

## **APPROVED MINUTES**

### **LOUISIANA CLERKS OF COURT ASSOCIATION BOARD OF DIRECTORS MEETING WEDNESDAY, JUNE 28, 2017 BATON ROUGE, LOUISIANA 1:00 P.M.**

The Louisiana Clerks of Court Board of Directors meeting was held on the above date at the Association Office and called to order by President David Dart. Steve Andrews gave the opening prayer and Brian Lestage led the Pledge of Allegiance.

Secretary Bridget Hanna called roll and the following members were present: David Dart, Richard "Rick" Arceneaux, Steve Andrews, Brian Lestage, Bridget Hanna, Robin Hooter, Holli Vining, Johnny Crain, Jr., Becky Patin, Carol Jones, Randy Deshotel, Tammy Foster, Doug Welborn, and Cliff Dressel.

Also present: Executive Director Debbie Hudnall, Kim Turlich-Vaughan, Louise Bond, Connie Couvillon, Darlene Landry, Frank Borne, Sheri Morris, Greg Brown and Chris Kershaw.

#### **Approval of Minutes**

Motion was made by Cliff Dressel and seconded by Steve Andrews to approve the minutes of March 8, 2017. Motion passed without opposition.

#### **Financial Reports**

Treasurer Robin Hooter presented the financial reports for the period ending May 31, 2017. She reported the total current assets for the Association as \$505,306, total other assets of \$172,757, with total assets of \$684,709. Total current liabilities of \$39,033 were reported with total capital of \$645,676 and total liabilities and capital of \$684,709. The Treasurer informed the board that the current year to date actual total revenues were \$732,027 and total expenses were \$766,921 with a total net loss of \$34,894; however, a loss of \$83,686 was budgeted. Motion was made by Rick Arceneaux and seconded by Johnny Crain, Jr. to accept the financial reports as presented. Motion passed without opposition.

#### **2017-2018 Budget Proposal**

Chris Kershaw stated that prior to presenting the 2017-18 budget proposal, he would like to give a report on the financial position of the Association with projected revenues and expenses for the period ending June 30, 2017 along with the amounts that were originally budgeted for 2016-17. He projected total revenue at \$801,851 compared to the original budgeted amount of \$789,300. He also projected total expenses at \$834,688 compared to the original budgeted amount of \$872,986. Chris proposed an amendment to the following revenue line items on the 2016-17 budget: Add Dues-Associate as a line item with an adjustment of \$13,570; Decrease the amount of Grant income which was originally budgeted at \$75,000 by \$10,000 for a total of \$65,000. The amount originally budgeted for total revenue was \$789,300. The proposed total revenue adjustments of \$3,570 would bring the new amended total revenue amount to \$792,870. Chris proposed an amendment to the following expense line items on the 2016-17

budget: Add \$5,700 to attorney's fees (for additional payments due to work on legislation) originally budgeted at \$10,000 for a total of \$15,700; Subtract \$5,000 from Building maintenance which was originally budgeted at \$5,000 for a total of \$0 (Retirement Fund paid for maintenance); Add \$8,000 to Scholarship Awards which was originally budgeted at \$500 for a total of \$8,500 (more scholarships awarded due to Associate Dues); and decrease \$9,000 from Grant Salary which was originally budgeted at \$55,000 for a total of \$46,000 (Supreme Court grant amounts for part-time workers were lowered). The amount originally budgeted for total expenses was \$872,986. The proposed total expense adjustments of -\$300 would bring the new amended total expense amount to \$872,686. The total net loss for the 2016-17 budget with the above proposed amendments would be \$79,816 compared to the original budget net loss of \$83,686. Doug Welborn made a motion to accept the proposed budget amendments as presented, seconded by Tammy Foster. Motion passed without opposition.

