

MINUTES
FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
EXECUTIVE COUNCIL
FRIDAY, APRIL 9, 2010
ORLANDO, FL

Mr. Forman called the April 9, 2010 meeting of the Executive Council of the Florida Clerks of Court Operations Corporation (CCOC) to order at 10:00 am. He welcomed members and guests. Members of the Executive Council present were the Honorable Howard Forman, Honorable Harvey Ruvin, Honorable Richard Weiss, Honorable Sharon Bock, Honorable John Crawford, Honorable Scott Ellis, Honorable Buddy Irby, Honorable Bob Inzer, Honorable Judge Steinbeck, and Honorable Tim Sanders.

APPROVAL OF MINUTES

Mr. Irby moved approval of the Minutes from the January 12, 2010 Executive Council meeting. Mr. Weiss seconded the motion. Having no comments the motion passed unanimously to accept the minutes as presented.

TREASURER'S REPORT FOR CORPORATION BUDGET

Mr. Weiss asked Mr. Dew to go through the proposed change to the Corporation budget that was approved on March 15th by the Finance and Budget Committee. Mr. Dew stated that while the Corporation will stay well within their overall budget that in order to stay within general budget categories the Finance and Budget Committee approved transferring \$75,000 budget authority to "survey, report, and other services" from "education". The original approved budget amount in the education category is not needed due to less educational seminars being held as originally planned. The decrease in the Clerks' overall budgets in 09/10 meant there were fewer dollars in their offices to use for travel and education and therefore fewer seminars were planned. Mr. Ruvin made a motion to move \$75,000 from the category of "education" to "survey, report, and other services". Mr. Weiss seconded the motion. The motion was approved.

Mr. Weiss made a motion that the Council approves the Finance Report as submitted. The Report shows that through the month of February the Corporation is well within its budget authority. Through seven months the Corporation has **expended** approximately 50% of its budget authority. Mr. Crawford seconded the motion to accept the Finance Report. The motion was approved.

FINANCE AND BUDGET COMMITTEE REPORT

8% ADMINISTRATIVE FEE

Mr. Dew provided a status report on the Corporation's ability to pay the 8% state administration fee on the Clerks' Trust Fund and still provide Clerks their monthly budget allocation. He noted that for the current month there were only enough dollars in the Trust Fund to provide Clerks with three weeks funding. If any dollars were paid to the State for the 8% fee then this would mean that Clerks would receive less than their budget amount as approved and would therefore need to reduce their budget. Mr. Dew pointed out that the Legislature, Governor's Office, and Chief Financial Officer are aware of the problem and are working with the Corporation. The Legislature is expected to address this issue during the current session by transferring \$18.6 million from the Courts' Trust Fund to the Clerks' Trust Fund. These dollars, once transferred, will be used to offset some of the 8% fee. Mr. Dew said that it is his expectation that the Corporation should start to have some excess dollars in the Trust Fund beginning in May, after fully funding the Clerks, to pay toward the administrative fee.

Mr. Forman thanked Mr. Dew and the members of the Finance and Budget Committee for working so diligently on this issue to help come up with a solution that prevented another reduction in Clerk's budgets. He also thanked the Chief Financial Officer and her staff and Legislative leadership.

IMPROVING THE CLERK BUDGET PROCESS.

Mr. Weiss stated the process used to review Clerk's requested 2010/2011 budgets by the Finance and Budget Committee and Council needed improvement. The fact that the Legislature created a new budget process that had to be implemented within only a few months led to frustrations for many Clerks despite the extraordinary effort by all involved to carry out the requirements of the law. All during the process it was recognized by Committee members that once the Council got through the current year process they would then evaluate ways to improve the next year process. Mr. Weiss reported that a workgroup of the Finance and Budget committee met two days in February to develop recommendations for improving the budget process. These recommendations were provided to the Finance and Budget Committee and approved by the Committee on March 15, 2010. Mr. Weiss recommended that the Council delay any vote on these recommendations until after the legislative session is over. He noted that the Legislature has options before them that could drastically change the Clerks' budget process and it made more sense to wait until after session to determine if the recommendations from the Committee to improve the current budget process were still necessary. Sharon Bock seconded the motion. After discussion the motion passed unanimously.

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PERFORMANCE IMPROVEMENT AND EFFICIENCY (PIE) COMMITTEE REPORT

Mr. Irby, Chair of the PIE Committee, said they had a very good meeting on April 7, 2010. He had several recommendations to bring forward for the Council to consider. First, the Committee seeks approval from the Council to send out a survey to all Clerks to better understand how each Clerk defines and counts a case. Even though the CCOC has provided instructions and guidance on this issue over the years the purpose of the survey would be help the Council better understand if there are variances in the way cases are counted. Mr. Irby made a motion that the CCOC staff send out a case survey. Ms. Bock seconded the motion. The motion was approved.

