

**APPROVED MINUTES
FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
APRIL 14, 2020 3:00 PM EDT
EXECUTIVE COUNCIL MEETING**

Via WebEx and Conference Call

The April 14th, 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 3:05 PM EDT. 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. Clerk Moore stated that there was a quorum. Invocation was given by Clerk John Crawford. Chair Peacock welcomed all to the meeting.

APPROVAL OF AGENDA

Chair Peacock began by saying that because this is an emergency meeting under CCOC's current Plan of Operations, it will require Council members to authorize the continuation of the meeting. There was less than a seven-day notice. At this point, he asked if a Council member would make a motion to allow the continuance of the meeting. Clerk Colonnese made the motion. Clerk Roth seconded it. The vote was taken, and the motion passed unanimously.

The Chair thanked all that have been part of ongoing calls and communications. The CCOC is making sure that they are communicating our situation to the partners as well as doing everything they can to understand either the Federal legislation and/or the HR legislation. The team is working every communication channel that that they can find. We have some great business partners in the Legislature, the Legislative staff, the different partners in OSCA and the Judiciary. These are the times when the relationships that we have built with others really come into play and as the Chair he would like to thank all of those on our team that have been reaching out and having those conversations. He thanked our business partners for being receptive to our phone calls during these trying times. While we in the Court system have a very essential function to our government, we want to make sure that we are cognizant of the fact that presently the Governor's office and all the decision makers are making life and death decisions. We want to make sure when we are having those conversations that we are cognizant of that fact and we want to make sure we are not in the way of those important emergency matters. While everyone has been very receptive to our concerns, we still need specific data to give those stakeholders.

UPDATE ON CLERKS' REVENUE SITUATION

Chair Peacock updated the revenue situation of the Clerks. He stated that the CCOC team continues to look at every piece of revenue data. There have been a great many surveys received last week as well as the initial report for the last 15 days of March. Jason Welty, as the lead CCOC staffer, will start developing spreadsheets and data to understand exactly where everybody is. Right now, we do not have specific information because we have gone

through a March that other than the last week show normal type numbers. He continued that we will be able to see the numbers that are going to tell us the most about the revenue situation for the first 15 days of April. The report that Jason's going to get us next week along with the EC reports will give us both the data to tell us where we are and provide a strong foundation on forecasting near term into the next several months. As far as the revenue data, we will be going into some additional details when we get to the Guidance Memo that is presented as a draft to the Council.

Chair Peacock indicated that Jason, Jason's team, John Dew as well as the partners at the FCCC are watching all the different numbers. We will be getting the specific numbers from the reports that will be coming in this Monday the 20th. The spreadsheet will capture where the Clerks are at the start of each month based on what is reported in your EC report. Then we can use the revenue information per 15 days to forecast out into the near future and then into the future. We want to make sure that it is as accurate as possible. We had to buy time to get us to a point to where that data would be there and by the 20th of next week, we feel like that we are going to have sufficient data to bring back to the Council. The spreadsheet will show where everybody is from a cash perspective. We want to make sure that the Council understands precisely across all Clerks where everybody is at the beginning of March and where we anticipate everybody will be at the beginning of April as well as the beginning of May. He asked if any of the Council members had questions. There were none.

UPDATE ON RESEARCH AND COMMUNICATIONS

The Chair turned the meeting over to Jason Welty to give the briefing. Jason thanked the Chair and everyone joining the meeting today. He continued that one of the things that CCOC is doing is looking at the CARES Act and trying to break it down. He continued that he is working on making sure that he is getting as much information from as many different sources as possible. CCOC can provide the Clerks some additional information to help not only from the standpoint of the direct federal funding for state and local governments, but also there are multiple pieces in the CARES Act and the Families First Coronavirus Relief Act. We hope to send out some additional information on all the things that have come down from the feds. He stated that CCOC continues to monitor this but also with the potential 4th Relief Act that is being discussed in Washington. Chair Peacock thanked him. The Chair wanted to emphasize that Clerks and clerk staff that have data points to please communicate those to Jason. We have asked the Clerks and staff if you have heard something we do not know, or you think we do not know, please let us know.