Chris Kershaw now presented the 2017-2018 Budget Proposal for the Association. He reminded the Board that this is the Association budget but some revenue and expenses are included for the Insurance Fund, Retirement Fund and LCRAA. He highlighted an increase in reimbursements to the Association as follows: Insurance Fund which was increased from \$5,200 per month to \$6,000 per month; Retirement Fund which was increased from \$30,000 per month to \$35,000 per month; and LCRAA which was increased from \$5,000 per month to \$6,000 per month. Total receipts budgeted at \$838,600 were broken down as follows: Dues and Other Revenues \$279,400; Insurance \$67,200; Retirement \$420,000 and LCRAA \$72,000. Chris also pointed out the expense of other professional fees (Government Services) in the budgeted amount of \$45,000. Salary expense and related costs were broken down as follows: Association \$31,000; Insurance \$40,500; Retirement \$291,500 and LCRAA \$44,500 for a total budgeted amount of \$407,500. Total expenses budgeted at \$921,650 were broken down as follows: Association \$356,735; Insurance \$67,900; Retirement \$424,260; and LCRAA \$72,755. A net loss of \$83,050 is projected for the 2017-18 budget.

Chris Kershaw exited the room at this time. Executive Director Debbie Hudnall told the board that she has included a pay raise for each employee in the new budget. The amount she included was as follows: Chris Kershaw presently makes \$7,000 per month, she included a 2.9% increase to \$7,200 per month; Evie Dodge presently makes \$2,730 per month, she included a 2.6% increase to \$2,800 per month; Angela Gaines presently makes \$3,360 per month, she included a 4.2% increase to \$3,500 per month; Dagmar Hebert presently makes \$3,780 per month, she included a 5.8% increase to \$4,000 per month; Davis Silk presently makes \$4,166 per month, she included a 8% increase to \$4,500 per month. Debbie stated that she also added short term and long term disability policies for all full time employees at the cost of approximately \$2,400 per year. Discussion was held. Motion was made by Tammy Foster to approve the 2017-18 budget as presented, seconded by Cliff Dressel. Motion passed without opposition.

Debbie told the Board that the Association by-laws state that dues can be set at up to 3% but everyone is currently paying 1 ½%. For the last several years a deficit has been budgeted but we will not be able to continue to do that every year. She cautioned everyone that there is a good possibility in the future that dues may have to be increased.

### **Audit Proposals**

Debbie Hudnall presented a financial audit proposal for the Association from Duplantier, Hrapmann, Hogan & Maher LLP with a 3 year (2017-19) rate of \$6,500- \$6,975 per year. Motion made by Rick Arceneaux to accept the proposal, seconded by Johnny Crain, Jr. Motion passed without opposition.

Debbie Hudnall presented a financial audit proposal for the Supplemental Compensation Fund from Duplantier, Hrapmann, Hogan & Maher LLP with a 3 year rate (2017-19) of \$5,000-\$5,375 per year. Motion made by Rick Arceneaux to accept the proposal, seconded by Robin Hooter. Motion passed without opposition.

Debbie Hudnall presented a financial audit proposal for the Supplemental LLA Statewide Agreed-upon Procedures from Duplantier, Hrapmann, Hogan & Maher LLP with a 3 year rate (2017-19) of \$1,350-1,475 per year. Motion made by Rick Arceneaux to accept the proposal, seconded by Robin Hooter. Motion passed without opposition.

### **Board Reports**

#### **LCRAA**

Chairman Rick Arceneaux reported that the LCRAA Board met on May 9<sup>th</sup>. He stated that there are 45 active parishes on LCRAA with over 23.7 million land records and over 1.0 million marriage records. There was a vendor problem with the marriage license issue date and actual marriage date that Antares had corrected. He reported that SB236 passed the legislature this year which provides for indexing standards and a mandate for Clerks to implement e-recording by 2020. As of April 30, 2017 total fiscal year to date revenue was \$1,230,851 with total portal direct cost of \$103,793, grant program cost of \$319,671, administration expenses of \$65,720, leaving net income for the fiscal year of \$741,667 and total assets of \$2,974,462. A 3 year financial audit proposal from Duplantier, Hrapmann, Hogan & Maher was approved in the amount of \$1,450-\$1,590 per year. Rick told the Board that some budget amendments were also approved. He commented that the original goal of having 30 years of conveyance and mortgages available has almost been reached. The committee awarded grants to 5 of 10 applicants in the amount of \$127,200. A total of 10 grants have been awarded in the 1<sup>st</sup> quarter totaling \$458,541. The next meeting will be held on August 8, 2017.

