

PROPOSED MINUTES (to be approved at next meeting)

**LOUISIANA CLERKS OF COURT ASSOCIATION
BOARD OF DIRECTORS MEETING
THURSDAY, OCTOBER 24, 2013
BATON ROUGE, LOUISIANA
1:00 PM**

A meeting of the Louisiana Clerks of Court Association Board of Directors was held on Thursday, October 24, 2013, at 1:00 p.m. in Baton Rouge, Louisiana.

The meeting was called to order by President Tammy Foster. Steve Andrews gave the invocation and Julian Dufreche then led the Pledge of Allegiance.

MEMBERS PRESENT:

President Tammy Foster
Carl Broussard
Holli Vining
Cynthia Johnston
Mark Graffeo
Richard Arceneaux
David Dart

Julian Dufreche
Dot Lundin
Dodi Eubanks
Lanell Landry
Steve Andrews
Cliff Dressel
John Olivier

ALSO PRESENT:

Debbie Hudnall, Executive Director
Michelle Cunningham, Auditor
Guests: Darlene Landry, Tom Sullivan and Chris Kershaw

APPROVAL OF MINUTES

Cliff Dressel moved that the minutes of June 11, 2013, and July 16, 2013, be approved as presented. Motion seconded by Cynthia Johnson. **MOTION CARRIED**

COMMENTS BY CHAIRMAN

Chairman Tammy Foster welcomed everyone to the first Board meeting in the new Association building. With the new technology in the board room, board books had been emailed prior to the Board meeting and presentations would be made on the screen. Copies of financials were being provided for the meeting. She said the new office was very conducive to Board meetings and although the next Board meeting would be in Natchitoches, she hoped that that the new building would be utilized in the future as much as possible. She reminded the Board that the next Board meetings and Clerks Only meeting would be in Natchitoches, December 11-13. She stated that as long as it is not raining the events will be outdoors and reminded everyone to dress in layers for the weather. Louie requested that Tammy make the announcement that during his filing unit transformation, he ran out of card board boxes which had caused a problem. He called around to the Clerks trying to locate enough boxes to get him out of the bind. Dodi

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Eubanks had enough boxes and drove them to Natchitoches. Louie wanted to give kudos to Dodi for all of her help.

RETIREMENT REPORTS (on file in office)

Tammy Foster reported that the retirement fund balance at the end of September was \$459 million with a 4.5% rate of return for the fiscal year. She reported net income of \$17.5 million dollars as of September 30th. Tammy informed the Board that for the quarter, the equity portfolio returned 7.13%; fixed income held their own; Hedge funds trailed their bench mark; Real Estate returned 2.65%; and MLP's remained ahead of their benchmark. She reported that Summit and the Investment Committee are continuing to have discussions on international equities and the asset allocation.

FINANCIAL REPORTS (on file in office)

Treasurer Mark Graffeo reported the Balance Sheet ending September 2013 showed Total Assets of \$680,000 with Total Capital of \$535,000. He pointed out to the Board the new item of Prepaid Expenses - Rent which is the rent the Board had authorized the Association to pay in advance to the Retirement Fund. He reported total revenue for the year in the amount of \$137,000 with total expenses of \$146,688 for a net loss of approximately \$9,700.

Motion was made by Carl Broussard to receive the financial report. Motion seconded by Cliff Dressel. **MOTION CARRIED.**

AUDIT REPORTS (on file in office)

Association Audit

Michelle Cunningham with Duplantier, Hrapmann, Hogan & Maher presented the audit report for the fiscal year ending June 30, 2013. She reported that the new auditing standards require that they provide information about the Board's responsibilities under generally accepted auditing as well as certain information related to the planned scope and timing of their audit. Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles.

It is the auditor's responsibility to express an opinion on these financial statements. The Association received a qualified opinion, which means the Association didn't receive a clean opinion. Michelle informed the Board that the only thing that didn't allow for a completely clean opinion was that the Association has not determined the cost of its defined benefit pension plan nor has it disclosed the required pension disclosures for the years ended June 30, 2013 and 2012 in accordance with accounting principles. She said they were able to audit everything else and the financial statements present fairly, in all material respects, the financial position of Louisiana Clerks of Court Association as of

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June 30, 2013 and 2012, and the changes in its nets assets and its cash flows for the years then ended in accordance with accounting principles.

