

APPROVED MINUTES
FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
MARCH 25, 2020 3:00 PM EDT
EXECUTIVE COUNCIL MEETING
Via WebEx and Conference call

The March 25th, 2020 meeting of the Executive Council of the Florida Clerks of Court Operations Corporation (CCOC) was called to order by Executive Council Chair Clerk JD Peacock at approximately 3:00 PM. Council Members present during the meeting were the Honorable JD Peacock, Honorable Jeff Smith, Honorable Tiffany Moore Russell, Honorable Stacy Butterfield, Honorable Angel Colonnese, Honorable John Crawford, Honorable Ron Ficarrota, Honorable Todd Newton, Honorable Laura Roth and the Honorable Harvey Ruvin. There was a quorum. Invocation was given by Clerk John Crawford. Chair Peacock welcomed all to the meeting.

APPROVAL OF AGENDA

CCOC's Plan of Operations calls for the Council to approve the calling of an emergency meeting. At this point Chair Peacock requested a motion to approve the setting and conducting of this emergency meeting. Clerk Colonnese made the motion. Clerk Smith seconded the motion. The Chair asked if there was any debate on the motion. Hearing none, he called the vote. The motion passed.

Chair Peacock stated that the main purpose of this meeting is to give CCOC staff the tools that he will need in the next few weeks to communicate the potential impacts from a revenue standpoint for the corporation. We know that we are facing a significant revenue impact not only to the Clerks, but to the entire court system. We are just one component of a much larger impact on both State and Federal governments. Therefore, we want to make sure that CCOC staff have the immediate tools they need to start trying to communicate the potential and actual revenue declines.

EXECUTIVE COMMITTEE REPORT

The Executive Committee of Clerk Peacock, Clerk Smith and Clerk Moore Russell met on March 16, 2020 at 10:00 AM. The main purpose of that meeting was to discuss the staff members cost of living increase and the merit increases as related to the approval of the Executive Council back in June of

2019. He reported that John assured all his staff had performance evaluations for the previous year. Staff were provided a cost of living increase and some merit as well. The Executive Committee discussed the Executive Director's compensation package in relation to cost of living and merit basis. The committee came up with the intention to provide John with a 2% cost of living and 3% merit increase. The committee recommended that it be retroactive to October 1, 2019 just like the rest of the staff. However, John has voluntarily decided that he would like to start these increases in April as opposed to retroactive from October. He wants to make sure we stay within the total allowed pay compensation approved by the Council at our June 2019 meeting. The Chair asked if there were any questions. Clerk Moore Russell moved the approval of the Executive Committee's recommendation. Clerk Ruvin seconded the motion. The Chair asked if there was any discussion. There were none and the vote was taken. The motion passed.

REVENUE REPORTING

The Chair moved to the main purpose of the meeting which was to get John, Jason, and staff the tools needed related to data collection on current revenue. He stated that we know that there is going to be a significant impact due to the Pandemic and we need CCOC staff to know as quickly as possible what those impacts are going to be so that they can be communicating to the stake holders outside of the CCOC. He asked Jason Welty to give a quick report on the revenue reporting and the request he has from a staff perspective on what he needs for us to give him.

Jason thanked the Chair and everyone for being on the call today. He added that we are in a new world and he appreciated everybody calling in and listening. He began by saying that this call is about CCOC's responsibility and to make sure that we are looking at the revenues and projecting those revenues both for the current fiscal year as well as the next in order that we have a budget that is sustainable. He sent out a form a few minutes ago that is in a draft version of what we are looking at. He continued that yesterday he had an hour conversation with Jesse Atkinson, who is the legislative analyst with the Legislature's Office of Economic and Demographic Research (EDR) that does the Article V revenue estimates. These make the bulk of our budget. The revenue amounts from fines, fees and service charges, court costs make up the bulk of the Clerk's budget on a year to year basis. One of the things that Jason asked him was if we are going to see an update on those Article V revenues. As of right now, EDR is not preparing to do an Article V revenue estimate before late July or early August. This is the normal time that we would expect those Article V revenues to be estimated. Jason continued that EDR is an arm of the Legislature. If the Legislature comes back and says we need to relook at the revenue estimates from a statewide perspective, the state's Chief Financial Officer will call upon EDR

to come back earlier than normal to do a projection and estimate of all state revenues. He followed that one of the biggest components of the State budget is General Revenue and it makes up \$33 billion of the \$93 billion budget the State has. The biggest component of General Revenue is from sales tax. If EDR starts going back and looking at the various components of what the State budget is going to be, there is a possibility that EDR is going to come back and look at the Article V revenues and that is where we will fall in.