### **Retirement & Relief Fund**

President David Dart reported that the board met this morning and the budget for next fiscal year was approved along with financial audit proposals for the Retirement & Relief Fund for 3 years of \$27,800 - \$29,950 per year from Duplantier, Hrapmann, Hogan & Mayer. Additionally, financial audit proposals were approved for GASB 67 for three years in the amount of \$9,800-\$10,400 per year with travel costs of \$800-\$1,200 per year along with GASB 68 in the amount of \$5,500 per year and statewide agreed upon procedures in the amount of \$1,970-\$2,180 per year. The parishes of Ascension, Bossier and Jefferson have been chosen for Retirement audits this year. The actuary contract with Gary Curran was approved. There was a slight increase in attorney fees for Denise Akers of Akers & Wisbar LLC from \$220 per hour to \$230 per hour. President Dart reported that the investment committee also met this morning and made a recommendation to the Retirement Board that hedge fund monies currently invested be moved into a program offered by Summit Strategies. It was estimated that approximately \$400,000-\$500,000 per year in fees would be saved with this move. The Retirement Board approved the moving of the hedge fund monies. An economic update was given by Phineas Troy in which he stated that the political uncertainty has decreased. Strong corporate earnings, high consumer and business confidence, and accommodative central banks have helped fuel the global equity rally this year with MSCI ACWI IMI gaining 2% in May and 10.7% year-to-date. Real GDP grew at 1.2% annual rate during the first quarter of 2017. With the period ending May 31, 2017 retirement fund total assets were reported as \$591,522,667 with an increase of over \$60 million this year with a 13% rate of return. The Retirement Fund is about 80% funded and on track to be fully funded by 2029. President Dart stated that the board continues to monitor the number of clerks who have hired more part-time workers which do not contribute to the Retirement Fund. He said this could ultimately negatively affect the system. Debbie also asked that Clerks let the Association know of any retired employees that pass away.

### **Supplemental Compensation Board**

Randy Deshotel gave a report on the balance sheet ending with May 31, 2017. He reported total current assets of \$63,218 with total assets of \$184,699. Total current liabilities were reported as \$123,500, and total liabilities and capital of \$184,699. He stated that for the month April suit numbers were down \$11,000.

## **Committee Reports**

### **2017 Conference Report**

Debbie stated that a conference call was held yesterday with Lynn Jones. She gave an overview of the agenda for the conference which will be held July 17-20 in Lake Charles.

### **Education Committee**

Connie Couvillon informed the Board that the next institute will be held August 15-18<sup>th</sup> in Alexandria at the Holiday Inn.

### **E-Filing Committee**

No report

## **Executive Director Report**

### **Legislation**

Debbie Hudnall gave an overview of SB 236 for recording fees which will be effective August 1, 2017. Debbie stated this law is a "shall" bill for all Clerks. Questions submitted by Clerks via email were reviewed and discussed with the assistance of Attorney Sheri Morris who was present. Debbie stated that there will be an educational session on this bill at the Clerks Conference in Lake Charles.

