

## **APPROVED MINUTES**

### **LOUISIANA CLERKS OF COURT ASSOCIATION BOARD OF DIRECTORS MEETING WEDNESDAY, MARCH 2, 2011 1:00 P.M. VIDALIA, LOUISIANA**

The Board of Directors of the Louisiana Clerks of Court Association met on the above date at the Comfort Inn Suites in Vidalia, Louisiana.

The following members were present: Louie Bernard, President, Mark Graffeo, Tammy Foster, Robby Barousse, Felicia Ann Hendl, Dot Lundin, Michael Thibodeaux, Jim Martin, Carol Jones, Carolyn Ryland, ElRay Lemoine, Cliff Dressel, Christine Crow, Darlene Landry, and Debbie Hudnall, Executive Director.

Guests present were: Malise Prieto, Ann Walsworth, Clyde Ray Webber, Jr., Hart Bourque, and Sheri Morris, Attorney for the Board.

The meeting was called to order by President Louie Bernard. Michael Thibodeaux then gave the opening prayer and Darlene Landry led the Pledge of Allegiance.

#### **APPROVAL OF MINUTES**

On motion by Tammy Foster, duly seconded by Cliff Dressel, that the minutes of December 9, 2010, be approved as presented. **MOTION CARRIED.**

#### **COMMENTS BY PRESIDENT**

President Bernard asked for an update on Allen Blanchard from Mike Thibodeaux. Mike reported that there had not been much change in Allen's condition. He stated that he had lost a significant amount of weight and that hospice had been called in to assist. Louie asked that everyone keep Allen and Georgie in their prayers.

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**FINANCIAL REPORTS**

At this time, Tammy Foster, Treasurer, was called upon to provide the financial reports for December, 2010 and January, 2011. For the report ending December 31, 2010, Total Assets of \$625,740.12. The Income Statement for the month ending December 31, 2010, reflects total revenue \$51,747.03 and expenses of \$57,688.15, giving a negative balance of (\$5,941.12). The revenues are above the budgeted amount, expenses are less than budgeted to date.

For the report ending January 31, 2011, Total Assets of \$609,911.37. Income Statement for the month ending January 31, 2011 reflects total revenue of \$47,192.84 and expenses of \$45,666.69, giving a net income of \$1,526.15.

On motion by Carolyn Ryland, duly seconded by Dot Lundin, that the Financial Reports be received and with no objection, **MOTION CARRIED.**

**2011 BUDGET**

Copies of two versions of the 2011-12 Association Budget were presented to the Board. One scenario included no employee raises. The other submission included raises of 4% for full-time employees and 2% for those who are part-time. The first budget, minus any raises, shows receipts of \$563,100 and expenses of \$544,000. The alternative budget which included the aforementioned salary increases, shows receipts of \$563,100 and expenses of \$549,900. Tammy noted that the difference between the two budgets is \$4,500. An additional observation was made that the Association dues had been reduced from 2.25% to 2% and that the budgeted amount for office supplies had also been reduced.

After a brief discussion, the following action was taken:

On motion by Jim Martin, duly seconded by Mark Graffeo, that the Board of Directors adopt the budget for 2011-12 which includes salary increases of 4% for full-time employees and 2% for those who are part-time. **MOTION CARRIED,** with no objection.

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**BOARD REPORTS**

Retirement and Relief Board. President Bernard reported on the 4Q10 Market Highlights. He stated that equity markets produced strong results with the S&P 500 returning 10.8%. International equities were positive with a return of 6.6%, underperforming US equities as a result of sovereign concerns in Europe. The bond market produced negative results, returning -1.3% for the quarter as rates rose.

Unemployment remains elevated at 9.4% (although down slightly relative to the previous quarter) and inflation is still in check. The economy has seen some stabilization as strong third quarter earning reports exceeded expectations and retail spending was also better than expected for the holiday season.

Louie then discussed the 4Q10 Performance Highlights. The total fund showed strong results, returning 7.5% for the quarter and 14.3% for the trailing 12 months. The portfolio ranked in the 10<sup>th</sup> percentile for the quarter and the 23<sup>rd</sup> percentile for the trailing 12 months. Equities and real estate were the largest contributors over the last 12 months.

The best performing portion of the portfolio for the quarter was the US equity composite, generating a return of 12.1%. The portfolio slightly outperformed the market during the quarter as well.

All of the international equity managers are outperforming their respective benchmarks since the inception of each portfolio. The international small cap and emerging markets managers produced strong relative results during the trailing 12 months, outperforming their respective peer groups and indices.

Additionally, President Bernard reported that Blackstone and Magnitude were funded January 2011.