Mr. Irby said that the PIE Committee approved having CCOC staff conduct a survey asking Clerks about their Collection practices. He asked for Council approval. The purpose of this survey is to better understand what each Clerk is doing in this area so in the future the CCOC staff could possibly work with Clerks to find ways to improve collection efforts. Mr. Irby said that once the data is collected it will also be shared with the FACC Best Practices Committee. He made a motion to that was seconded by Sharon Bock that the CCOC staff conducts a collection practices survey. The motion passed.

Mr. Irby then made a motion that the CCOC staff conducts the annual Collection Agent Survey which was approved by the PIE Committee. Sharon Bock seconded the motion. The motion passed.

Mr. Irby made a motion, as approved by the PIE Committee that the Juror Payment Performance Standard Reports Form be changed and should be provided to the CCOC quarterly instead of every six months. Mr. Sanders seconded the motion. The motion passed.

Mr. Irby made a motion, as previously approved by the PIE Committee that Council accept the draft annual performance report as provided which contains information on each Clerk's quarterly performance for FY 08/09 and their corrective action plans. Ms. Bock seconded the motion. Ms. Bock said that it is important that we have an idea why it may be difficult to meet the established standards. Many of the reasons are outside the control such as the economy affected a person's ability to pay. A discussion ensued on the question of if the performance standards should be lowered in light of those drivers affecting a Clerk's performance that is outside of their control. Mr. Dew noted that the PIE Committee annually reviews the need for establishing new standards, removing standards or changing those standards. The Committee in their review last year reported to the Council that no changes should take place in 2009/10 because of the immense work having to be done with the new budget process, the significant decrease in funding, and the need to have a benchmark to show if such factors as the economy indeed caused performance to be less. Mr. Dew reported that the PIE Committee will be reviewing the performance measures again this upcoming summer or fall. The motion passed.

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Mr. Inzer said that prior to the PIE Committee the CCOC staff should survey Clerks and ask them if standards should be changed. Ms. Bock seconded the motion. The motion was approved.

Mr. Irby noted that the CCOC staff, with the assistance of the PIE workgroup, as updated and amended the Program Services Tasks Framework document. He made a motion that the Council approve the updated document. Mr. Crawford seconded the motion. The motion was approved.

Per approval by the Pie Committee, Mr. Irby made a motion that the Council direct CCOC staff to obtain a better understanding of why some Clerks have significantly higher or lower unit costs than Clerks in their peer groups. This recommendation involves that the staff would consider an outlier as 25% above or below the average in their peer group, staff would document reasons for outliers, report to the PIE Committee and conclusions, and the PIE Committee would report to the Council the conclusions related to unit cost outliers. Mr. Weiss seconded the motion. The motion was approved.

LEGISLATIVE SESSION UPDATE

Mr. Inzer, as Chair of the CCOC Legislative Committee provided an overview of the proposed legislation potentially impacting the Clerks' budgeting process. He noted concern with the recent Senate proposal that would decrease the total statewide budget authority for Clerks by more than \$20 million dollars. After much discussion on the impact of both House and Senate proposed legislation it was decided that the CCOC Finance and Budget Committee would meet within the next week to develop an alternative proposal to the Senate's recommendation. The proposal would be provided to the Council within a few days of the Committee meeting for review and approval.

STATIS REPORT ON THE CLERKS' TRUST FUND

Mr. Dew reported that the Trust Fund is still not capable of providing a full month funded at the beginning of each month as is required by law. He stated that potentially the Fund may have that ability for the month of May. The Committee discussed potential legislation that may negatively impact dollars going to the Trust Fund next year.

CCOC OFFICE BUDGET

Mr. Dew noted that the Corporation according to the current Plan of Operations is the entity that approves the CCOC Office budget each year. However, prior to bringing it to the Corporation he takes it to the Council for their review and approval. The current budget as provided in the member's packet has no increase in 10/11 over the current year. Mr. Dew stated that it also provides no raises or bonuses for staff. He noted that this year we have enough expense dollars available, due to cutting back

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in other areas, to hopefully purchase a SQL system now instead of waiting until 10/11. Mr. Irby moved that the Council approved the proposed 10/11 CCOC office budget. Mr. Ruvin seconded. The motion passed.

CORPORATION PLAN OF OPERATIONS

Mr. Forman requested that the Council appoint a member to work with the CCOC General Counsel to review and update as necessary the Corporation Plan of Operations in preparation for the upcoming annual Corporation meeting. Mr. Weiss made a motion that Ms. Bock be appointed to work on the Plan of Operations. Mr. Inzer seconded the motion. The motion passed.

UPDATE ON ERVIN LAWSUIT

Mr. Boyd reported that the hearing for the lawsuit is set in the 2nd circuit for April 19th. He noted that he would attend. When a decision was made he would report back to the Council and Executive Director.

CCOC ELECTION PROCESS

Mr. Weiss reported that the "interest surveys" were sent to all Clerks by CCOC staff at the end of March. The Clerks are asked to respond to the surveys by April 15th. Once the surveys are received the CCOC staff will provide each Clerk with a ballot that is to be completed and sent to the CPA firm of Lanigan and Associates. He went over the dates as provided in the Council member's packets.

