



CCOC

FLORIDA CLERKS OF COURT
OPERATIONS CORPORATION

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Minutes of July 8th CCOC Budget Committee Meeting

Approved by the Budget Committee at their meeting on 8/25/20.

The Budget Committee of the Clerks of Court Operation Corporation (CCOC) held a meeting via WebEx and in person on July 8, 2020. An agenda and materials were distributed prior to the meeting and posted on the CCOC website on the Budget Committee page: <https://flccoc.org/committees/budget/>. Provided below is a summary of staff notes from the meeting. These staff notes are designed to document committee action, not to be a full record of committee discussions. All motions adopted by the committee are in **bold** text. All CCOC staff action items based on committee direction are in red and **bold** text.

1. Agenda Item 1 – Call to Order and Introduction

The workshop was called to order by Clerk JD Peacock, Chair of the Budget Committee. Marleni Bruner, CCOC Senior Budget Manager called the roll.

On Call for meeting: Clerk Peacock, Clerk Smith, Clerk Bexley, Clerk Burke, Clerk Butterfield, Clerk Childers, Clerk Cooney, Clerk Crawford, Clerk Godwin, Clerk Green, Clerk Hand, Clerk Kinsaul, Clerk Russell, Clerk Spencer, Clerk Timmann, and Clerk Vick.

Absent from call: Clerk Bock, Clerk Forman and Clerk Connell

2. Agenda Item 2 – Approve Agenda

With no adjustments to the agenda, it was approved without objections.

3. Agenda Item 3 – Approval of Minutes from 2/19/20 and 5/27/20 Meetings

Clerk Peacock reviewed that the February 19th minutes were corrected and are now presented along with the minutes from the May 27th meeting.

Clerk Childers motioned for approval and Clerk Vick seconded the motion. With no debate, the committee adopted the motion unanimously.

4. Agenda Item 4 – CFY 19-20 Update

4a. Trust Fund Status

Our Mission: As a governmental organization created by the Legislature, we evaluate Clerks' court-related budgetary needs, and recommend the fair and equitable allocation of resources needed to sustain court operations.

Clerk Peacock opened the floor to Jason Welty to give an update on the Trust Fund. The Trust Fund had \$8.9 M in it to get through the rest of the fiscal year. This will ensure that funds are available in the trust fund for disbursements according to the cash flow spreadsheet.

Clerk Burke questioned the \$8.9 M to be put into perspective; for example, what should the balance be? Jason explained that we started the year with \$40 M in the trust fund; however, \$15.8 M of those funds were budgeted in current year and disbursed to counties, plus another \$5.6 M that was sent to state General Revenue from cumulative excess. The current balance will get us through September 30 with the new reduced budget. Clerk Burke asked where this puts the committee for October as far as cash flow. Jason told the committee the revenue from September will help carry into October. All calculations have not included any September revenues. Clerk Burke then asked how much went to the state general revenue fund last year. Jason told him it was about \$5.6 million was swept in by late January 2020. Clerk Burke would like a figure of how much was collected and sent to state General Revenue over the last 5 or 7 years. Jason explained that we have only sent back money the last 2 years, which is approximately \$20 M (\$5.6 M plus approximately \$14 M).

Clerk Butterfield wanted to be clear about the \$8.9 M in the trust fund and was told by Clerk Peacock that the amount gets us through the end of the year on a \$60 M reduced budget. Clerk Butterfield stated that she took the reduction in her office - laid off and furloughed employees and did not want there to be confusion that the clerks have money.

Clerk Green asked what is needed to keep us fully funded through the year. Jason answered by telling her the amount needed is \$60 million. Clerk Timmann was called on but her question was already asked by Clerk Butterfield and she appreciated the clarification that the \$60 M reduction was taken in the 4th quarter.

Clerk Colonnesso asked if this balance in the trust fund took into account all the reductions that clerks have taken and Clerk Peacock explained that the balance is dollars sitting in the trust fund which fluctuates and the financial situation is better looked at in the Cash Flow update that Jason will provide.

4b. Cash Flow Update

Jason provided a review and explanation of the cash flow spreadsheet. The green columns are the revenues. The tan/yellow columns are expenditures. He also explained that the expected revenue is the amount that the budgets were reduced to, \$387 M. Jason then explained that the expenditures include payments made to the trust fund from depository counties and funds received from the trust fund are included as revenue for funded counties. There are 32 counties that will not have enough dollars locally to get through the end of the year, so the last column (peach) show the payments from the trust fund that will be needed to get them through the end of the year.