Supplemental Compensation Board. Debbie reported on behalf of Chairman Gary Loftin that the Supplemental plan had been running monthly deficits. She stated that the Committee had planned for a deficit for the year, but it has been more than planned. Debbie said that the Committee would be meeting soon to make a recommendation for the new fiscal year.

LACCRMA. Chairman Mark Graffeo reported that LACCRMA was doing well and remained on sound financial footing. He stated that there would be a board meeting immediately following the Board of Directors Meeting of the Association and invited all members to attend.

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**COMMITTEE REPORTS**

By-Laws Committee. In Chairman Lanell Landry's absence, Louie reported that there would be at least two (2) by-laws changes proposed at the upcoming convention. One involved a slight redistricting in the southern part of the State and the other would encourage District Representatives to meet quarterly with their districts and report, in writing, any ideas, concerns, or recommendations they may have to the Board of Directors. Louie reminded all those present that By-Laws changes had to be presented the first day of the convention and voted on the last day of the convention. He concluded by saying that Lanell Landry, Chairman of this committee, would conduct a meeting of the By-Laws Committee at the convention to discuss these matters in more detail.

2011 Convention Report. Clyde Ray Webber gave a lengthy report relative to the many activities that had been planned for the upcoming convention in Vidalia. He said he and his staff were working hard to get everything ready and that it promised to be both an educational and fun occasion. In addition to the General Sessions, at which our State Officials will speak, he has arranged for hot air balloons to be tethered at the convention center site and that convention-goers will be invited to experience the feeling of a hot air balloon ride. In addition, there is planned a "talent show" at the outside pavilion that is sure to be a big hit with everyone. Clyde Ray concluded by requesting that those who had not sent in their registrations, do so as soon as possible so that final planning can be done.

Executive Committee (Lobbyist). President Bernard reported that the Executive Committee had met with Joe Wood and her assistant, Arwyn Bascle, in Natchitoches prior to the December Board meeting. He stated that there had been a very open and frank discussion in which all committee members voiced their concerns. He told the Board that Joe Wood emphasized to the Executive Committee that her health was good and that she still had a passion for doing this job. She sincerely thanked the Clerks for the past relationships that had been forged through working together to accomplish so many positive pieces of legislation for the Clerks. Further, she told the Committee that if the Clerks ever decided to go another direction, there would be no hard feelings whatsoever. She concluded by saying that the Clerks had been one of her favorite groups to work with and that she had enjoyed her association with them immensely. Louie discussed the fact that, during the process of determining if there were other lobbyists interested in submitting a proposal to the Clerks, it was found that virtually no one wanted to do this as long as Joe was our lobbyist, out of their respect for her. In conclusion, Louie reported that the Executive Committee recommended that Joe Wood be contracted for the period of July 1, 2010 through June 30, 2012. He said that the committee felt to end the contract on June 30, 2011 would put incoming President

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Graffeo in the difficult position of having to immediately begin looking for a replacement. Following a lengthy discussion, the following action was taken:

On motion by Mark Graffeo, duly seconded by Carolyn Ryland, that the Board of Directors accept the recommendation of the Executive Committee that Joe Wood be hired as the lobbyist of the Louisiana Clerks of Court Association for the period of July 1, 2010 through June 30, 2012. **MOTION CARRIED**, with no objection.

Insurance Legislative Committee. Chairman Mark Graffeo summarized the recent meeting at the Institute in Lafayette relative to possible amendments to the Louisiana Revised Statutes regarding payments of retirees' life insurance benefits. He stated that it was the intention of the committee to conduct a vote on this issue at the upcoming convention in Vidalia.

Records Preservation Committee. Chairman Jim Martin reported that the committee had met on February 15, 2011, along with four of the primary software and technology vendors currently serving the Clerks. The need to establish a minimum standard or "Best Practices" guide for all clerks was discussed. The eventual "plan" must be achievable for all offices. Jim reported that each vendor had been given an opportunity to speak to the committee and review their approach to back-up and preserve the information contained in their respective systems. The committee discussed the establishment of "hot sites" that are mirrored systems maintained at a remote location. Also discussed was the establishment of regional sites linked by software vendor groups. Jim said the scope of records in the care and custody of the Clerks is staggering. Every Clerk is in need of assistance in the long-term preservation of these documents. Toward this end, Jim reported that the committee discussed requesting the legislature to authorize a "Record Preservation Fee" which would be charged for every filing in the Clerk's offices. This would be a dedicated fee that would be used to ensure the preservation of our records. Pursuant to this, Jim said a survey will be sent out asking Clerks to provide the total number of instrument filings in each parish. This will help determine how the fee should be established. This new information received from the Clerks will be considered at the next meeting of the Records Preservation Committee, hopefully the week of May 25<sup>th</sup>.

