

MINUTES
FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
EXECUTIVE COUNCIL
WEDNESDAY, MAY 11, 2006
TELEPHONE CONFERENCE

Ms. Morse called the May 11, 2006 meeting of the Executive Council of the Florida Clerks of Court Operations Corporation (CCOC) to order at 2:10 p.m. Ms. Morse welcomed members and guests. Members and staff of the Executive Council of the Corporation present were the Honorable Maryanne Morse, Honorable Jeffrey K. Barton, Honorable Ken Burke, Honorable Howard Forman, Honorable Annie Mae Murphy, Honorable Harvey Ruvin, Honorable Tim Smith, Honorable Richard Weiss, John Dew, Joseph Boyd, and Judy Zorn.

AGENDA

Ms. Morse asked if there were any changes to the Agenda. There being none, the Agenda was approved as circulated.

MINUTES

Ms. Morse entertained a motion that the Minutes of the April 4, 2005 meeting be approved. Mr. Forman so moved with Mr. Weiss seconding. The motion carried unanimously. Ms. Morse then entertained a motion that the Minutes of the special meeting held April 26, 2006 to discuss the Indigency Issue be approved. Mr. Weiss so moved. Seconded by Mr. Smith, the Minutes were approved as circulated.

PERFORMANCE MEASURES

Ms. Murphy reported that the quarterly Performance Measures Report has been submitted to DFS. The report was distributed to the members of the Executive Council by e-mail. We had 100% of our Clerks submitting data for this reports. Ms. Murphy further reported that we are seeing a great deal of improvement in the data submitted by our Clerks. CCOC will assist those Clerks not yet meeting standards in developing a plan of action to help bring them into compliance Ms. Morse commended the Clerks and their staff for completing the reports and submitting them in a timely manner.

Mr. Smith reported that Putnam County fell short in the Probate category because his one employee who handles probate and guardianship had been off work. Realizing that this may happen from time to time due to vacations, illness, or other reasons, he asked if there could be some way to note this. Ms. Morse encouraged Mr. Smith to use the area of the form to explain the situation. Mr. Smith allowed that he does indicate such problems on the form, but he is concerned that merely listing deficient counties without explanation will make some counties look like they're not trying to improve. Ms. Murphy agreed stating that she has staff working overtime to meet standards and this can deplete her budget. Ms. Morse allowed that standards need to be reviewed as often as necessary to assure they are not too high or too low.

Ms. Frank, Clerk of Court, Hillsborough County, commented that she's concerned about the Circuit Criminal collections standard. Hillsborough has problems with Circuit Criminal Collections that cannot be corrected. Ms. Morse responded that the original annual standard, 15%, has been lowered to 9% because of probation and incarceration. Mr. Smith agreed with Ms. Frank. Ms. Morse suggested that the CCOC establish a workgroup to discuss these issues in the next few months. Mr. Forman volunteered that he would like to serve on this workgroup.

Mr. Dew offered that the data submitted helps CCOC determine which counties need to develop action plans. He stated that CCOC plans to have FACC via a work agreement assist Clerks in developing such plans and hopes that this can be done over the next three weeks.

PERSONNEL COMMITTEE

Mr. Smith said he would reserve his comments for discussion of the Auditor's Report later in the meeting.

LEGISLATIVE COMMITTEE

Mr. Forman thanked Mr. Baggett for his hard work on behalf of the Clerks. He also thanked Mr. Ellspermann, Honorable Clerk of Marion County, who spent a great deal of time in Tallahassee on behalf of the Clerks. He recapped the bills he was following on behalf of the CCOC.

Mr. Ruvin thanked Mr. Forman for his efforts during the Legislative Session. Ms. Frank also thanked Mr. Baggett, Mr. Ellspermann, and Mr. Forman for their efforts.

TREASURER'S REPORT

Mr. Barton reported that as of May 3, 2006, and since the report provided at the April 2006 meeting, the Corporation disbursed an additional \$92,741.88 leaving a current available balance of \$38,523.05. The breakdown is included in the packet.

Mr. Dew reported that, in spite of our being well within our total budget last year, we received an audit criticism for overspending one subcontractor's allotted budget amount. He noted that we are well within the amount allowed via the contract. He asked the Executive Council to approve moving \$4500 from the Communications / Budget Analyst and \$15,000 from OPS into the category Budget Services to assure we do not exceed the budgeted amount for this category. We have adequate funds in both the Communications / Budget Analyst and OPS categories to do this. This will increase Budget Services to \$108,000. Mr. Weiss so moved. Mr. Barton seconded the motion. The motion passed unanimously.