Jason explained that one of the things that he would like the Council to approve is being able to see updated and more real time information from a revenue perspective. He would like to see what the Clerks' revenues look like in the current month rather than waiting. Right now, he sees the Clerks' revenues when CCOC receives the Expenditure and Collection (EC) report. We get the revenues from the prior month 20 days after the close of the month. Jason said he would like to be able update the revenues a couple different times in the month. Then he could see how much the revenues are looking in each month. He gave an example of getting ready to go into the month of April and he is looking at what your current revenues are coming in. He assumes Civil Traffic is going to decrease. Civil Traffic makes up about a quarter of the budget, \$112 to \$115 million of our revenue, on an annual basis. If Civil Traffic is reduced in the current month by 30%, he can then use that information if REC comes in and says we need to do a reprojection of the current year forecast. He can say from what we know from the beginning to the end of March, our Civil Traffic revenue is down 30%, down 40%, down 50%. Similarly, because jury trials have been closed off for two weeks and probably will be extended for another two weeks, we know that jury trials are not coming in. Criminal trials and Civil trials both on the county and circuit level are not going to be assessed and we are not going to get any revenues. We know that those two areas are probably going to suffer from a lack of assessment, lack of collection.

He asked the Council to approve a bi-weekly report that would be an ad hoc report that CCOC does not currently collect and we would then start collecting real time revenue data twice a month. The report would be basically every two weeks, the second and the fourth Friday of the month. He would ask that all the clerks submit a report that will show their revenues by court division so that he can take a look and say ok we know that last year in circuit criminal they collected \$50,000 and in the second week you collected \$10,000 by the end of the fourth week, you have only collected \$40,000. That is a 25% reduction between last year and this year. He can then CCOC staff look at those revenues and say in all of our criminal divisions, we have taken a 25% reduction. In our civil divisions we have taken a 10% reduction and in our civil traffic we have taken a 50% reduction. He can then start to build a projection based upon what reductions that he is seeing in the various court divisions. Jason has said EDR is not prepared to call a meeting to project or to do anything currently, In the event that the Legislature calls for the EDR to start looking at those things, he would like CCOC to be prepared to

have good revenue estimates so that we can go in and say we are looking at a \$50 million, \$70 million, \$80 million, \$100 million reduction over the course of the next six months of our fiscal year. The Legislature has about a \$4 billion rainy day fund. When it comes time for the Legislature, in coordination with Jason Harrell and the FCCC team, we will be able to make sure that the clerks are in a good position and that we have good data that the Legislature trusts and we can say we are part of the court process. If the Legislature is going to provide some relief to the courts, state attorneys, public defenders, we want to be at the table and be able to show our impacts and provide the projections of what they will be in the future. This is a going to be a statewide phenomenon. Everyone is going to see some sort of reduction. When the REC starts looking at these things and providing the information in a more real time rather than waiting on the EC report. Jason said that we will be in a better position to make those arguments and be successful. Chair Peacock thanked Jason.