President Bernard then briefly discussed the on-going "Strategic Plan." He reported that there were many issues about which the Clerks needed to think about in more detail. He said that the Boards barely had time at quarterly Board meetings to take care of the agenda items, much less discuss in detail the issues that will shape our future. The Strategic Planning Committee was formed to be a "think tank" for these ideas. He reported that many areas of concern had previously been identified by this committee and



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expressed hope that future Presidents would recognize the potential for our Association that can be realized by taking the time to talk about these concerns.

**REPORT OF EXECUTIVE DIRECTOR**

Debbie informed the Board that her report had been covered under the other topics.

**OTHER BUSINESS**

President Bernard then reported that there had been an issue brought to him by another Clerk relative to the provision in Debbie's 2007 contract as Executive Director, wherein the Association pays a percentage of her salary, either by lump sum or quarterly payment, to off-set her social security taxes. He stated that, in response to said concern, he had requested an opinion in the matter from the Association's attorney, Ms. Sheri Morris. Prior to Ms. Morris outlining her findings, the President asked Ms. Hudnall to offer whatever comments she may have relative to this issue. After making her remarks, Louie asked that Debbie step from the room. At this time, he recognized Sheri to provide her opinion to the Board and answer any question any clerk may have.

Sheri stated that she was not aware of any federal or state law which prohibits a non-profit corporation from using any particular method to determine the amount of compensation for providing services to the non-profit corporation, as long as the compensation is reasonable. After answering a few questions concerning her findings, President Bernard asked Sheri to step out of the room.

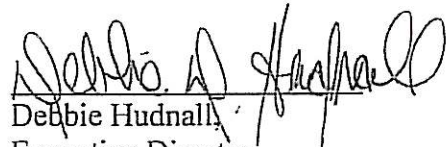
A lengthy discussion was held with those Clerks present. The questioning of this provision of the contract was evidently due to some Clerks not having been aware of the specifics of the original contract. It was determined at the conclusion of the discussion that the Board had not violated any provision of the law in its contract to hire Ms. Hudnall as its Executive Director in 2007.

President Bernard then took a moment of personal privilege to lament the loss of Ms. Carolyn Ryland from the Board. He observed that Carolyn had always been one of the "go to" Clerks for procedural and technical matters that involved the Clerk's office. He stated that she had served diligently and faithfully for so many years and that she would be sorely missed by all. He then recognized Carolyn who thanked the Board for their cooperation and spirit of mutual helpfulness through the years. She wished everyone Godspeed and said that she would stay in touch.

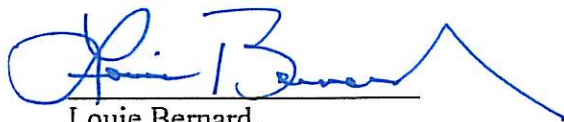
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There being no further business, a motion to adjourn was offered by Tammy Foster, duly seconded by Carolyn Ryland. MOTION CARRIED.

Respectfully submitted,

  
Debbie Hudnall,  
Executive Director

APPROVED:

