

**PROPOSED MINUTES (To be approved at next meeting)**

**LOUISIANA CLERKS OF COURT ASSOCIATION  
BOARD OF DIRECTORS MEETING**

**TUESDAY, JUNE 11, 2013**

**1:00 P.M.**

**MANY, LA**

The Board of Directors of the Louisiana Clerks of Court Association met on the above date at Cypress Bend in Many, LA.

The following members were present: Tammy Foster, President, Diane Meaux Broussard, Holli Vining, Dodi Eubanks, Mark Graffeo, Rick Arceneaux, Lynn Jones, Julian Dufreche, Dot Lundin, Brian Lestage, Ann Johnson, Steve Andrews, David Dart, John Olivier, Cliff Dressel and Debbie Hudnall, Executor Director.

The following guests were present: Gary Loftin, Bill Hodge and Darlene Landry.

The meeting was called to order by President, Tammy Foster. Dot Lundin gave the opening prayer and Mark Graffeo led the Pledge of Allegiance.

**APPROVAL OF MINUTES**

Motion by Cliff Dressel, duly seconded by Rick Arceneaux, that the minutes of March 27, 2013 be approved as presented. MOTION CARRIED.

**COMMENTS BY PRESIDENT**

President Foster remarked that at the retirement meeting Summit Strategies Group reported on the investments. The economy had a slow recovery in May and Summit anticipates a low growth environment for the next three to five years with continued volatility. Unemployment was 7.6%; domestic equities had strong returns and international equities struggled. The fund was up 16.46% through May with a total fund balance of \$450,524,508. Summit will discuss some rebalancing for 2013 with the Investment Board. President Foster also reported that a presentation was made by DFA, our emerging markets money manager.

**FINANCIAL REPORTS (reports on file in office)**

Treasurer Mark Graffeo presented the Financial Reports of the Association for March, April and May. The Balance Sheet as of May 2013 showed total assets of \$581,000 with total liabilities of \$19,162 leaving total capital of \$561,838. He also reported total annual revenue of \$536,902, total annual expenses of \$532,273 with net income of \$4,628 for the year. Mark stated that Institute Earnings were a little higher than had been budgeted, so although there had been a \$24,000 net loss budgeted through May, there was a net income of \$4,600.

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Rick Arceneaux made a motion to receive the financial statements as presented. Motion seconded by Julian Dufreche. **MOTION CARRIED.**

**NEW BUILDING PROPOSAL** (reports on file in office)

Mark Graffeo presented an estimated projection of the total costs of the new building.

Land	\$ 265,000.00
Settlement Charges	<u>8,526.70</u>
Building	\$ 431,404.44
Other:	
Architect	\$ 24,000.00
Expenses	8,363.50
Commercial Design	5,000.00
HON – State Contract	23,212.01
Inwood – State Contract	17,428.86
Window treatments	4,400.00
Mirrors	1,050.00
Canvas paintings	2,500.00
Telephone & Computer Cabl.	5,407.00
Audio/Video System	25,950.00
Filing System	14,870.33
Telephone System	2,000.00
Refrigerator, Oven, Micro.	2,095.00
Security	2,800.00
Landscaping	<u>10,000.00</u>
Total Projected Cost	\$ 854,007.84

He reported that \$625,428.97 had been paid to date with a balance of approximately \$228,479. A Computation of Deferred Rent was then distributed to the Board and Mark asked Debbie to explain the proposal.

Debbie reported that approximately 70% of the work that transpires in the Association office is for Retirement; 20% is for Association and 10% for Insurance. It was recommended that the Association and Insurance pay to the Retirement pre-paid rent based on those percentages.