Chair Peacock continued that this is a simple interim week's revenue report. He thinks that it will be simple for Clerks' finance teams to get the report to CCOC. He asked if there were any Council members who had questions for Jason related to the provision of this report and the times indicated. It will be for the duration of the pressing event. Clerk Smith asked Jason what he really wanted was a monthly report broken down in two-week intervals. Jason replied that one of the things that he did not want to do is make it too burdensome on the Clerks. He would like them to give him the total amount so he can do revenue projections based upon that. Jason knows that these reports take time and Clerks do different things within your accounting systems in order to pull those things together. He thought that maybe by rolling it up that it would be easier for the clerks while still giving him data to work. Clerk Smith asked if the clerks could do an EC report every two weeks. Jason said that he could take that data and work with it if that is easier for your staff. Clerk Smith said that he was \$68,000 short than they were last year in March. He said that they could do the EC Report and get it to Jason bi-weekly. Clerk Moore Russell asked Jason when he wanted to receive the report. Jason noted that in the document that he sent out he put the dates and it would be every two weeks. For April, the dates would be April 10 and then May reporting would be May 15 and then May 29. June should be June 12 and June 26. Then in July, it would be July 10 and July 31. It would be the second and fourth Fridays of every month. Jason continued that it would probably be the revenues through that Thursday before it is due. Mike Murphy of Orange County stated that the revenues are not posted that day. It must be reconciled to the bank. Thursday revenue would not be available on Friday. He added that it takes several days for revenue to post. Clerk Butterfield asked if she could make a suggestion. She asked Jason if he reached out to finance staff, there is a core team that will work on this with you and discuss these kinds of issues. And if not, her recommendation would be that we craft some sort of motion that would allow some sort of process to let them work on it and come up with something. She supports

what Jason is trying to do. She does not want to try to get the details worked out on this phone call. The Chair agreed and he wanted to follow up the Vice Chair's recommendation for a bi-weekly EC report. When we were talking, we were trying to get a report that was less effort. The Chair stated that if the Council thought the amount of effort to double up on the EC report every two weeks and if that would be a better solution, we might talk about that. But what Jason had was the timing of trying to understand at a tighter cycle when the revenue was coming in. Clerk Moore Russell wanted to know if we could find a happy median. She agreed with Clerk Butterfield. She can make a motion today that we agree with Jason that he needs real time data, but Council directs Jason to get with finance staff to figure out what is the best method for them to get him that information and by what means that CCOC would receive that. She thinks everyone will have a different opinion on how to get that, but we agree principally that he should get real time data, so we know what revenue is coming in.

Chair Peacock framed it this way. If we were to adopt a motion that will allow Jason to work with a clerk finance staff members who have helped him in the past come up with a tighter timeline of reporting that sounds like the best way to proceed at this point. It will give him the flexibility to get that information. Clerk Moore Russell stated that was her motion. Clerk Smith seconded the motion. Chair Peacock asked the other Council members if they had any questions. Clerk Butterfield suggested that we could have one clerk work with Jason and that team? The Chair agreed and stated that he has worked on creating a workgroup with it chaired by Council Vice-Chair. He was going to reach out to Clerk Smith to lead that workgroup as a sub-committee of the Budget Committee to work with Jason. Clerk Smith agreed to chair the workgroup. Chair Peacock thanked Clerk Smith. There were no other questions or comments. He called for a vote on the motion. The motioned was adopted.

Clerk Moore Russell wanted Jason to be aware that there is the modeling system that Kathryn on her staff built. She stated that she was available to talk to him. Should this be extended longer, it allows us to see what it will look like based on that modeling if we lose certain data. We will still have to work with certain case types. Jason thanked her and noted that he had Johnny in the CCOC office working on that right now. He is having him run a few different scenarios to see what revenues might look like based on some general ideas of what he thought in terms of if we have a 50% reduction in Civil Traffic, a 10% reduction in civil cases and a 30% reduction in criminal cases. He will not hesitate to call Kathryn. He thinks that model is going to come in handy when it comes to what these revenues might look like.

The Chair then wanted to open the floor to Council members to talk about other revenue related issues. He wanted to start by ideas that he has been thinking about. In his county and he is sure in others that he has suspended any new hiring processes at this point. As Clerk of Okaloosa County his number one priority is keeping his staff employed until the other side of this. We can provide the

services that are going to be required. Unlike in the past when we would shut the front doors, no work comes in. Today, it doesn't matter if we shut the front door or not. There is still work coming in. Each individually, all 67 clerks are doing different things to support their community in one way or another. He knows that some circuits have administrative orders to allow them to deal with compliance timelines on payments and other things. His county does not have an administrative order for that. Therefore, his only ability to get relief to people with compliance status is to try and get them on to a payment plan which then gives him the ability to work on some compliance timelines.