CCOC GUIDANCE MEMO

After working with staff this week, the Chair felt it was time the Council needed to meet and provide some guidance to Clerks as the official budgeting arm of the Court Operations for the Clerks across the State. He said that it was time for him to get some feedback from staff and put together a Guidance Memo. This is a draft memo to start the conversation with Council members because it is his intention for this to be a product from the Council. He wanted to give the Council a chance to weigh in and add and subtract whatever you feel like. He wanted to start with a couple of things that he has been operating under as the Chair. The Chair is only one vote of the Council and is not in charge. It is his job to lead and get the conversation

started. The Council makes the decisions. He started the discussion by stating that there have been a lot of conversations with our business partners and stakeholders. These have included conversations with the Governor's office and with the Legislative staff. Every time one of those conversations has happened, there has been a receptive ear. They understand that we have a significant issue. Those initial conversations have ended, but when we have some actual numbers about each Clerk's situation, that is the time when we can continue those conversations.

From his perspective, the State Court function of the Clerks is the state's responsibility. It is a state function according to the Constitution. In the funding shortfall that is going to happen because of loss of revenue over the next few months, that is going to be something that we are going to have to have assistance from our State partners. The Chair stated that we do not have the resources to basically fix it ourselves. The short duration between now and when we are going to open the doors again, there are too many complications. Right now, we are buying time. He sees this currently as a cash flow situation for at least this quarter, the third quarter of the county fiscal year. We do not know yet what it is going to look like from a revenue perspective when the gates open back up and all the filings start happening in June or July if that is even the timeframe. We know that when it opens, there will be a lot of civil cases and things are going to spin back up again. There is a lot of work that is being pent up right now. We need to be ready to support the system. We are buying time with cash flow to keep everyone whole through at least the third quarter until we get to some sort of solution from our state partners. They know just like we do that there is a problem. We have got to be able to buy time to know the exact specifics of that problem at least in the short term for this current quarter. The Chair continued stating that CCOC is developing specific revenue impacts that can be forecasted out. He believes that the data that we are going to get out of the EC report for March, as well as the first 15 days of April, is going to give us the tools we need to forecast out until June on what everyone's cash position will be.

The attached Guidance memo has a couple of draft concepts in it. First, is information that Jason put together on the CARES Act and how we currently think that is going to apply. The belief is the CARES Act is not going to provide a solution for lost revenue. It is probably going to come through the State or local governments to Clerks or through the Clerks of the big counties. We do not know at this point what is going to replace lost revenue. It may come from somewhere else. That is in the first section of the memo.

The Chair continued with the second section which is associated with the court-related expenditures. The section discusses what the Clerks need to be tracking as related to expenditures for COVID 19. Also, there are four bullet points of direction from the CCOC. One, offices need to be reporting timely on the data points that are needed at this critical point. Two, we need to start the discussion if you have a current vacancy, hold that position temporarily until we get through this unless it is a critical position related to your court-related functions. The third is to minimize operational expenses. If there is something that you can put off, we are requesting that you do that. The fourth bullet is to be thinking from a cash management perspective in your offices. What kind of plan do you have if help is slow in coming and what is your cash flow perspective on how to get through the next several months?

The Chair noted that this is a state funding concern. If you can find a cash solution short term from your county or from funds that you are able to do an accounting loan internally that is not a long-term solution that is a short-term cash solution. He feels that those costs need to be recouped. It is not a responsibility of the county or your trust fund or your recording revenue to pay for the court function.

At this point the Chair opened the meeting for Council comments, suggestions, changes that you feel you would like or just scrapping it and starting over. Clerk Roth wanted to thank CCOC for the Guidance Memo and she could not agree with it more. She stated that it sounds like we are going to need some long-term help from the partners. She thinks the Memo is fine. The only thing that she would add is if there was any consideration that when it comes to the CARES Act funds, that the CCOC could take on a role of collecting data from Clerks on what claims maybe valid under the CARES Act and then maybe making a claim on behalf of all Clerks for distribution. The Chair said that was good suggestion and that he had not thought of that. At this point he does not know if he has a specific answer. He would suggest taking it to the team.

Chair Peacock put line numbers on the document so members could refer to the text easily. He asked all to look at line #78 on the third page of the memo, "it will authorize the staff in consultation with the Chair to provide timely information as we get it and as it is verified to all the Clerks." That line is not intended for the Chair to take unilateral action. He is not intending to do that, nor does he have the authority to do that. It is more intended to give us the ability to get verified information out to everybody as quickly as possible. He knows that the FCCC is doing the same and we did not want to have a delay.

