and legal issue, but he knows that we cannot go without a balanced budget to the Legislature under the current law at this date.

Chair Bock asked if there were any other questions. There were none. She called on Clerk Burke.

He had a process question on how to approach this. If you had a request from a Clerk to now adjust up their budget from what was recommended by the Budget Committee then wouldn't that mean we would have to adjust downward other Clerks' budgets. If we go in that direction, he would certainly hope then we reopen the public hearing based on what we advertised is not what we would be delivering. Clerk Ruvin noted that this was a good point.

Chair Bock noted that she had kept a running total of what we were requested to change. She asked what the requested amount was. Clerk Smith said it was \$1.48 million. Chair Bock reiterated that there was a \$1.48 million budget request and to paraphrase what Clerk Burke just said, as a committee we can discuss it, but the discussion of approving anyone's budget over the model and the disciplines that were used during the budget deliberation would mean that we would not have a balanced budget. We would either create a budget that is over what the Revenue Estimating Committee says what our budgeted revenues will be or it means that to meet our budget we would have to cut other budgets. Clerk Burke brings up a good question as to how we would like to proceed knowing it is a fairly black and white issue. Clerk Ruvin asked to speak. He spoke about after submitting the budget that is balanced, those other areas listed, if there is extra money, are additional items we would want covered. He would levy Miami Dade collective bargaining at the end.

Clerk Butterfield spoke that she separated what was heard into a specific appeal request, a process issue, future considerations, and addressing policy issues. For the special appeal requests there was Franklin County asking in a letter to have her money added back in and that was for \$90,872. Madison requested \$57,600 in the letter. Flagler asked for \$137,000. Duval asked for \$1.2 million. Hillsborough was asking for the needs based budget amount which would be \$2,391,965. This is an interpretation because the letter did not state the amount. That is a total of \$3.8 million dollars. Other things that she heard were numerous things about future issues which can be noted and taken up with the Budget Committee. These were time, peer groups, weighted workloads, etc. She heard two other things. One was from Clerk Peacock about the council looking at option 4. She heard from other Clerks about policy decisions at hand for this committee such as why we would include any percentage increase. The hybrid model does. She heard discussion about the process used this year. That is how she broke them down. Future items can be handled later. Any dollar amount that is changed, it has to come from somewhere.

She thinks that is the first thing that should be put on the table. The second thing to put on the table is if there is any policy decision. Clerk Butterfield would gladly explain and summarize things if needed.

Chair Bock relayed that was a good synopsis. She asked if anyone had any requests to how we proceed. Clerk Inzer wanted to make a couple of comments. First he complimented the hard work done by the Budget Committee Chair, Clerk Butterfield. He also thanked staff for their hard work. He wanted to go back to Clerk Russell's comment that we need more time. The committee met in mass to hear each of the Clerks. There was not adequate time at the end for us to do deliberations. He related back to Clerk Peacock's comments and believes there are discrepancies that we are proposing that are hard to defend. The committee did not do a good job of saying what is controllable and what is not controllable by a Clerk. He believed that there has to be a better way of collecting data on the front end. He would like the committee to sit down and spend some time on the healthcare issue. He is sensitive to the error made by Madison County. He would like to find a solution for this unique situation. He wanted to express that he is sympathetic all requests that have been made. He understands the situation because of his own office. There are a lot of issues that the committee needs to address and they need to start early and examine the issues while they are still fresh as opposed to waiting. He agrees with Clerk Peacock that those at the bottom need to be brought up and those at the top need to be brought down. He agrees that peer groups should be looked at soon after this budget process. These were just some of his reflections about the process.

Clerk Butterfield asked to speak. She wanted to lay out some analysis that might be helpful as to the results as they stand right now. First is the benchmark and where Clerks are as a result of the hybrid method. After the hybrid method was done and we had to recalculate the benchmark and see where everybody is at compared to the benchmark. An analysis was done using numbers to see if the hybrid model moved the benchmark up. The results were that 49 clerks in the hybrid model moved in the right direction and there were 18 that did not. Percentage wise it means the 74% moved in the right direction. Of the 18, 13 were still under the caps that were set, the 5% and 10%. If we take the 49 clerks plus the 13, that makes 62 clerks that are within the movement or the caps that were set. That is 92.5%. She agrees with Clerk Inzer that there are things that need to be worked on sooner than later. But, given the place we are at today and the decision at hand, she wants the Council to see that the committee looked at results of the hybrid and calculated that. Other points about the hybrid, on a policy level it has Clerks getting increases. There are 19 clerks getting increases to the tune of \$1.4 million rounded. There are 16 clerks that are getting decreases at the max that was set for limitations of 5%, 8.5% and 12%. After all of this was done, we also looked at the where the Clerks fall as depository and funded clerks just to make sure the model worked for the balanced budget of the revenue we have. The results from

that is there are 45 funded clerks and 22 depository clerks. The makeup of that is no different than last year at this time. She noted that Franklin County after the hybrid model is at 22.3% above the weighted workload. Madison is at -44.4%. Flagler is 1.7% below. Duval is 1.9% below. Hillsborough is -3.6%. There are only two that jump out as significantly above or below the weighted workload. This is just more information for the Council.