He stated to the Council that what he really wanted to do was to give them a quick brief. He does not think that we need to get into all different details of things that are going on. There will be time to talk about that. He knows that we are all trying our best to figure how to keep our staff either working from home or working at a distance. He thinks that our goal would be to help our community get through this.

CASE REPORTING

Chair Peacock asked staff if they needed to do an increased timing of case reporting. He wanted to make sure everyone understood the importance of us getting that data timely for case reporting and subcase counts. While there is a slight difference in timing when case reporting tells us future revenues, it is important that he ask if there were any questions on case reporting.

Judge Ficarrota stated that he was on the line and wanted to respond to Chair Peacock's question regarding the courts and the status of what we are dealing with. He noted that they are in a similar boat to the clerks. They received an updated administrative order from the Chief Justice yesterday. It stated to continue to suspend jury trials up until April 20, waiving deadlines, tolling speedy trials and all those things. The Chief Justice also sent out a video message and he hoped that the chief judges shared with the Clerks. If not, he would be glad to share it with John Dew. There was a Trial Court Budget Commission Executive Committee call yesterday. They are trying to resolve issues and trying to get some money out to their circuit for their technology needs for Zoom licenses and things like that. Chair Peacock thanked him. He asked the Council if they had any questions. Judge Ficarrota said if there was any help, he could do from the courtside to please let him know.

CFY 2020-21 BUDGET PROCESS

Next Chair Peacock wanted to give a quick brief on the CFY 2020-21 Budget process. That has completely changed at this point. He continued that we don't even know yet what this CFY 2019-20

budget year will end up. The Budget Committee meeting that was scheduled for today was postponed. He is hoping to report back to the Council on an updated timeline once we know something concrete. There is a statutory deadline related to June 1 for budget submissions for next year. He has asked John Dew to reach out to our General Counsel, Joe Boyd, to see what kind of ability we might have to push that date considering the emergency declarations throughout the State. John said that he did reach out and asked if Joe Boyd was on the line. He was on the line, but the feedback made it impossible to hear him. John stated that Mr. Boyd believed we do have the ability to move beyond the statutory deadline if we have to and so we are still talking about that and working through it. Because of the declaration of emergency, we should be able to move it back if we need to and not meet that statutory date. Chair Peacock said there will be changes and we need to know that we have that flexibility.

He asked the Council if they had any questions about the CFY 2020-21 process. The Vice Chair noted that having John check out the pushback was a good idea. He thanked Chair Peacock for doing that. Clerk Crawford said that there was talk about the federal government trying to help the nation stay afloat especially economically. He asked if anyone was talking to the Governor's office about talking to the federal government. He noted that due process needs to continue. We are still America and the courts are an essential service. The courts must go on and the clerks have got to be there to make that happen. We may have to step away from our model long enough to make sure we have adequate funding. Chair Peacock noted that Jason had been tracking some developments out of the Governor's office. The Governor's office is looking to try and get a handle on some of components of the different operations of the State. Our trust fund didn't really fit in to what they are working on now. He continued that we talked on a staff call earlier to make sure that any contact with the Governor's office or Legislative staff who are working through this potential impact that we will have significant impact from a dramatic revenue decline. There is a recognition that this will go far and wide. John, Doug, and Jason know to be looking for any opportunity to have a conversation on what that impact will be. His concern would be to make sure that the system remains whole through the crisis before we start tweaking the complex components of how things are funded from a revenue standpoint. That was his thought initially. He asked the Council members if they had any further comments on the topic.

Chair Peacock opened the floor to Council members to bring up anything that they feel is a concern or from a Council perspective that the Council needs to hear from you. Clerk Roth asked for plans going forward. She knows that there is no denying there is going to be a sharp decline in revenues. She asked when the Council duties will be as far as reconvening to decide what to do as the situation becomes a reality. She is only a couple of payrolls deep. Would we be having further meetings to discuss alternative measures where we might be able to hold revenues to pay our own

budgets. Where do we go from here? Chair Peacock said from his perspective he feels that whole system is shell shocked at the moment with administrative processes. In his county the commission is just getting past the initial what is closed, what is open conversations. They haven't gotten to administrative conversations about how we keep payroll going and how we keep different administrative functions afloat. From his perspective, working with staff and working with the Executive Committee, when there is something significant to report certainly you will be hearing things come out via email. But if we have decision points that need to be discussed and everyone can get on the phone, the Council will meet regularly. He does not know right now when the next meeting will be because he does not know if there is anything further to tell you other than to get Council's feedback to staff. One of the biggest concerns that he has is the unknown. There is a lot of unknown right now that we need to get answers for. He concluded that when we have information to provide answers that is when we are going to be thinking about having these emergency Council meetings to get input and updates and make decisions.