Association	20% of \$850,000	-	\$170,000
Insurance	10% of \$850,000	-	85,000

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Debbie stated this would initially represent rent in the amount of \$25.00 per square foot with an inflation rate of 2% per year. She reminded the Board that when Michelle Cunningham had presented a report last year on Building vs. Renting, she had reported rent in the Baton Rouge area to be approximately \$23.00 per square foot. Debbie further related that based on \$25.00 per square foot with the 2% per year inflation rate that the \$170,000 and \$85,000 paid by the two entities would represent approximately 7 years and 10 months of pre-paid rent. She related that this would allow for the Retirement Fund to re-coup 30% of the monies it had paid out within the current fiscal year. She stated that when the current building sells, the proceeds would go to the Association. Cliff Dressel made a motion to approve the proposal of the pre-paid rent by the Association and Insurance to the Retirement Fund as proposed. Motion seconded by David Dart. **MOTION CARRIED.**

**2014 PROPOSED BUDGET-(Exhibit A)** - Mark Graffeo presented the Association Proposed Budget for 2014. Debbie explained that not all clerks were certified therefore the dues revenue was a little lower. Mark pointed out that some expenses may be a little more until the old building was sold, but other expenses like meeting expenses would be less because of being able to have meetings in the new building. Debbie explained a 4% increase in salary for the 3 full time employees and 2% increase for the part-time employee was included in the budget. Mark explained the interest income was reduced by \$2,000. John Olivier questioned why inflation was included in the pre-paid rent for the Association and Insurance since it was being paid up front. Mark said that number could always be re-calculated, but an inflation number was used because of the pre-paid rent being calculated for such a long period of time into the future. Holli Vining made a motion to approve the budget as presented and Cliff Dressel seconded the motion. **MOTION CARRIED.**

**SUPPLEMENTAL COMPENSATION FUND-** Debbie Hudnall stated the total cash in bank is \$35,500.00 as of April 30. Also, for the current year through April 30<sup>th</sup>, there was \$1,152,107 in revenue received and \$1,141,700.00 paid out in benefits and expenses leaving \$9,460.00 as net income. She reminded the Board that the contributions would be increasing in July but the benefits would remain the same for the time being

**BOARD REPORTS**

**SUPPLEMENTAL BOARD** - President Foster stated that the members appointed to the Supplemental Board are Jim Martin, Dot Lundin, Dodi Eubanks, Brian Lestage, Gerald Harrington and President Foster is ex-officio member. Julian Dufreche made a motion to approve the appointment of the Supplemental Board and Mark Graffeo seconded the motion. **MOTION CARRIED.**



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**TITLE INSURANCE COMMITTEE** - President Foster stated that a House Concurrent Resolution was adopted to appoint a member (representing the Clerk's Association) to the Title Insurance Committee. Debbie stated that the President would be a good person to represent the Association. President Foster was appointed as member.

**LACCRMA**- Mark Graffeo stated that premiums were going up 3% effective July 1st. He stated that the employee liability insurance had been increasing, but the Board had not raised the premiums. It had now become necessary to increase the premiums to offset the cost. A 10% increase had been recommended, but the Board only approved a 3% increase.

**RETIREMENT AND RELIEF FUND** - President Foster stated the fund had a 16.46% rate of return as of May 31st and that the fund ranked in the top 1 percentile for the trailing year against all retirement systems nation wide that are below one billion dollars. The retirement total fund balances reported were \$447,858,917.39 as of March 31, 2013, and \$451,861,597.33 as of April 30, 2013.

**COMMITTEE REPORTS**

**2014 CONVENTION**-Debbie stated the committee will be meeting soon. The proposed dates that are being discussed are April 15<sup>th</sup>, 16<sup>th</sup>, and 17<sup>th</sup> and or June 10<sup>th</sup>, 11<sup>th</sup>, and 12<sup>th</sup>. It appears that the April dates will be the best date.

**EDUCATION COMMITTEE REPORT** - President Foster stated the Education Committee met after Legislative Day. The Committee voted to have the August Institute in Baton Rouge at the Renaissance Hotel. The February Institute will be in Marksville at Paragon. In August 2014, the Institute will be back in Lafayette at the Hilton.