Clerk Butterfield requested a review of the green revenue columns. Jason explained that “TF Revenue” is disbursements from the trust fund as a regular funded county or the special disbursements that have been done. The next column is the amount that was disbursed from the cumulative excess in CFY 2018-19. The next column is a combination of the first two explained and the last column is the addition of the Local revenue column and the two explained columns.

Clerk Peacock also wanted to point out that the cash clerks received from the cumulative excess was a non-recurring amount and that is why it was removed from the Base Budget calculation. It is shown here so that everyone is clear on where the totals came from.

Clerk Smith asked for clarification of why TF Payments was included as expenditures. Jason explained that is the amount that a county has sent to the trust fund from their monthly 1/12th calculation.

Clerk Butterfield pointed out that the locally collected revenue (\$371 M) was a key number to take note of because there would not be any other revenue sources for the clerks in the upcoming year. Clerk Smith asked if the \$371 M was estimates and Jason informed him it was 9 months of actuals and 3 months of estimates.

4d. Trust Fund Disbursement for July

Jason skipped to TF Distribution for July. The disbursement of the remaining funds would be done in 2 distributions instead of three months. The staff recommendation is for the committee to approve the modification of the CFY 2019-20 disbursements for the counties listed in the packet. Late August would be the timing for the second distribution.

Clerk Vick motioned for approval of the TF Distribution for July and Clerk Childers seconded the motion.

Clerk Smith requested clarification on which column is the distribution and Jason explained it is column BO, the amount would be divided by two and disbursed in two months.

Clerk Vick asked for clarification regarding the balance of approximately \$1.9 M in the trust fund after distribution. Jason explained that any remaining balance will but used in the future. Clerk Vick then asked if more was collected, would it be retained and carried over into the next year. Clerk Peacock and Jason told her it is something staff and the Budget Committee will need to review if additional funds become available.

Clerk Kinzel stated that she feels penalized for not pulling from the TF. She felt that depository counties need to be reevaluated and didn't like that there would be any money in reserve. She felt every dollar needed to be spent because some counties have been drastically impacted by the reductions. Clerk Peacock told her the budget

cuts went directly to the expenditure abilities, then recalculated the funded/depository dynamic. Clerk Butterfield explained that the \$1.9 M of the TF balance does not impact the cut. The reduction is still in place and these are cash dollars that are being used to help counties.

The motion was adopted unanimously.

4c. Funded and Depository Recalculation

Clerk Peacock opened this section by explaining that the following recalculation of Funded/Depository is the mechanics of what have to be done when the budget is reduced. Marleni Bruner, CCOC Senior Budget Manager, explained the spreadsheet provide in the meeting packet. The calculation takes the new budget authority and compares it to the revenue projection. The calculation also took into account any funds that were sent to (expenditure) or from (revenue) the trust fund. The amount shown in Column K, “1/12th threshold (Jul – Sep). Marleni also stated that the packet is incorrect, and the spreadsheet being shared has been corrected. Clerk Peacock also mentioned that if there is any increase or decrease it will have to be recalculated. Staff requested a motion be made to approve the revised funded and depository calculation and edit the Expenditure and Collection (EC) report to reflect the changes. Clerk Peacock recommended to adopt it by consent and asked for any objections.

With no objections the calculation was adopted by unanimous consent.

4e. Juror Management Budget Authority Adjustment

Jason explained that this was an action taken by the budget committee last year to modify jury budget authority to match the needs as they differed from projections at the beginning of the year. Adjustments are needed to the 28 counties by increasing their jury management. Clerk Peacock opened the floor to committee members questions, to which there were none. He then asked Clerk Vick if she had anything further to add as she has been working with Jason on Jury Management. Clerk Vick thanked Jason for his hard work.

Clerk Vick motioned for approval of the Jury Budget Authority changes and Clerk Butterfield seconded the motion. With no debate, the motion was adopted unanimously.

5. Agenda Item 5 – CFY 2020-21 Update

5a. Reduction of New Judge Allocation

Jason explained that Gov. DeSantis vetoed Line Item 3222 – Certification of Additional Judgeships – Circuit Courts as well as Line Item 3238 – Certification of Additional Judgeships – County Courts. The bill authorizing new judges was signed but the Governor but no funding to go with it; therefore, the judiciary will be no new judges for CFY 2020-21. A reduction to the base budget for judges is required.

Clerk Peacock asked if any committee members had any questions or comments, in which no one did.

With no objection, the reduction of the Base Budget for judged was adopted by consent.

5b. Juror Management Budget Authority Adjustment

Jason explained that this process was similar to what was done last year. The staff recommends modifying the CFY 2020-21 juror management budget authority to the average of actual expenditures for the last two fiscal years (CFY 2017-18 and CFY 2018-19) prorated to the \$11.7 M budget authority from JAC. Current fiscal year data was not included because the year is in progress.