Chair Peacock asked John Dew if he had any further comments. John noted that while there are many unknowns, he would appreciate Clerks and their staff calling him just to communicate on what the financial situation in their offices look like. It's important to keep each other aware of concerns and communication is key during this time. John also mentioned that what is happening now is clearly the situation that shows why we need a funding model that provides stability. Stability means having a system which allows a reserve set aside for such situations and/or the ability to go to the State to receive funding automatically when situations occur outside the control of the Clerks. There will be more meetings of the Council on an emergency basis as we get information from each of the Clerks. CCOC staff are here to try identifying where the problems are that need to be resolved and how to resolve them. Once we get the data in on the revenue, we will have a much better picture and be able to explain it.

The Chair asked Jason if he knew of any upcoming joint meetings of any of the stakeholders that are going to start talking about this? Jason said at this time there was nothing in the works but he knows that he will be in contact with the Governor's office as well as the Appropriations staff that are over our area of the budget and give them a heads up that this is what we are seeing and that is where this real time revenue information is going to come in handy. He continued that if there is a 30% decrease in our Civil Traffic revenue over the next 6 months and that is going to be a \$20-\$30 million hit. It is going to be a hit to Clerks, but it is going to be a hit to State general revenue, State Courts, Public Defenders, State Attorneys, and FDLE among others. It is going to be a hit to everybody. Those are conversations that he has not started simply because he does not have any

actual data. When he starts getting some real time information those are the conversations that he intends on having on the Clerks' behalf.

Chair Peacock noted that he and John had talked about the current status of the Trust Fund. At what point do we not have the trust fund dollars to disperse dollars to the funded clerks and at what point will we get into the mechanics of adjustments and who is funded and who is not. John said that is the question that he quickly asked of Jason. Because while our Trust fund looks healthy right now, there are some twists and turns as to money being taken out and when it is sent to Clerks as well as the State. Jason has done some research on that and John asked him if he could provide some information.

Jason stated that there is currently over \$24 million in the Trust Fund, but by the end of this week if DOR is processing the vouchers for the \$15.8 million in payments that are from last year's cumulative excess and unspent budgeted funds, those funds should be going out to the Clerks this week. That is going to take our \$24 million down to \$12 million. He took a look at it last night, if we got \$0 in terms of the next seven months in 1/12th dollars, we would run out of funds at month 5. We would have 5 months of 1/12th money available to go to the funded counties and we would end the fiscal year at about \$4 million in the hole. That is the worst-case scenario. We do know that some counties even with a large revenue reduction, there will be some that will produce some 1/12th. Chair Peacock said that did not take into context that a lot of us will not get even close to making the 1/12th and what that impact is as well. The Chair continued that the Trust Fund impacts are the most immediate decisions that the Council would have to make related to some sort of adjustment to that. He asked Clerk Roth if that helped. She said yes thank you. She would appreciate the ongoing conversation.

The Chair asked if there were any other questions. There were none. He opened the floor to any Clerks that were on the call. Clerk Frank began by stating that we have a terrible situation here. We don't know if we are going to be able to control the growth of the virus in Florida. All the national news says that Florida is the one that is going to be next, because there has not been much testing. She can attest to that to be true in her area. Given all of that, remember that June to November is hurricane season. Just imagine if we get a burst of hurricanes, one of things that we can do now that would allow us to do things other than have people come down to the Court house. Is there anything we could do that would allow more people to work offsite and keep the process going? There are still some obstacles that occur where people are obligated to come into the Court house to do things. Is there anything that we need to change with the Legislature to make that applicable. If it has to be only applicable in terms of time of emergency, let it be that. Chair Peacock thanked her for her comments. He noted that he is using some tools that he put in place to figure out how to do remote

marriage license application processing. That was a big hurdle and that is one of those things you must do in person.

