



# CCOC

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## Minutes of August 12<sup>th</sup> CCOC Budget Committee Meeting

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

The Budget Committee of the Clerk of Courts Operation Corporation (CCOC) held a meeting via WebEx on August 12<sup>th</sup>, 2020. An agenda and materials were distributed in advance of the meeting and posted on the CCOC website. 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

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

Present for meeting conference call: Clerk Peacock (Chair), Clerk Smith (Vice-Chair), Clerk Bexley, Clerk Burke, Clerk Butterfield, Clerk Childers, Clerk Cooney, Clerk Crawford, Clerk Forman, Clerk Green, Clerk Hand, Clerk Kinsaul, Clerk Moore Russell, Clerk Spencer, Clerk Vick

Absent from conference call: Clerk Bock, Clerk Connell, Clerk Godwin, Clerk Timmann

### 2. Agenda Item 2 – Approve Agenda

Clerk Peacock stated that the minutes from the July 8, 2020 meeting are not ready so that is removed from the agenda. Also, a conversation regarding the latest information on cash flow will be presented first.

**A motion was made to approve the revised agenda by Clerk Cooney and seconded by Clerk Vick. Seeing no objections, the motion was adopted.**

### 3. Agenda Item 3 – Approve Minutes from July 8, 2020 Meeting

This item was removed from the agenda.

### 4. Agenda Item 4 – CFY 2019-20 Cash Flow Analysis

Jason Welty began the discussion of the Cash Flow Analysis, referencing the revised packet sent by Marleni Bruner the morning of the meeting, specifically referencing the Cash Flow spreadsheet. Mr. Welty stated that a majority of clerks provided their revenue, which revealed a small increase in June and July, compared to the original projections. Because of this increase, Mr. Welty made the decision to increase anticipated revenues for August. Mr. Welty then reviewed his original methodology for the modified August projections.

Clerk Peacock asked if there were any questions of Jason from the committee. Clerk Burke questioned what would happen if clerks brought in more than the budget authority. Mr. Welty responded by referencing budget letters recently sent to the counties and stated that the current budget authority was still \$446.8 M but the CCOC restricted spending authority. He also clarified that any revenue collected over current restricted spending authority will be used for next year, as there is no way clerks will reach the anticipated revenue by the REC. The current statute will require a 50/50 split with CCOC and the state's General Revenue Fund, but there will be no cumulative excess this year, as it relates to revenue.

Clerk Peacock recognized that the approved budget is still the approved budget, even in these circumstances. Clerk Burke asked that this be memorialized at the next Executive Council meeting to minimize confusion. Clerk Peacock stated that despite the lack of revenues the Budget Committee will still approve a needs-based budget request.

Clerk Smith asked if the \$3.9 M referenced in the spreadsheet is going to be shared with the legislature. Clerk Peacock said he does not believe that to be the case. He stated that going into making the spending reduction staff was aware that actuals could come in differently than original calculations. The projection shows an additional \$4 M. Is the spending authority worth amending again? From there, how should that be distributed? If the funds are not disbursed, it has potential to roll into next year's (CFY 2020-21) budget.

Clerk Smith asked if Clerk Peacock has heard anything from the Governor's office regarding the budget for the current fiscal year. Mr. Welty responded letting him know that he is sifting through numbers submitted through the survey that was recently submitted, and once that is polished, it will be sent off briefly. From there, Mr. Welty stated that he has to better understand which counties received financial assistance, making sure furloughed or reduced positions were filled, to be sure numbers are as accurate as can be before sending off to the Governor's office. Clerk Peacock commented that regardless of the Governor's response, from a budget perspective, the timing of the global pandemic will continue to be fluid with budget adjustments.

Clerk Butterfield then commented that this \$3.9 M, with the possibility of assistance in this fiscal year and budget adjustments have the potential to produce unexpected revenue to be carried into next year. Clerk Peacock stated that we know what our

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needs-based expenditure budget needs to be. In regard to funding from the Governor, Clerk Peacock suggested to plan for little to no assistance. Clerk Smith commented that state agencies were asked to cut their budgets by 8%. Clerk Burke stated that they were asked to take a 13-46% budget cut for the 4<sup>th</sup> quarter, so clerks are ahead in that sense.

Clerk Vick clarified that the \$3.9 M is a restoration of clerks spending limit. Additionally, wanted to clarify that if the Governor does provide assistance, clerks would fill the gap between needs-based spending and the REC estimate. Clerk Vick asked about the next REC meeting; however, Mr. Welty clarified that the REC already met regarding Article V revenues and the upcoming meeting is for another part of the state revenue. Our number is set at \$410 M for CFY 2020-21.