Debbie reminded the Board that several years ago the Board had voted that it was not economically feasible to have the cost of the defined benefit pension plan determined. Michelle stated that when the new GASB comes out the amount of liability would be determined for every contributing employer, but the problem is that the Association comes under FASB rather than GASB. The calculation that will be done under government standards rather therefore would not be able to be included in the Association's books. Julian asked if there would be any anticipated compliance problems down the road because of this and Michelle said there would not be any problems.

Statement of Financial Position shows the assets stayed somewhat constant at \$573,547. The biggest difference is because of the prepaid expense of rent. The total liability was somewhat constant at \$15,833, leaving total net assets of \$557,714.

Statements of Activities or Income Statement for the years ended June 30, 2013, and 2012, show the total unrestricted revenue \$585,974 which did go up slightly from last year. She reported there was a total net loss of the fund of \$2,872.

Michelle pointed out footnote 15 which detailed the Association pre-paying eight years of rent totaling \$170,000. The building was under construction as June 30, 2013 and the Association moved to the new building August 5, 2013.

Statement of Functional Expenses for the years end June 30, 2013 showed the general and administrative services for the insurance were about \$50,000 and they were reimbursed to the Association. The G & A services on the Retirement and Relief Fund was \$341,000 and this was reimbursed to the Association. Michelle pointed out that the G & A for the Association is around \$56,000 with \$142,000 for membership services which is in line for what you typically see for non-profit organizations. The total expenses for 2013 were \$589,515 in comparison to the \$565,647 for 2012.

Supplemental Audit

Michelle reported on 2013 Audit of the Supplemental Compensation Fund which is under the Government Accounting Standards. The Supplemental Compensation Fund received a clean opinion.

Michelle stated since this fund was so small there were not many Financial Highlights. She reported the fund's net position increased by \$21,725; fee receipts increased from \$1.38 million to \$1.39 million due to an increase in suit fees during the year ended June 30, 2013.

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The Statement of Net Position showed total liabilities and net position of \$161,880. The total revenue was \$1,390,925 with total expenses of \$1,369,200 with excess of revenues over expenses of \$21,725.

Michelle further reported there were no deficiencies in internal control and no instances of noncompliance

Motion was made by Rick Arceneaux to approve the Audit Report of the Louisiana Clerks of Court Association and the Louisiana Clerks of Court Supplemental Fund. Motion seconded by Lynn Jones. **MOTION CARRIED.**

Debbie expressed her appreciation to Michelle Cunningham and her team. She also commended Chris Kershaw and the staff in their efforts and preparedness for the audits.

Michele presented the Compliance Questionnaire which had been completed by staff. Carl Broussard moved that the Compliance Questionnaire be approved and authorized the Treasurer to sign the same. Motion seconded by Rick Arceneaux. **MOTION CARRIED.**

SUPPLEMENTAL REPORT

Mark Graffeo reported that as of September 30, 2013, the Supplemental Fund had a fund balance of about \$68,000. He further reported that for the first quarter the fund had net income of \$20,142. The total revenues for the fiscal year were \$361,538 with total expenses of \$342,395. The total revenue is about \$10,500 more than the same time last year because of the increase of fifty cents per suit.

COMMITTEE REPORTS

2013 Conference Report

Tommy Sullivan reported on the 2013 Conference stating there were a total of 50 Clerks, 25 spouses of Clerks, 127 Deputy Clerks, 16 spouses of Deputy Clerks, 7 Retirees, 6 spouses of retirees, and 12 vendors for a total of 243 attendees. He also reported that approximately \$5,700 was returned back to the Association.

2014 Conference Report

Lynn Jones reported on the 2014 Conference stating that the date is set for April 15-17, 2014 in Calcasieu at L'Auberge du Lac with the price of \$129 per night. The theme is "Calcasieu Lighting the Way, Bling it On". He said that his staff is looking forward to hosting the conference.

