

**PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS  
AGENDA ITEM SUMMARY**

Meeting Date: June 16, 2020

Consent       Regular  
 Ordinance     Public Hearing

Department:

Submitted By: Office of Financial Management and Budget

**I. EXECUTIVE BRIEF**

**Motion and Title:** Staff recommends motion to approve:

A) a budget transfer of \$4,500,000 from the General Fund contingency reserves to the Clerk of Court Fund 1903;

B) an emergency fund agreement with the Clerk & Comptroller of Palm Beach County to repay the funds to the County if the State legislature allocates funding relating to the Clerk's COVID-19 related to budgetary shortfall or excess court related funds are available.

**Summary:** Funding will be used to pay the salaries of essential employees at the Clerk & Comptroller's office due to the decline of court-related revenues, affiliated with COVID-19. The funding will be transferred from the General Fund contingency reserves to the Clerk of Court Fund. By July 2020, the Clerk & Comptroller, Palm Beach County (Clerk) expects to exhaust funds that pay the salaries of essential employees. These employees provide critical court-related services in support of public safety, access to justice and commerce in Palm Beach County. Repayment will be made to the County if the State legislature provides funding for the shortfall or excess court related funds are available.

During March and April 2020, the Clerk's court-related revenues declined over \$1 million or 45%. This funding shortfall is a direct result of COVID-19 and represents a decline that is anticipated to continue. While the Clerk has implemented mitigating measures, including a hiring freeze, the Clerk cannot fully cover this shortfall for several reasons: 1) there are no other revenue sources for court-related services other than the portion of court fines, fees and costs collected and retained by the Clerk pursuant to Florida Statute; 2) clerks have no legal authority to hold funds in reserve; and, 3) Clerks are funded outside of the General Appropriations Act. This means there is no mechanism for Clerks to seek emergency state funding without the Florida Legislature convening to approve funding. Media reports indicate there are no plans for a special session related to COVID-19, and if this changes, legislative leaders have told the media the session would be to trim the budget, not add to it. Countywide (DB).

**Background and Policy Issues:**

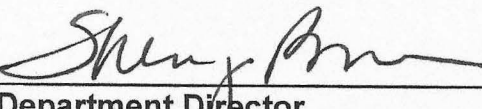
While approximately 90% of the Clerk's budget is dedicated to personnel costs, layoffs or furloughs are not a viable option. This is because Clerk employees have been deemed essential by orders like the Governor's "Safer at Home" Executive Order 20-91. This order specifically defined "Essential Critical Infrastructure Workers" to include those who support finance operations, staff call centers, support mission essential functions as state and local employees, support judicial system operations, and perform recording services in support of mortgage and real estate transactions, among others.

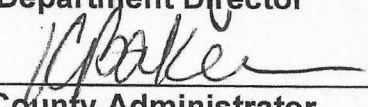
**Background and Policy Issues:** Continued on Page 3

**Attachments:**

- 1. Budget Transfer
- 2. Agreement

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Recommended By:       6/3/2020  
Department Director      Date

Approved By:       6/12/2020  
County Administrator      Date

**II. FISCAL IMPACT ANALYSIS**

**A. Five Year Summary of Fiscal Impact:**

<b>Fiscal Years</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	\$4,500,000	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
<b>NET FISCAL IMPACT</b>	<u>\$4,500,000</u>	_____	_____	_____	_____
#ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____
Is Item Included In Current Budget?		Yes _____	No <u>X</u>		
Does this item include the use of federal funds?		Yes _____	No <u>X</u>		

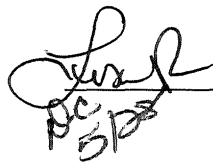
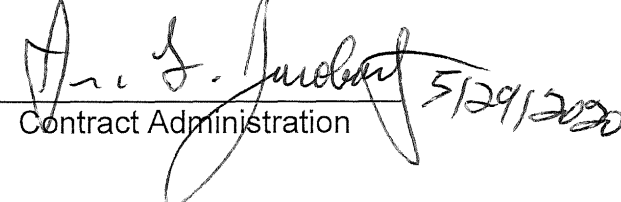
Budget Account No.: Fund: 0001 Dept: VAR. Unit: VAR Object: VAR.

**B. Recommended Sources of Funds/Summary of Fiscal Impact:**


**C. Departmental Fiscal Review:** \_\_\_\_\_

**III. REVIEW COMMENTS**

**A. OFMB Fiscal and/or Contract Administration Comments:**

 PC/SP OFMB 5/29/2020 LM 5/28	 Contract Administration 5/29/2020
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**B. Legal Sufficiency:**

  
 for D. Behar 6/3/2020  
 Assistant County Attorney

**C. Other Department Review:**

\_\_\_\_\_  
 Department Director

**Background and Policy Issues:** As a result of this essential worker designation, the Clerk's office has remained open to provide critical services throughout the COVID-19 pandemic, in accordance with orders issued by Florida's Governor, the Florida Supreme Court, Palm Beach County, and the 15th Judicial Circuit.

While the number of new case filings in the 15<sup>th</sup> Judicial Circuit has declined during the pandemic, the overall workload for the Clerk has remained consistent. The evolution of electronic filing in the court system allows attorneys to continue conducting business and submit documents anytime/anywhere on existing cases, regardless of when the courthouse is accessible. Further, many of the Judicial Administrative Orders issued during COVID-19 require the Clerk's attention and compliance, which takes additional staff time. For example, processes are being changed and system modifications are being made to facilitate virtual court hearings.