Clerk O'Neil asked to speak. She asked why the hybrid model was used. Clerk Butterfield stated that at the end of day two of the budget deliberations and looking at the results of all the steps that were taken, the committee looked at those numbers and then there was a motion to scrap it and do an across the board cut from where we are at today. The committee took a step back and said that the hard cut may have unknown consequences. Clerk Butterfield worked with staff to work on something else that she thought when put forward could temper that. If we had the money to fill our needs, the hard cut would be a more appropriate method. There are still many things we needed to look at. Since Clerks after the hard cut had double digit increases and Clerks getting double digit decreases. With this something else had to be put forward. The hybrid said let's go from that point to a limit of 1% increase and limited the cuts to 5%, 8.5% and 12%. The Clerks that were significantly being cut; were not cut as much and Clerks that had significant increases were not getting as much. That is the reason the committee went with the hybrid.

Clerk Burke wanted to discuss the motion at hand of approving the hybrid model. There are 48 Clerks taking a budget decrease. That is a three step decrease. First, it is fewer dollars than the Clerks had this year. Clerks are facing significant health insurance costs increases. And last is pay adjustments from complying with the new wage and labor law concerning overtime. That means that all will be dealing with employee cutbacks. Several years ago there was a workforce of approximately 10,000. Today it is around 7,500 currently. He would like to suggest that none of the 48 Clerks that have taken a decrease be cut anymore.

Clerk Butterfield wanted to say as a point of reference that in 2005 the budget was \$423.8 million. The budget today is less than over ten years ago. She also stated for the record that Polk County is at the max cut with this method. To move ahead, she would like to make a decision on the 5 requests. She does not know how to do that with the motion on the floor. For the record what are we doing with these?

Chair Bock said that the Council could go through them individually or collectively. The issues are if we can fund them and the budget is not balanced, we could choose to fund them and then remove that money from other Clerks and by Clerk Burke's suggestion to not cut anymore from the Clerks that have taken a cut from the hybrid process. That is what she understands to be on the table at this time.

Clerk Inzer spoke to the fact that if there is additional funds that it be distributed equitably. He wanted to make sure that it is defined what policy is given to the specific change. And that it is applied to all similar situated Clerks as opposed to giving it X versus Y. This has to be dealt with using objective policy criteria. If everyone is okay with that he would make a motion. Chair Bock reminded everyone that there is a motion on the table. We can curb that motion. It was asked what the motion was. Chair Bock said that we have a motion and a second and that the Council has been in a discussion mode as to whether to accept the recommendation from the Budget Committee. Clerk Inzer would like to amend the motion. One thing that the committee did not hear was the Madison county issue. That was never presented for consideration. Chair Bock added that last year that the CCOC asked for voluntary monies from counties to cover some of the mistakes. Her county gave a million dollars to other counties. She is suggesting that before the model is tinkered with that we consider voluntary monies given to Madison County.

Clerk Inzer continued with his motion, because it is not known if that will be forth coming and the fact that the committee did not know about this. Clerk Sanders is the only one that has come forward. This has created a unique situation. He is 44% under his benchmark and Clerk Inzer would not be making this motion if this were not the case.

Clerk Butterfield stated that she would be willing to amend her motion to say approve the recommendation of the Budget Committee with the hybrid model with one modification and that is to take the \$12,499 that is unallocated and make that available to Madison County. Her reasoning is not necessarily that they came forward but to the fact that they are so significant with the 44% and that was an error. That is what she would like to put forward. Mr. Dew pointed out that the issue for Clerks to help Madison County by giving them some of their budget authority was put out to the Clerks, and he would hope the Council would give staff the authority to accept this. Clerk Butterfield added that to her motion. Clerk Burke agreed.

Chair Bock reiterated that there is a motion on the table and there has been extensive discussion. She noted that Clerk Butterfield has called the question and a vote will now be taken on the motion that CCOC approved the recommendation of the Budget Committee for the hybrid model to be amended by the unallocated money of \$12,499 to be given to Madison County and allowing the staff in the event that there is voluntary money to make Madison County whole because of their unique situation of an error in their budgeting. Vote was taken by hands. The motion passed.

Chair Bock asked if there was any other business. Hearing none, Clerk Butterfield made a motion to adjourn the meeting. Clerk O'Neil seconded. Vote was taken and the motion passed. The meeting was adjourned at 11:55 AM.