  
Louie Bernard,  
President

CLERKS OF COURT ASSOCIATION							
PROPOSED 2011/2012 ANNUAL BUDGET							
EFFECTIVE JULY 1, 2011							
	Actual Budget 2010-2011	Proposed Budget 2011-2012	Allocated Expenses	Association 18%	Insurance 12%	Retirement 70%	
<b>RECEIPTS:</b>	<b>2.25% Dues</b>	<b>2.00% Dues</b>					
Dues	\$209,000.00	\$188,500.00		\$188,500.00			
Interest	7,000.00	6,000.00		6,000.00			
Reimbursements:							
Insurance - \$4,200/mo	45,000.00	50,400.00			50,400.00		
Retirement - \$25,000/mo	300,000.00	300,000.00				300,000.00	
Convention Receipts	3,000.00	3,000.00		3,000.00			
Institute Receipts	7,500.00	5,000.00		5,000.00			
Certification Receipts	200.00	200.00		200.00			
Meeting Receipts	5,000.00	0.00		0.00			
Other Income - Sponsorships	9,000.00	10,000.00		10,000.00			
Scholarship Receipts	200.00	0.00		0.00			
<b>Total Receipts</b>	<b>\$585,900.00</b>	<b>\$563,100.00</b>		<b>\$212,700.00</b>	<b>\$50,400.00</b>	<b>\$300,000.00</b>	
<b>EXPENSES:</b>							
Annual Audit Fee	\$5,000.00	\$5,000.00		\$5,000.00			
Attorney's Fee	7,200.00	7,200.00		7,200.00			
Auto Insurance	2,400.00	2,500.00	2,500.00	450.00	300.00	1,750.00	
Auto Usage Expense	2,000.00	1,500.00	1,500.00	270.00	160.00	1,050.00	
Board Per Diem	9,000.00	9,000.00		9,000.00			
Board Secretary Fee	1,250.00	1,250.00		1,250.00			
Bonds & Insurance	12,000.00	12,000.00		12,000.00			
Books & Publication	750.00	750.00		250.00		500.00	
Certification Expense	400.00	400.00		400.00			
Computer Programming	600.00	600.00	600.00	108.00	72.00	420.00	
Condo Fee	2,400.00	2,400.00	2,400.00	432.00	288.00	1,680.00	
Contingency Expense	10,000.00	5,000.00		5,000.00			
Convention Expense	3,000.00	3,000.00		3,000.00			
Electricity	3,000.00	3,200.00	3,200.00	576.00	384.00	2,240.00	
Equipment Rental	9,000.00	9,000.00	9,000.00	1,620.00	1,080.00	6,300.00	
Exec. Director Travel	1,500.00	1,000.00		1,000.00			
Exec. Director Contract	142,235.00	126,676.00	126,676.00	22,801.68	15,201.12	88,673.20	
Exec. Director Tax Reimb	0.00	14,781.00	14,781.00	2,660.58	1,773.72	10,346.70	
Exec. Director Ins.	4,200.00	4,300.00	4,300.00	774.00	516.00	3,010.00	
IACREOT Expense	2,500.00	2,500.00		2,500.00			
Institute Expenses	1,800.00	1,000.00		1,000.00			
Insurance - Employer	26,350.00	27,500.00	27,500.00	4,950.00	3,300.00	19,250.00	
Insurance - Retirees	6,641.00	7,500.00		7,500.00			
Janitorial	3,000.00	3,000.00	3,000.00	540.00	360.00	2,100.00	
Legislative Meeting Exp.	2,400.00	1,200.00		1,200.00			
Maintenance Building	1,800.00	7,500.00	7,500.00	1,350.00	900.00	5,250.00	
Maintenance Computer	6,400.00	6,500.00	6,500.00	1,170.00	780.00	4,550.00	
Meeting Expense	24,000.00	24,000.00		24,000.00			
Membership Dues	1,000.00	1,000.00		1,000.00			
Misc. Expense	500.00	500.00		500.00			
Office Equipment	6,000.00	5,000.00	5,000.00	900.00	600.00	3,500.00	
Office Supplies	6,400.00	5,000.00	5,000.00	900.00	600.00	3,500.00	
Other Prof. Fees	40,000.00	33,000.00		33,000.00	0.00	0.00	
Payroll Tax Expense	2,355.00	2,423.00	2,423.00	436.14	290.76	1,696.10	
Postage	4,800.00	4,000.00	4,000.00	3,000.00	320.00	680.00	
Retirement Employer-17.25%	24,944.00	25,700.00	25,700.00	4,626.00	3,084.00	17,990.00	
Retirement Employee- 8.25%	11,930.00	12,300.00	12,300.00	2,214.00	1,476.00	8,610.00	
Seminar Expense	1,800.00	1,200.00		1,200.00			
Salary Expense	153,620.00	158,020.00	158,020.00	28,443.60	18,962.40	110,614.00	
Staff Travel Expense	1,200.00	750.00		750.00			
Storage Rental	1,750.00	1,750.00	1,750.00	315.00		1,435.00	
Telephone Expense	10,000.00	9,000.00	9,000.00	1,620.00	1,080.00	6,300.00	
<b>Total Expenses</b>	<b>\$557,125.00</b>	<b>\$549,900.00</b>	<b>\$432,650.00</b>	<b>\$196,907.00</b>	<b>\$51,548.00</b>	<b>\$301,445.00</b>	
<b>Net Income before depreciation</b>	<b>\$28,775.00</b>	<b>\$13,200.00</b>		<b>\$15,793.00</b>	<b>(\$1,148.00)</b>	<b>(\$1,445.00)</b>	
<b>Depreciation Expense (non-cash)</b>	<b>\$18,000.00</b>	<b>\$18,000.00</b>		<b>\$18,000.00</b>			
<b>Net Income</b>	<b>\$10,775.00</b>	<b>(\$4,800.00)</b>	#	<b>(\$2,207.00)</b>	<b>(\$1,148.00)</b>	<b>(\$1,445.00)</b>	