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Education Committee

Tommy Sullivan reported that 173 attendees were present at the last Institute which is about average. The proceeds returned to association were \$5,883. The next institute will be held in Marksville at the Paragon.

LISA Committee

Tammy Foster reported that on October 23, 2013, the Committee met with Antares Technology Solutions and discussed the possibility of a statewide portal. She said a statewide portal had been on the strategic plan for years and the Committee was trying to make some progress. She asked Tommy Sullivan to give an update. Tommy stated that although the project had been discussed for years, he was optimistic that it could be accomplished. Tommy explained his experience with Antares and why they were brought in to make a presentation to the Committee. He said their presentation was impressive and that the LISA Committee had a recommendation to present to the Board. He said he realized that there had been concerns by some Clerks about the money issues, but he said all money issues would be decided by the Clerks and the Board. He said at the moment the funding of the project is a concern and the Clerks would be asked to consider possible legislation at the December Clerks Only meeting. The proposed legislation would be to ask for an additional fee to be added to recording to help fund the project and to help Clerks to be able to participate in the project. Tommy said that no Clerks would be mandated to participate in the project if they didn't want to. He said there were concerns of some Clerks of the possibility they might lose revenue. He said it was the goal of the Committee that no Clerk would lose money. There had been much discussion about many different avenues including day rates that could possibly generate new monies for Clerks. He said the LISA Committee had good frank discussions and after hearing Antares' presentation, it was the unanimous recommendation of the Committee that the Board approve a contract with Antares Technology Solutions to provide research and analysis in creation of a Scope of Services document for the development of statewide Clerks of Court portal. It would be an outline of a plan to develop the statewide portal. Tommy explained that Antares had created a statewide portal in which all of sales taxes collected in Louisiana go through that common portal. All of the many different programs and software throughout the state are able to use this portal. He stated that no Clerk would be required to change their software provider. The cost of the contract is to be no more than \$10,000 which is \$125 per hour and is not to exceed 80 hours. After much discussion, Julian Dufreche moved, on the recommendation of the LISA Committee, that the Board of Directors authorize the President to enter into a contract with Antares Technology Solution to provide research and analysis in creation of a Scope of Services document for the development of statewide Clerks of Court portal in the amount of \$10,000. Motion was seconded by Steve Andrews. **MOTION CARRIED.**

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Best Practices Guide Committees-Marriage Licenses

Tammy Foster reported that the Strategic Planning Committee had recommended developing Best Practices Guides for each segment of the Clerks' offices. She stated that she had asked each District Representative to submit two names from each district to serve on the Marriage License Committee but not all districts had submitted names at this time. She asked that each district submit those as soon as possible.

Civil Commitment Form

Tammy reported on the implementation of Acts 403 and 404 which mandated reporting to National Instant Criminal Background Checks System (NICS) via Louisiana Supreme Court of firearms restrictions that were currently not being reported.

Tammy reported that she along with David Dart, Lynn Jones and Debbie had been participating with a Working Group to develop the forms and the method of reporting.

A form had been created for the Civil Case/Judicial Commitments and a Firearms Restoration of Rights Reporting form which are both to be submitted to the Supreme Court. As far as the reporting for felony criminal cases where there are firearm restrictions, those are captured in the transmission to the Supreme Court through CMIS; There were two additional disposition codes added to the disposition tables. To capture misdemeanors with firearm restrictions, the case management systems will need to be modified to include two additional fields. This can not be accomplished by January 1st. A temporary form for misdemeanor firearm restrictions has been created that the Clerks will be required to use until their software changes are made. She reminded everyone that the law becomes effective January 1 and the Supreme Court plans some educational sessions.

Uniform Sentencing Commitment Order

Tammy reported that she had written a letter to the Chief Justice of the Supreme Court asking for re-consideration of the modifications of the UCO. The Chief Justice had asked the Sentencing Committee to re-consider the form changes. Tammy, David, Lynn and Debbie on conference call on October 21st asked the committee to consider a couple modifications at the Sentencing Committee's meeting in November.