OTHER BUSINESS

Mr. Forman asked if there was any other business. Seeing none he asked for a motion to recess until April 16, 2010 at noon. Mr. Weiss made a motion to recess the meeting. The motion was seconded by Tim Sanders and passed.

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FLORIDA CLERKS OF COURT OPERATIONS CORPORATION
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FRIDAY, APRIL 16, 2010 – CONTINUATION OF 4/9/10 MEETING
TELEPHONIC

Mr. Forman called the April 16, 2010 meeting of the Executive Council of the Florida Clerks of Court Operations Corporation (CCOC) to order at 12:00 pm. This is a continuation of the April 9, 2010 Executive Council meeting. Mr. Forman welcomed members and guests. Members of the Executive Council present were the Honorable Howard Forman, Honorable Harvey Ruvin, Honorable Richard Weiss, Honorable Sharon Bock, Honorable John Crawford, Honorable Scott Ellis, Honorable Bob Inzer, Honorable Buddy Irby, Honorable Tim Sanders, and Honorable Meg Steinbeck.

BUDGET METEHOLOGY

Mr. Weiss reported that the Finance and Budget Committee met Tuesday, April 13 in Tallahassee to consider the Senate's proposed FY 10-11 budget process using unit costs that decrease Clerk budgets by \$23 million. The committee developed its alternative to the senate's process. Mr. Weiss thanked the Committee for its hard work.

The committee realized that, given the current fiscal realities facing the State of Florida, the FY 10-11 budget appropriation cannot exceed an aggregate of \$451 million equal to that of FY 09-10. He emphasized that although the aggregate appropriation for FY 09-10 and FY 10-11 would be the same, the FY 10-11 is not a continuation budget because Clerks will be required to cover increases in health care premiums and Florida Retirement System costs within their budget authority.

The Committee applied the following parameters in developing their budget request. The aggregate statewide budget should be no less than the FY 09-10 budget authority. No Clerk will receive more budget authority than was previously approved by the Council at its November 2009 meeting. The Committee utilized the five peer groups originally approved by the Council rather than the four peer groups used in the Senate document. The Committee recognized that there are problems with the five peer group process that will need to be examined in the future. A benchmark budget was developed and used for comparison purposes. Adjustments were made based on the benchmark. The Committee noted the problematic nature of peer group two with regard to these potential reductions. Peer group specific floors and ceilings for budget reductions or increases were utilized. The Committee utilized the FY 10-11 approved budget request data to develop the divisional benchmark budget for comparison purposes.

Mr. Dew reviewed the document provided. Page 1 lays out peer groups, these being the same peer groups used by CCOC in all budget deliberations. He noted that the peer groups may be

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problematic but they are the best we have. The spreadsheet lists the FY 09-10 budget authority and estimated FRS and health insurance increases. These numbers are projections. Last column is the request made to the Legislature in December.

Mr. Dew reported that Page 2 identifies divisional benchmark budgets. Staff calculated the benchmark and compared the benchmark budget to budget request in terms of percent over or under their benchmark budget. The Committee followed the principles listed above. If Clerks were under their benchmark, they took no reduction. The yellow column is the floor/ceiling total for 67 clerks. After adding back the Florida Retirement System dollars, staff arrived at the Committee's recommendation for each Clerk. They added a column with the Senate proposal for purposes of comparison. The Finance and Budget Committee made the decision that any Clerk with a budget under \$1 million would take no budget cut. Additionally, the Finance & Budget Committee decided to have the statewide result come as close as possible to the FY 09-10 budget cap of \$451,380,312. In order to achieve this result, the additional dollars were distributed to Flagler, Bay, and Duval Counties. These counties were chosen due to the percent reduction of their current FY 10-11 approved budget versus their calculated FY 10-11 divisional budget.

Mr. Forman opened the floor for comments and questions from the members of the Executive Council. Mr. Weiss moved adoption of proposed budgets (green column) totaling \$451 million. Mr. Inzer seconded the motion. Mr. Irby noted that this has negated all the work done in Budget Workshops but he allowed that this does move us closer to the average unit costs.

There being no further discussion, Mr. Forman called for the vote. The motion passed by a vote of 10-1 with Mr. Ellis casting the dissenting vote.

Mr. Ruvin asked if this will be sent to Senate appropriation staff in hopes they will agree with the numbers we are presenting and wondered when we will have an answer from Mr. Dew as to their response. Mr. Forman noted that there are only two weeks left in the session.

OTHER

Mr. Ruvin thanked members of judiciary who are on the call and asked them for their support. He asked Judge Steinbeck to relay his plea for support. Judge Steinbeck stated that the judiciary vigorously supports funding of Clerks. She supported our LBR and supports and voted in favor of this today.

There being no further business, the meeting was adjourned.

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