He opened the floor to Clerk staff or any of the public that was on the phone if they wish to give the Council feedback for the future. He also stated that they can also send an email to staff, himself or any Council member. Clerk Maloy noted that he was looking at his numbers and traffic has dropped about 90%. He thinks that it is going to be a bigger impact. He then asked if the first reports are supposed to be this Friday? Chair Peacock asked Jason when were we trying to get the first reports together? Jason stated that he was going to have the first reports due on April 10. Clerk Maloy also said that he agreed with John that we need to look at other funding models. Clerk Ellspermann wanted to comment that as Judge Ficarrota communicates with OSCA and the Chief Justice, we all need to be aware of what is pending April 1st is the amount of staff that is going to be lost within our court systems for those that qualify under the new Federal guidelines of FMLA if the schools are closed. Secondly, there is a new Governor's order that just came out that once it is posted everybody will see it, but it also directs the Surgeon General of Florida to recommend anybody 65 and older to stay at home. He cautioned everybody as they move forward with the technology issues to work with the Court whether anybody is going to have enough people to handle the workload. Judge Ficarrota said he was still on the line and said thank you. Chair Peacock agreed with the Clerk and said that some Clerks run their offices like a business and when the revenue does not come in then we don't have the funding to pay staff.

Brent Holliday wanted to make a comment. He said that on the Friday technology call, they will be sharing things that they are doing at each of our jurisdictions. In Seminole, they have been talking very seriously how to do the marriage licenses all online. He believes that everything is close to being able to do that. Chair Peacock agreed that the Friday technology calls are the place for understanding the technology uses and innovations across the State. He encouraged if Clerks did not have somebody on that call, he recommends that someone be put on that call each Friday. It is a great resource and a great place to learn what other Clerks are doing and how we are reacting.

Clerk Timmann noted that others are experiencing what they are here even with remote work, we have this dynamic CJIS issue that everyone tapping in to CJIS information had to be with a government computer. She continued that Clerks do not have laptops sitting around for all of their staff and we do not have extra VPN licenses. What might be helpful is if someone asked the technology group to take a good look at what things can really be done remotely. It was found there is hardly anything that people can do remotely because of the limits that we have on laptops and VPNs. Chair Peacock said one of the things that he had to deal with was even if we have employees at home who have their own setups, to be able to VPN we are going to be in conflict with their kids who are trying to do school work

at the same time. Clerk Timmann wanted to make sure she brought up the CJIS issue with Judge Ficarrota. She wanted to make sure he was aware of that. Chair Peacock said that Clerks still have an obligation to follow the law and follow the rules in place. The reason they are there is for good things to serve the community and the State. We want to make sure we have the normalcy of our written laws. He thanked Clerk Timmann for bringing this to the Council's attention. Judge Ficarrota stated that he got it.

The Chair asked if any of the Council members had any other questions or comments. There were none. Chair Peacock said that the Clerks have benefit of your representatives on this council in the council members and to please let them know your feelings so they can make a better decision as we move forward. He noted that he did not know when the next meeting will be, but certainly know that there will be one. He wanted to leave the meeting with the world as he sees it. There are very few things that we know for certain. Considering this, there are some things that we can be consistent on. He is consistently letting his staff know that it is his priority to make sure that we have them here to do the job until the other end of this. He wants them to feel that there is a consistent commitment from him. He certainly feels that the court system is essential, and he will echo Clerk Crawford's sentiments on that. It is an essential function of government to be able to seek regress. Therefore, the Clerk's role is essential and the team that we have put together to get the work done is essential. He has made the commitment to his staff that he is going to do everything in his power to make sure that they are in a role and employed through this to the other side.

He thanked the Council members and the CCOC staff that are working right there with us. He thanked all the Clerks' staff that support the work that the CCOC team do to make decisions and get information that we can communicate the message and concerns of the Council.

With no other comments, the meeting was adjourned at 4:22 PM.