E-UCC COMMITTEE

Dodi Eubanks reported that the Secretary of State's office is currently in the process of completing the statewide system for E-Recording for UCC's. The Secretary of State's office is requesting to go live by January 2014. The committee will meet in the early part of December to get an update. Discussions were made in regards to Clerk's possibly losing revenue. Debbie reminded the Clerks they should encourage filers/lenders who are going to file UCCs electronically, the filer/lenders should file through their local Clerks' website so the parish of filing would default to that parish.

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JUDICIAL COUNCIL APPOINTMENT

Tammy reported that she had appointed Lynn Jones to serve another three year term on the Judicial Council and asked that her appointment be ratified by the Board. Cliff Dressel moved that Lynn Jones appointment to the Judicial Council be ratified. Rick Arceneaux seconded the motion. **MOTION CARRIED.**

JUDICIAL COUNCIL REPORT

Lynn Jones reported that the Judicial Council met last month in New Orleans. They have been in discussions as to the number of required Judges in each district. The validity of some of the reports that have been issued is up for discussion. Lynn said some additional reporting may be required of the Clerks.

MERS LITIGATION

Tammy Foster reported that the MERS civil suit is set for oral argument with the US 5th Circuit Court for the first week of December. The attorneys are still confident in the Clerks' position and will provide an update after hearing.

EXECUTIVE DIRECTOR REPORT

Debbie reported that the listing agreement has expired on the Bricksome Building and the realtor is interested in renewing the contract. The realtor does not recommend reducing the price at this time because he doesn't think it will encourage any interest. Discussions were made about possibly leasing the building in the future. Lynn Jones made a motion to renew the listing agreement. Julian Dufreche seconded the motion. **MOTION CARRIED.**

Debbie reported on the new building and stated the move went very smoothly. She said that because the staff did most of the moving, the cost to the Association was only \$250 for two men that were hired for some heavy lifting. She commended the staff for their hard work during the move, making the move possible while continuing to carry on their regular work. Debbie stated the building was built a little less than the actual bid. The cost of construction was \$434,994 which equates to \$107.81 per square foot. She stated that new furnishings were purchased under state contract and the Board room is equipped with the latest technology and is very versatile. Lynn congratulated Debbie in staying below budget.

Debbie reported there are several committees throughout the state working on proposed legislation on expungements. She also reported there is a committee studying the restructuring of the Criminal Justice Funding and she would continue to try to monitor these studies.

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DISTRICT REPORTS

District One- Julian Dufreche reported that his district had held a round table district meeting that covered a range of issues with most Clerks bringing a Deputy Clerk. He said it was very successful.

District Two - Dot Lundin reported they had no formal meeting, but she had emailed those in her district and asked if there were any issues, but had not heard from anyone. She reported that Theresa Robichaux held a meeting in her office and thought that two of the clerks in her district had attended, but she had not received a report.

District Three- Carl Broussard reported that they discussed the LISA item.

District Four- Cynthia Johnston reported her district had met and brought up several items of discussion: increase in birth certificates; discussed whether or not the Clerks are required to submit the \$4.00 on the birth certificates; a possible convenience fee on credit cards; and discussed uniformity of expungements and the clarity of where they should be filed. She also inquired as to whether or not the Association would continue to host a Legislative Day. Debbie said the Strategic Planning committee had recommended that it be continued.

District Five- Ann Johnson stated that this district did not meet.

District Six- Lanell Landry reported that their district was questioning birth certificates.

District Seven- Steve Andrews reported that they met at the Institute and discussed several items and were pleased that best practice guides are in the making.

District Eight- David Dart reported that their district met last month and discussed the possibility of increasing birth certificates by \$10.00 each.

District Nine- John Olivier reported he canvassed his group and nothing was discussed.

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OTHER BUSINESS

Debbie asked that the Clerks keep Lance Marino and Bill Hodge in their thoughts and prayers.

There being no other business, Cliff Dressel made a motion to adjourn the meeting. David Dart seconded. **MOTION CARRIED.**

Respectfully Submitted:

Approved:



Dodi Eubanks, Secretary



Tammy Foster, President