Clerk Vick added if the Governor's directive to limit the amount of release was taken into account when performing this adjustment. Jason explained that it did not impact budget authority because the authority is still there, but it will have to be taken into account when the CCOC submits their quarterly request to JAC. He explained that in the past when there was a hold back on release the full amount ended up being released in the 4th quarter when revenues were sufficient.

Clerk Vick motioned for approval of the Juror Management Budget Authority Adjustment for CFY 2020-21 and Clerk Childers seconded the motion. With no debate, the motion was adopted unanimously.

6. Agenda Item 6 – CFY 20-21 Similarly Situated County Workgroup Report

Clerk Cooney provided a history and update to the committee on the Peer Groups then presented a recommendation. Clerk Cooney presented three options stated that traffic weighted as 3 put too much emphasis on traffic cases in regard to workflow; however, that would be for PIE Committee to decide upon.

Clerk Cooney recommends the use of 1.5 to weigh traffic cases for peer group calculation. His report had three options and the recommendation is to use column titled "Total Weighted Cases with Traffic Cases Weighted 1.5" which resulted in eight peer groups. He also stated that whatever number the PIE Committee determines between the 3 it currently is or anything less than that, it could potentially change his Peer Group groupings but would not change the number of peer groups which is 8. He also noted that Miami-Dad had to be in a peer group to comply with statute but is more than twice the smallest member of its peer group.

Clerk Peacock restates the 1.5 weight for traffic and 8 peer groups. He then asks committee members if they have any questions or concerns.

Clerk Smith asked for clarification of why Clerk Cooney recommends a 1.5 weight. Clerk Cooney stated that this weight makes more sense for accuracy. He wants to send this to the PIE Committee for further discussion and approval.

Clerk Butterfield commented that she fully supports the weighted cases recommendation.

Clerk Green agreed that case counts alone do not define the workload and agreed with the 1.5 weight.

Clerk Smith asked if the peer group recommendation had any relation to population. Clerk Cooney stated they don't use only population because that doesn't reflect the workload in each county.

Clerk Peacock asked if anyone had any further questions, to which no one did. Clerk Roth stated that she is willing to investigate it with the PIE Committee.

Clerk Butterfield motioned to approve the recommendation of 8 Peer Groups using Civil Traffic weighted at 1.5 contingent upon the review of the Civil Traffic weight by the PIE Committee and whatever weight they determine is best, will be used in the calculation of the Peer Groups. Clerk Cooney seconded the motion. With no debate, the motion was adopted unanimously.

CCOC staff will setup a PIE Committee meeting to address the request from the Budget Committee.

7. Agenda Item 7 – DFS Audit Summary

Clerk Peacock stated that the information from the DFS Audits were provided for information purposes. Marleni explained that the information that was included in the Budget Committee packet has the complete list of CFY 2018-19 audits which was not complete when the Budget Instructions were complete. Clerk Peacock asked if anyone had comments or questions.

Clerk Cooney added that Lake disagreed with 2 comments from CFY 2016-17. One in particular, related to Title IV-D indirect costs allocation. Lake County was able to prove that they were using the allocation formula in question. **Clerk Peacock asked that Clerk Cooney send the information to Marleni so she could send the information to everyone for review.**

Clerk Smith asked about the printers and copiers. Marleni responded that DFS does not allow for networked printers and copiers per statute.

Clerk Russell also identified that DFS does not allow for software licenses as a court expense that clerks need to speak out against as that is an efficiency issue.

8. Agenda Item 8 – Other Business

Clerk Peacock stated that a discussion needs to be had about how to apply workload or weighted cases. He wanted to separate the revenue discussion from the expenditure discussion. Clerk Peacock then stated that now is the time for committee members to weigh in. he stated if anyone has anything to add, send an email to John Dew, Jason Welty, Marleni Bruner or himself.

Clerk Butterfield asks about timing for meeting again. Clerk Peacock stated he wants to have at least a monthly meeting.

Clerk Green asked when the next REC meeting will occur. Jason stated the next meeting will occur on July 20th. Clerk Green predicts the July 20 projections will be low. Clerk Peacock responded by stating expenditures need to be separate from revenue.

Clerk Butterfield asked if the committee will entertain coming back to increase budgets. Clerk Peacock stated the moment we get a commitment were all comfortable with, the Budget Committee will look at increasing Budget Authority.

9. Agenda Item – Public Comments

Clerk Kinsaul brought up the need to edit base budgets components. Clerk Peacock stated revenues by county look at revenue as separate component from expenditures.

The meeting was adjourned at 4:22 pm.