BUDGET AMENDMENT REQUESTS

Calhoun County

Mr. Dew reported that he received a call from Clerk staff in Calhoun County approximately a month ago when they realized that, in reporting original expenditure data to FACC between October 2003 and January 2004, they excluded five staff that spent part of their workday on court related issues. In doing so, they shorted their annual expenditures by \$34,000. We have spoken with DFS staff. We made similar corrections for about twelve other counties when they realized the data originally submitted was

flawed. DFS has agreed that we need to make the correction. The shortfall of expenditures for the staff was \$34,515 in FY 03/04. This would equate to \$36,617.80 that would need to be added to Calhoun's budget expenditure authority for the current fiscal year. Mr. Dew has researched the issue and recommended that the Council approve increasing Calhoun's current expenditure authority by \$36,617.80. Mr. Forman moved approval of the BAR. Seconded by Mr. Weiss, the motion passed unanimously.

Monroe County

Hurricane Wilma hit Monroe County in October 2005 leaving 40% of Monroe County underwater for a period of time. This included the time of Fantasy Fest, a huge tourist holiday and one which generates tourist dollars and court cases for Monroe County. As a result, their revenues dropped drastically. According to CCOC policy, since the loss of revenues resulted from a hurricane, the county may request full reimbursement for their loss. The original request from Monroe County to the CCOC was for approximately \$100,000 more than the amount they are seeking here today. Mr. Dew noted that the original request included projected losses from anticipated hurricanes this year. He recommended to Monroe Clerk staff that they decrease their requested BAR amount since they could always come back later for an amendment if a Hurricane does hit Monroe County this summer. They agreed. Therefore they are requesting today the amount of \$251,309. The Council should know that we researched tourism sales tax. We looked at documentation provided by Monroe County and their revenues were down in October, November, and December 2005 as compared to the same months in 2003 and 2004. Mr. Barton moved approval and Mr. Ruvlin seconded. There being no discussion, vote was taken and the motion passed unanimously.

BUDGET FORMS AND INSTRUCTIONS

Included in your packet are the forms and instructions we will be distributing to all Clerks. Mr. Dew met with DFS staff to discuss the forms and instructions. There has been no objection from DFS. You will find on the first page after the written dissertation, where highlighted "P1" under 2 "Key Budget Process Dates" a summarization of all the changes made since our April 4, 2006 meeting. Ms. Morse offered to go through the changes in detail, but there was no request to do so. Mr. Weiss moved approval of the Budget Forms and Instructions with Mr. Barton seconding his motion. The motion passed unanimously. Mr. Dew said he would send out the forms, instructions, and rebasing template to each of the Clerks within the next two weeks.

LBC PROCESS

Ms. Morse noted that included in your material packets is a list of new judgeships and the counties that will get these judges for 2006/2007. As these are all elected positions, they will all take office January 2, 2007. We would really like to gather all the necessary information so as to get on the LBC agenda in September or October. We are requesting that any county getting either a circuit or a county judge begin working on your needs. We will have an additional meeting in the next month or two with regard to the workgroup. Issues to be discussed include salaries, other personnel costs and equipment and supplies costs to help us arrive at a realistic figure to present to the LBC. Mr. Forman moved that we ask Clerks to begin preparation so CCOC can be prepared to

go before the LBC in September or October. Mr. Ruvin seconded the motion which passed unanimously.

PREPARATION FOR ANNUAL MEETING

Mr. Dew has prepared three reports for the Annual Corporation Meeting June 18, 2006. The first is a recap of what the Council has accomplished over the last twelve months. Mr. Dew invited Council members to contact him if they have anything to add to the list. He will update this to include May. This will be presented to the Clerks at the June meeting.

Report two is the documentation for the CCOC Services Framework regarding our duties, obligations, and responsibilities, both legislative and those related to the DFS contract. Mr. Dew stated this will grow as CCOC takes on more responsibilities. It will help us provide information to the Corporation members and to those with whom we contract for task assignments under the Services Contract. Ms. Morse encouraged Clerks to call Mr. Dew if they have additions / suggestions.