The final concept in the memo is a decision that he felt like the Council needed to make all the decisions related to the FY 19-20 budget status whether it be a cash flow amendment or a budget amendment or other specific action taken by the Council to handle the short term funding cash flow issues. It will be handled by the Council as opposed to being vetted through the Budget Committee. The reasons are, first, we do not have time to make quick decisions when we do that. Second, the size of the group of the Budget Committee would cause some timing issues. We also get into where we have Sunshine concerns. The Council is a Sunshine body and our Budget Committee is a Sunshine committee. That is the guidance that he wanted to put in and get the consent of the Council. We, as the Council will make those specific decisions and it will not be vetted through the Budget Committee due to those factors. Additionally, in that paragraph he is requesting that the Council support the idea that as a Council we are going to do everything within our authority with the Trust Fund and the CCOC budget authorities to keep everybody funded through the quarter. The reason he placed that in there was he believed with the data that is collected now and the data that Jason will have next week will allow us to project out everybody's cash situation with some estimates at the beginning of each month through the next three months. With that information, he believed that we have the resources to temporarily adjust those Clerks who are going to have a cash flow cliff and we will work a month at a time on this. He noted that there is going to be a point in time that Clerks are going to hit the cash flow cliff. The surveys showed that. The spreadsheet with the data will give us the specific information points that will tell us specifically when those things are going to happen. He hopes that he and the staff can bring the spreadsheet back to the Council around the 22nd. We should have the data to have a

CCOC Council meeting and have a suggested solution for short term funding adjustments to get us through May. And then we would do the same for June. This is a short-term cash flow situation and is dependent upon help coming at some point in the future from our partners. He believes that we will have the data to do that and he feels strongly that we stay whole between now and certainly through this quarter. He asked the Council members to ask questions or give comments.

The Chair opened the discussion to the Clerks on the call. He continued that after we have had a chance for everybody to speak then he is going to ask for the Council for support to ratify this memo. It will be a directive from the Council to the Clerks. Clerk Butterfield wanted clarification on the last paragraph. She asked if what he is suggesting is that you are going to bring back to the Council some sort of plan that includes either budget amendments or cash flow solutions to fully fund all the Clerks through June 30th. Is that your intent to have an actual meeting when you have that solution? Chair Peacock said that she had stated it as what he anticipates in monthly chunks.

He then opened the floor up to staff members from Clerks' offices who might have questions. He then asked if anybody from the public had any questions.

Clerk Smith had two comments. He began by mentioning the CARES Act and that the GFOA sent out something today that it only applies to jurisdictions with populations of more than 500,000. That is only going to help a few. He does not know how much that is going to be a benefit. He had a second concern about taking the Budget Committee out of the process. He understands the timing, but does the CCOC by-laws allow for those procedures? Chair Peacock said that the Council body makes the decisions and the Budget Committee is the body that makes the recommendations. The Chair stated that he will research that to double check. His assumption is that the Budget Committee made the recommendation on the current budget and at this point we are making amendments related to this specific situation. Clerk Butterfield wanted to follow up on what Clerk Smith said that the CARES Act only applied to over 500,000. She asked if you know or does staff know if that is a correct assumption? The Chair asked Jason if the initial CARES Act stated that counties or cities over a certain population could go directly to the Federal Treasury while other entities smaller than would have go through a State or other avenue. Jason stated that was correct. Jason continued that cities and counties that have a population of over 500,000 can go directly to the Treasury. The way the Cares Act money is split up is that 55% is going to the State and 45% of it will go to the local governments. He said that Florida is in line to get about \$8.3 billion and 45 % is going to the 12 biggest counties in Florida directly. The other counties and cities will have to go through the State's process to get their money. Basically, the money break-down will be out of the \$8.3 billion however much the population is of those 12 counties over 500,000 that will determine how much the State has. He does not have the exact figures and Treasury has not released how they are going to implement that either. He thinks that this will come out in their final guidance.

There was a question via Chat on the WebEx meeting. The question was, will the decisions made be a public meeting of the Council? The Chair said he anticipates as we get the data together and we are able to put it into a logical spreadsheet that shows what the data supports, what are the assumptions, and how we formulate some solutions from a staff

perspective, it will be time for making decisions. We will be timely in posting this kind of decision making for you to review. There will be a notice for a public meeting. We will bring those short-term solutions to the Council for discussion, debate, and public comment prior to taking any action.