Debbie reported on HB 439 which provides for revisions to the Code of Civil Procedure and related provisions of the Revised Statutes. She stated that a change in the marriage license law was included in this bill which allows a person applying for a marriage license who is unable to provide a birth certificate, letter required by R.S. 9:227, a valid and unexpired passport, or visa accompanied by Form I-94 as issued by the United States may provide a Certificate of Naturalization by the U.S. Citizenship and Immigration Authority. A person applying for a marriage license who is unable to provide a social security number may provide a driver's license, a government issued identification card, a passport, a visa issued by the United States Department of State, or a Certificate of Naturalization issued by the United States Citizenship and Immigration Services. A person applying for a marriage license who is unable to comply with the requirements of this Article may seek judicial authorization for waiver of the requirements of this Article. The court may grant the waiver and order the issuance of the marriage license if, after hearing and good cause shown, the court finds that such relief is appropriate and that the person has complied with other legal requirements for the marriage license. The hearing may be conducted in camera, and before a duty judge. The written order granting the waiver shall be attached to the marriage license application. If the court denies the waiver, the court shall provide reasons for the denial of the waiver. The judicial authorization may be granted by the district court, parish court, family court, or juvenile court, in the parish in which the marriage license application is made, or by the First or Second City Court of the City of New Orleans if such application is made within their territorial jurisdiction, or by a justice of the peace court or city court if the issuing official is located within the justice of the peace or city court's territorial jurisdiction.

### **Legislative Day**

Debbie reported that \$5,600 was collected and \$6,199 was spent for Legislative Day. She stated that there was not 100% payment by all Clerks.

### **Litigation**

*Lawrence Vs. State of Louisiana*  
*State of Louisiana Vs. Cornella Carroll*

Debbie stated that there was nothing further to report at this time on these cases.

Bridget Hanna updated the board on the Ascension Parish personal injury case in which an attorney paid all court costs for their client up until appeal and then requested pauper status for the appeal. She stated that the District Court denied the pauper application but the parties were taking writs to the 1<sup>st</sup> Circuit Court of Appeal and her office attorney will be filing a traversal to the writ. She said that Attorney Sheri Morris was involved in the case for the Clerks Association by previous vote of the board. Bridget explained that she held a phone conference last week with her office attorney, Sheri, and Debbie and it was decided that the Board should be updated before continuing with this litigation. Sheri, who was present, stated to the Board that she had a concern that if the writ is granted in favor of the appellate an opinion would be filed by the Court of Appeals that could possibly affect the Clerks by having other attorneys read the ruling and requesting pauper status when they initially file a personal injury suit. Bridget stated that there is very little case law concerning pauper cases and the case law that was cited is very old. She stated that at some point this issue will need to be addressed by the Clerks as more and more attorneys are filing in-forma pauperis proceedings. Discussion was held by the Board. Randy Deshotel made a motion that Sheri Morris continue to represent the Clerks Association in this matter and that she go forward with the amicus brief that will be filed with the Court of Appeals. Motion seconded by Tammy Foster. Motion passed without opposition.

### **District Reports**

#### **District 1**

Johnny Crain, Jr. reported that they have not met but have been emailing frequently. They will have a meeting soon.

#### **District 2**

Frank Borne reported for Jon Gegenheimer that they have not held a meeting. He also informed the Board that Jon's term is ending and Dale Atkins will take his place as the District 2 representative.

#### **District 3**

Becky Patin reported that they have not held a meeting.

#### **District 4**

No report

#### **District 5**

No report

#### **District 6**

Randy Deshotel reported they had a meeting and will get back together before the July conference.

**District 7**

Tammy Foster reported that they have been communicating by email and phone and will set a meeting again shortly.

**District 8**

No report

**District 9**

No report

**Other Business**

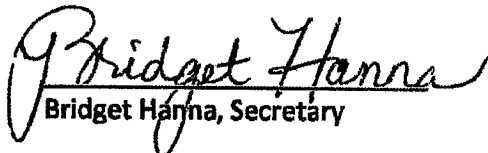
Debbie asked for the authority to work with auditors on state agreed upon procedures. Randy made motion to approve Debbie's request, seconded by Rick Arceneaux. Motion passed without opposition.

**Comments by Board Members**

None

There being no further business, Bridget Hanna moved to adjourn, seconded by Rick Arceneaux. Motion passed without opposition.

Respectfully Submitted:

  
Bridget Hanna, Secretary

Approved:

  
David Dart, President