The third report is our Strategic Plan and Work Ideas. This, like report two, is a work in progress. This report will help us understand and help others to understand the work of the Corporation. This will constitute the work plan we must put forth in June. Mr. Dew again asked that anyone with input please contact him as this is a draft.

Ms. Morse asked for questions. There being none, the Work Plan stands approved.

SERVICES CONTRACT

Mr. Dew reported that each of the five vendors approved at the April 4 meeting has a contract which they are reviewing. We have begun drafting task assignments as there is a lot of work which must be done in a short period of time. As soon as the contracts are signed, we will begin task assignments. He thanked the Council for approving the process.

AUDIT REPORT

Ms. Morse stated that she believes some of the criticisms noted in the audit were not called for. The findings are listed on the first page. Ms. Morse opened the floor for comments.

Mr. Smith, referencing the phone policy issue, has spoken with Mr. Dew and jointly they are resolving the issue so there should be no concern next year. Mr. Dew explained that the criticism regarding the cell phone usage was unfounded since most personal calls were made on weekends and after hours when there was no charge for the calls. As agreed to with the current cell phone usage policy, if the cell bill minutes ran over the contract allotment, he reimbursed the Corporation.

Mr. Weiss referenced the car allowance issue. He feels the Auditor General is confusing a contract with the Executive Director to a typical month allowance. These are two different issues and are treated differently under the tax code. Under the flat monthly allowance, this amount is taxable and on filing of income tax, the Executive Director must justify his business usage. Under typical month, this is not done. He feels that the Council can legally contract with the Executive Director and can include a car allowance without requiring a typical month's travel. Mr. Dew allowed that there was some

confusion as he was originally contracted as Executive Director and subsequently it was decided the Executive Director would be a staff position. He is willing to work with the Council in any way to help alleviate any concerns. Mr. Weiss maintained that the Council is allowed to contract with Mr. Dew paying a flat rate for his use of his personal vehicle.

Mr. Burke reported that in discussions with Mr. Dew, he feels comfortable with the explanation of and answers to each audit comment.

There being no further comments, Ms. Morse announced that we will be responding to the report within the next thirty days. The Council and the full membership of the Corporation will receive a copy of the Audit Report and our response.

TRUST FUND UPDATE

The packet includes the Revenue-Expenditure Report for the month of March. Interestingly, March revenues are higher than those for the previous month. In fact, revenues have improved for each month since October. March Expenditures were also a little higher but well within what the Trust Fund can handle. Mr. Dew said that upon review, we don't see any Clerk over-expending his/her budget. The current Trust Fund balance is \$19.4 million. The Trust Fund will be swept at the end of June, but Mr. Ansley has said they plan to leave at least \$6-7 million in the fund to help us through hurricane season.

Mr. Weiss requested a graph of revenues and expenditures by month so the Council can see trends. Mr. Dew responded that he will provide such a graph at the next meeting.

OTHER BUSINESS

Ms. Morse noted that we were contacted by DFS regarding those Clerks who have contracts with a specific collections agency. There are some issues with that entity. She requested Council permission to hand this over to legal counsel to investigate and draft a recommendation. Mr. Forman asked if DFS was concerned with any other firms and the answer was 'no'.

The Executive Council members who use the named collection agency understand the issues at hand and reported that they have been resolved. Mr. Boyd reported that he has done minimal review of these articles. He feels DFS is not really inquiring about any specific collection agency. Rather, they are inquiring about the practice and the budgetary authority clerks have to be able to follow the procedure concerning collection and the "sharing of the fee" amounts. One article mentioned asking for an Attorney General's opinion or for legislative clarification. Mr. Boyd feels that, at this time, it's best for us, as the Executive Council for CCOC, to respond to DFS' inquiry before looking to the Attorney General or anyone else for an opinion. Ms. Morse queried, and Mr. Boyd concurred, that this is more an operational issue. He added that although the law firm is mentioned throughout the article, it's really the procedure, the involvement in the fee that is being questioned. Ms. Morse said Mr. Boyd will review the issue and bring it back to the Council for further discussion.

NEXT MEETING

The next meeting of the Executive Council will be held Sunday, June 18, 2006 immediately following the 2:00 p.m. Clerks' Corporation meeting in Orlando.

The meeting was adjourned at 3:09 p.m.