**Clerk Butterfield motioned to increase the reduced spending authority, pro rata across all clerks. The motion was seconded by Clerk Moore Russell.**

Clerk Peacock opened it up to the committee for questions. Clerk Cooney asked if this money carries to September, and Mr. Welty responds that it does not, it is only excess from original projection from June, July, and August. Clerk Kinsaul agreed with the increase in expenditure adjustment, but against the pro rata distribution. Surplus counties should get to keep a larger share or at least their contribution to the excess.

**Clerk Vick motioned to amend the motion to remove clerks who have received financial assistance from their counties. There was no second. The amendment failed.**

Clerk Forman asked if CCOC has information available which would reveal which clerks have contributed to the trust fund, beyond their budget. Mr. Welty replied, answering yes, and stated that we also know which counties receive additional funding from their county.

Clerk Vick just didn't know how it was fair to not take into account counties that have received funding from their county to help. Clerk Moore Russell agreed that Clerk Vick brought up a good point. Clerk Russell explained that she asked her board for \$1.5 M to avoid furloughing employees but has to turn around and send CCOC \$6 M. Clerk Spencer spoke up and agreed that counties who get help from their board should not have it held against them. He also stated that if the CCOC continues to get everyone the same and reduce everyone the same then he will stop his collection efforts because there is no incentive to his staff to work so hard just to send it to other counties.

Clerk Butterfield requested clarification, that if it is not distributed pro rata, and the financial assistance allowed clerks to surpass their budget, the money would be split with the state. Clerk Peacock replied explaining that regardless of the budget spending changes made, the REC numbers have remained the same for budget authority. Even if clerks collect more than the reduced spending authority it will not

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be enough to reach the original REC amount. Clerk Butterfield explained that any extra bit helps and will reduce how many people she has on furlough.

Clerk Burke commented explaining that as a deficit county, all he is able to do is collect the money out there. He cannot write citations or assess fines. Clerk Burke questioned if deficit counties would be penalized, when they are unable to collect more. He suggested the demographics of counties to be taken into consideration, and acknowledged that clerks' function as a team, and support one another willingly. In response, Clerk Peacock stated that the consideration of PIE Committee and Budget Committee work should be taken into consideration in the future. He stated that this is an opportune time to clear up this equitable conversation.

Clerk Kinsaul stated that he agrees with Clerk Moore Russell's previous statement. He stated that in his county, to make ends meet, he removed everyone from collections, as collections do not change his county's revenue. Clerk Kinsaul, as a surplus county, stated that more of revenue should remain within surplus counties. Clerk Daughtrey, as a smaller, funded, county, stated her appreciation for clerks' help. Clerk Daughtrey asked that if the expenditure budget can increase, her employees would so greatly appreciate it. Clerk Green acknowledged the discussion as healthy and valid.

Clerk Roth understood that pro rata is the quickest and easiest way to disperse funds but wondered if there is any other indicator that allows for a more equitable distribution and could clerks volunteer to give up extra funding if they have funding from their county. Clerk Peacock suggested that clerks who are willing to forego their additional funding to help other clerks may be able to do so. Clerk Vick asked what the timeline looks like in regard to getting this funding to counties in need.

Clerk Spencer appreciated Clerk Vick's suggestion to allow volunteer funding. He recalled his history of asking for funding and turning his county from a deficit to surplus county. He stated his frustration with this system and that it has created animosity.

**Clerk Peacock called for a vote to the motion and it passed unanimously. CCOC staff was directed to gather information from clerks who volunteered to decline the additional spending authority and distribute on a needs-based to remaining counties. Final amounts will be taken to the Executive Council for final approval.**

Clerk Peacock suggested that all clerks will continue this discussion in person in 2021 when discussing the operational budget.

#### 5. Agenda Item 5 – September Trust Fund Allocation

Mr. Welty referenced the spreadsheet from the packet and explained that money from the Trust Fund will be dispersed to allow all counties to meet 100% of their spending authority (July 1). Even though the funds would be received in September,

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they are for the current fiscal year and not part of revenues that are held to fund October. In the case that August does not come in with revenue as expected, there will be some cushion with the September distribution. This will take a few weeks to get through the Department of Revenue. Clerk Peacock opened the floor for questions.

**Clerk Butterfield made a motion to adopt the proposed September distribution, with staff authority to make adjustments based on actuals. The motion was seconded by Clerk Vick. The motion was adopted unanimously with no questions.**

6. Agenda Item 6 – CFY 2020-21 Budget Issue Request

Marleni Bruner provided a brief staff report, reviewing the memo distributed in the packet, provided a copy of each county's submission, as well as a summary spreadsheet. This will be used at the next meeting, and committee will find themes that can be addressed in bulk. A needs-based budget should be built, and separately the delta will be address between needs-based budget and revenue funding, as stated by Clerk Peacock. He asked if there were any questions, to which there were none.