Another Chat question was are you considering specific criteria for funding solutions for example relating to donor or deficit county? There has not been a discussion with staff yet on the criteria for treating donor or deficit counties differently. We are currently operating in how we keep everybody funded from month to month through this quarter. The measures right now are trying to forecast who is going to have a cash deficit problem starting each month and to try to address that first from a third quarter perspective. He thinks a broader yearlong budget conversation will have those kinds of discussions. The immediate concern is cash flow to keep the Clerks operational.

The next question was are you having criteria on services to continue? The Chair does not think that there has been a conversation with staff on which service or services that would be picked. Based on the Governor's order and based on his understanding of the Constitution, the role the Clerks have in the court system and based on the work we are currently doing, he feels like everything we do related to the court function is an essential constitutional function. He does think at this point we need to be selective on what pieces are going to be funded or not.

The next question was what will guide the adjustment? Initially, he said is how do we keep Clerks healthy as we adjust to the shortfall in revenue for the next couple of months.

The last question had to do with adjusting the deficit to make the Clerks whole. He was not quite sure of the question. He thinks the term whole is a yearlong kind of solution. He is not talking about that yet because we do not know the numbers yet to talk about a yearlong number either globally across all of this or specific across individual Clerks. We will be closer to that data after the 20th when the reports are turned in. He talked about specific actions that the Council will need to take to keep the Clerks functioning from month to month through this quarter. Obviously, that leaves lots of conversation to talk about the whole year long.

The Chair received a text message from Judge Ficarrota. He stated that he looks forward to the Courts and OSCA working with the Clerks. He also added a brief note that he knows that Chris Hart of the FCCC has been working closely with Lisa Kiel of OSCA and they have been receptive to conversation. It really has been a team effort across a lot of business partner relationships.

Clerk Forman had a question on whether the 19-20 budget will sustain most offices until the end of the third quarter. The Chair answered that is a question that we need more data to answer. He is confident that we have the cash flow to begin May. April will be the benchmark for the decline in revenue. Jason will get the first 15 days of revenue for April next week. He thinks that will be the low point and Jason will be able to forecast that out for a couple of months. The goal is to look at each month individually and if we must find a way to adjust, we have a distribution from the Trust Fund that takes place on May 5th. That is a little over \$2 million that will be distributed to the funded clerks. They are going to be looking if somebody

has got the cash flow and does not need that payment right now, we may be able to find a way inside of that distribution to fund the Clerks that have a specific cash flow crunch. That is not intended to be an adjustment to your budget authority. This is just a temporary cash flow maneuver that the Chair feels like the Council can take. He thinks that we can do that for the next two months. The data will tell us that. Obviously, what we are doing is pushing the hole in the revenue as far out as we can to give us time to find a solution. None of these actions solve anything. All they do is keep the Clerks funded from month to month.

Chair Peacock said he has followed every text and the chat. He wanted to finish by saying that we are trying to buy time. That is the goal until we understand what the actual impact is and where a potential solution comes from and how that comes to us. We want to make sure we have good data and it is understood and we can validate it. We do not want to have conversations with our partners without having good data that supports what we are trying to say. He knows that we have had conversations about different options. For example, like the revenue that goes to the GR or the revenue that goes above your 1/12. Some of those ideas he thinks are worth pursuing as solutions and we are vetting them to see if they are something that we can present effectively. He wants to go to our partners at the State with a solution, not just a problem, but a solution. He believes that staff has heard those comments and are weaving them into conversations. His request is that you not take a unilateral action locally as a Clerk as it is related to a statutory obligation or an obligation of the CCOC's Plan of Operation. It must be vetted before taking that kind of action. There has been a lot of ideas that are floating around. It is a good thing. We are looking under every rock to find a solution. The Council needs a chance to weigh in and present options and talk to stakeholders to make sure that we have had good vetting and conversations. The Council is going to take every effort to keep the Clerks whole and funded from month to month until we can find a solution. There may be a time when we must take some dramatic actions. It is not today.

At this point, there were no other comments. The Chair asked the Council to ratify the Guidance Memo to be sent out by the staff to all Clerks and Clerk finance staff. He opened the floor for a motion. Clerk Colonnese made a motion to ratify the memo. Clerk Newton seconded the motion. The Chair asked if there was any debate and hearing none, he asked for a vote. The motion passed unanimously.

He thanked all for getting on the call and taking the time to listen. We know that everyone is busy. He thanked the CCOC staff.

Chair Peacock's final point is during these times the Clerks' employees look to the Clerk to provide consistency and provide compassion. He appreciates the team and all the Council members and Clerks and staff. The meeting was adjourned.