As the sole provider of many essential services to our community, the Clerk must remain fully operational at all five courthouse locations both now and in the future. If forced to furlough or layoff essential employees, the Clerk will not have the staff necessary to address the anticipated uptick in new cases as courts resume normal operations, nor the existing backlog of "non-essential" services that the Clerk is currently not authorized to process. For April alone, there is a backlog of 20,215 criminal, traffic and civil hearings which need to be reset and 8,621 traffic and criminal traffic cases that require action.

To date, the Clerk has been an integral partner in Palm Beach County's COVID-19 response efforts. For example, the Clerk has continued to assist county citizens by providing self-represented litigants with forms and assistance related small claims, family and other issues; opening new payment plans that preserve resident's driver licenses and ability to commute; providing child support assistance; and, processing Domestic Violence, Baker Act, Marchman Act and Risk Protection Order petitions. The link between the Clerk's court-related services and the County's budget priorities of homelessness, behavioral health and substance abuse demonstrate why supporting the Clerk's request for emergency funding best serves the interests, health, safety, and welfare of the County and its citizens.

20-0795

**BOARD OF COUNTY COMMISSIONERS  
PALM BEACH COUNTY, FLORIDA  
BUDGET TRANSFER**

Fund 0001 - General Fund

BGEX 052020\*1456

ACCT.NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	CURRENT BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET	EXPENDED/ ENCUMBERED AS OF 05/20/2020	REMAINING BALANCE
<b><u>EXPENDITURES</u></b>								
0001-820-9900-9901	Contingency Reserves	20,000,000	17,785,361		4,500,000	13,285,361	0	13,285,361
0001-200-2110-9499	Tr to Clerk of Court Fd 1903	4,128,099	4,128,099	4,500,000	0	8,628,099	0	8,628,099
	<b>TOTAL EXPENDITURES</b>			4,500,000	4,500,000			

**Signatures & Dates**

**By Board of County Commissioners**

**Office of Financial Management and Budget**

**At Meeting of**

**INITIATING DEPARTMENT/DIVISION**

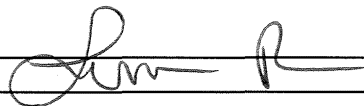
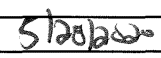
**June 16, 2020**

**Administration/Budget Department Approval**

**Deputy Clerk to the**

**OFMB Department - Posted**

**Board of County Commissioners**


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## EMERGENCY FUNDING AGREEMENT

This Emergency Funding Agreement (“Agreement”) is made and entered into as of this \_\_\_ day of June, 2020 by and between Palm Beach County Board of County Commissioners (the “County”) and the Clerk & Comptroller, Palm Beach County, as organized under the current administration and binding as to any successor administrations (“Clerk”).

### RECITALS:

**WHEREAS**, the impact of the COVID-19 Pandemic has caused a decline of 45% or over one million dollars in court-related revenues during March and April 2020, and as a result thereof, there will be a loss of over \$6.5 million dollars for the fiscal year ending September 30, 2020. Accordingly, the Clerk will exhaust funds necessary to pay the salaries of essential employees designated as such under the Governor’s “Safer at Home” Executive Order 20-91 (“Essential Employees”).

**WHEREAS**, through the Clerk’s efforts, including, but not limited to, a hiring freeze, no payment of overtime, and elimination of all non-essential contracts, the Clerk anticipates an expenditure reduction of \$2 million dollars, and thereby is requesting a county grant of \$4,500,000;

**WHEREAS**, the County recognizes that these “Essential Employees” provide critical court-related services in support of public safety, access to justice and commerce in Palm Beach County, and that because of the Clerk’s statutory limitations and no direct ability to seek emergency state funding, the County desires to partner with the Clerk and transfer Four-Million Five Hundred Thousand Dollars (\$4,500,000) from its General Fund contingency reserves to the Clerk of Court Fund 1903;

**WHEREAS**, the Clerk acknowledges that this is a one-time County transfer of funds and that in accordance with its ability to generate sufficient revenues coupled with State legislative authority, the Clerk desires to and will make every effort to transfer funds back to the County.

**NOW, THEREFORE**, in consideration of the terms, conditions, covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, and in order to effectuate the above arrangement, the parties hereto agree as follows:

1. **Preliminary Statements.** The foregoing preliminary statements are true and correct and form a part of this Agreement.
2. The County shall initiate a budget transfer forthwith in the amount of Four-Million Five Hundred Thousand Dollars (\$4,500,000) from its General Fund contingency reserves to the Clerk of Court Fund 1903 (the “Budget Transfer”).
3. In the event the State of Florida’s legislature in upcoming sessions allocates funding to the Clerk’s office specifically addressing its Pandemic related budgetary shortfall, and moreover, permits the use of such funds to replace revenue, the Office of the Clerk as it is currently organized and as it will be organized by any of the Clerk’s successors shall immediately transfer any State funds it receives up to the total Budget Transfer the Clerk received from the County.
4. The Office of the Clerk as it is currently organized and as it will be organized by any of the Clerk’s successors shall in accordance with its budgetary ability, transfer any excess revenues up to the total Budget Transfer the Clerk received from the County.

IN WITNESS WHEREOF, the parties have executed this Agreement the \_\_\_\_ day of June 2020.

Clerk & Comptroller, Palm Beach

Palm Beach County Board of County  
Commissioners

By: \_\_\_\_\_  
Sharon R. Bock  
Clerk & Comptroller, Palm Beach County

By: \_\_\_\_\_  
Dave Kerner, Mayor

Approved as to Legal Sufficiency

Approved as to Terms and Conditions

By: /s/ David C. Behar  
Assistant County Attorney

By:   
Sherry Brown, OFMB, Director