**Marleni Bruner will get revisions to Budget Committee Members. Questions requested to be sent to Marleni in preparation for the next meeting.**

7. Agenda Item 7 – Revenue Generation Ideas

Doug Isabelle provided revenue ideas, to encourage revenue to be collected amidst current budget crisis. This will take staff to complete, so it may be challenging. His ideas included judgement liens, negotiation, and bond forfeitures. He projects this will go into action come March or April via Operation Green Light, but some actions should be ongoing. Mr. Isabelle shared a webinar taking place on August 19<sup>th</sup> focusing on how to create an online payment plan.

Clerk Peacock acknowledged collections as a statutory function that all must commit to, as it is best practices. In reply, Clerk Moore Russell wondered if Operation Green Light should be scheduled individually. Clerk Green stated that she has not heard anything yet, and Clerk Timmann additionally stated that nothing precludes virtual Operation Green Light.

Mr. Welty thanked counties who have gone out of their way to collect. Hendry County collected \$200 K, Marion \$150 K, and Hillsborough \$150 K all in bond forfeitures. These number can't be projected by the budgeting team.

8. Agenda Item 8 – Revenue Estimating Conference Results

Jason Welty provided a brief explanation regarding the REC results. The CCOC estimated our revenue to be \$405-406 M for CFY 2020-21. As it relates to filing fees,

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and with the Governor's estimates set revenue to \$410 M for the state fiscal year CFY 2020-2021. This budget authority is just under 8% from the current year. He states that REC, jury, cumulative excess, and unspent budget funds will all allow for CFY 2020-21 estimate.

Clerk Peacock asked for questions from the committee. There were none.

9. Agenda Item 9 – Criteria for meeting CFY 2020-21 Revenue-Based Budget

Clerk Peacock spoke about the adjustment of budget for this coming fiscal year. The budget adjustments have already been made, without additional budget requests taken into consideration. From here, he suggested the next Budget Committee meeting to take place in two weeks for one day. In the morning, additional budget requests will be collected for staff to develop a needs-based budget. On that same day, after lunch, the delta between the needs-based budget and revenue spending authority budget should lie around 8%.

He then discussed his three-component reduction. One-third across the board reduction, one-third statewide case reduction, and one-third Peer Group Benchmark Budget weighted cases. This relies on the work done by Clerk Cooney and the PIE Committee. This method should not cause a dramatic reduction to any single clerk.

Clerk Smith asked if this 8% is off of the spending authority. Clerk Peacock responded with no, the current year budget with reduced spending authority. Clerk Burke wondered when they will know the exact figures. Clerk Peacock let him know that the needs-based budget will be decided using prior years as data sets.

Ken Burke – Suggestion: When the information is sent out that there is a non-meeting call or workshop (nothing will be decided or debated) with the staff going through all the numbers and so they will know exactly how staff did everything. The only questions asked will be to staff to understand what they are looking at. They need a deep dive into their numbers to make sure they agree with and understand the numbers – where they are coming from and the period of time. A change in peer groups will also affect this.

JD Peacock - From a sunshine perspective, we can do this, and it may be more effective; and he will work with Jason on this. If Jason was able to put that information together by mid-next week, put it out as an email to the Budget Committee, and then have the Budget Committee ask questions in relation to the data. This would not be a debate and not what you think you would support or what you wouldn't support; it will be more ask questions on where the data came from, with an email back and forth with the committee and cc everyone wanting to be included. This would be fine from a Sunshine perspective as long as none of us asks questions or gives a debate or an opinion on the underlying data. It is more just trying to understand, as Ken is describing.

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Ken – he does not care if it is Sunshine or not, he just wants to make sure there is an information meeting where staff can explain everything they are seeing.

JD – he does care. He does not think there is a Sunshine issue when they are having information put out to the Committee and there is a question about the issue because the staff will respond back to everyone with the information. As long as there is not a comment from the Committee members about what they think about the data or a comment on how they would decide something. It is purely to make sure that they understand the data. It will probably be good for some and some will be able to understand and not ask a lot of questions. Some will ask a lot of questions. That may be a solution.

Clerk Peacock reminded all of the August 26<sup>th</sup> all day meeting for budget working.

#### 10. Agenda Item 10 – Other Business

Clerk Peacock discussed the upcoming meeting to take place in two weeks. A recommendation will be sent to the Executive Council for what the Needs-Based Budget and Revenue Restricted Budget should be. The systems should be updated come October 1 for the new budget years. Clerk Peacock said an emergency meeting will take place if clerks receive unexpected funding. Monthly meetings will be necessary to keep working.

Clerk Peacock adjourned the meeting at 4:14 PM.

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