**EXECUTIVE DIRECTOR'S REPORT** - Debbie informed the Board that the plan is to have the final walk through the Thursday after her return from vacation. The furniture is the hold up for the move. She stated as of right now the planned move in date is August 1<sup>st</sup>. Debbie stated that the realtor would like to lower price on the Bricksome property if activity doesn't improve within the next thirty days. She reported that the Legislative Day was a huge success and thanked Carl Broussard and crew for all of their efforts. She stated that some clerks still had not made a contribution. The total amount received from clerks was \$5,900 with expenses of \$5,169. Any balance will be applied toward next year's Legislative day. Debbie informed the Board that HB174 had not been signed at this time and that the governor has 20 days from the date it was sent to him to sign it. If he signs it on June 20th it will become effective that day. This will become retroactive to January 1<sup>st</sup>. Debbie stated that as soon as the Governor signs the bill, Dagmar will send a schedule for the salaries for the next four years along with a copy of the Attorney

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General's Opinion stating that it was retroactive. Debbie stated that a couple of clerks have been audited by the IRS. The auditors had previously advised the clerks that they did not have to pay the Medicare tax on the employers match on Deferred Compensation. The auditors now agree with the IRS auditors that the Clerks should pay Medicare on the Deferred Compensation match. Debbie will be sending a letter out to the Clerks in this regard.

**DISTRICT REPORTS**

**District One** - Julian Dufreche reported that his district has not met but will meet in July.

**District Two** - Dot Lundin reported that her district has not met.

**District Three** - Brian Lestage reported that his district has not met but has had phone communications about getting a best practices guide started. Debbie Hudnall and Lynn Jones said the Strategic Planning Committee has been discussing this.

**District Four** - No report at this time.

**District Five** - Ann Johnson reported that her district has not met.

**District Six** - No report at this time.

**District Seven** - Steve Andrews reported that his district discussed that recording fees could be increased possibly in the future. Debbie stated that the 2014 legislation will be discussed in December.

**District Eight** - David Dart reported that his district discussed whether clerks have had any progress on the vital records on birth certificates. President Foster mentioned that the Jamis Fee should be interpreted as to EACH party being charged \$1.50. The board had discussions as to the birth certificates.

**District Nine** - John Olivier discussed issues on increasing fees.

**Member at Large** - No report at this time.

**EXECUTIVE SESSION**

Cliff Dressel made a motion to go into and executive session and David Dart seconded the motion. MOTION CARRIED. Debbie Hudnall was excused.

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Cliff Dressel made a motion to go back into regular session, Brian Lestage seconded the motion. **MOTION CARRIED.**

President Foster announced that Board had approved paying Debbie \$1500 for her hard work during the Legislative session contingent upon her contract. Debbie expressed her appreciation to the Board.


**OTHER BUSINESS:**

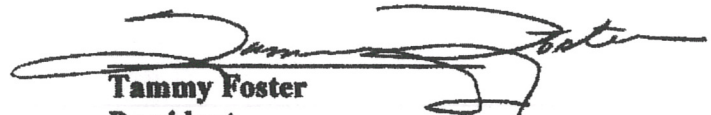
President Foster informed the Board that the December meetings will be in Natchitoches on December 10<sup>th</sup>, 11<sup>th</sup> and 12<sup>th</sup>.

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

**Respectfully submitted:**

**APPROVED:**

  
**Dodi Eubanks**  
**Secretary**

  
**Tammy Foster**  
**President**



# EXHIBIT A

CLERKS OF COURT ASSOCIATION			
PROPOSED 2013/2014 ANNUAL BUDGET			
EFFECTIVE JULY 1, 2013			
		Proposed Budget 2013-2014	
<b>RECEIPTS:</b>			
Dues @ 2%		\$189,000.00	
Interest		1,500.00	
Reimbursements:			
Insurance - \$4200/mo		50,400.00	
Retirement - \$25,000/mo		300,000.00	
Convention Receipts		3,000.00	
Institute Receipts		8,000.00	
Certification Receipts		500.00	
Meeting Receipts		0.00	
Other Income - Legislative Day		6,000.00	
Other Income - Sponsorships		12,000.00	
Scholarship Receipts		500.00	
<b>Total Receipts</b>		<b>570,900.00</b>	
<b>EXPENSES:</b>			
Audit		\$6,000.00	
Attorney's Fee		5,000.00	
Board Per Diem		11,000.00	
Board Secretary Fee		1,250.00	
Bonds & Insurance		18,000.00	
Books & Publications		1,000.00	
Certification		500.00	
Condo Fee		6,275.00	
Contingency		5,000.00	
Convention		3,000.00	
Equipment Rental		6,000.00	
Exec. Director Contract		170,000.00	
IACREOT		2,500.00	
Institute		2,500.00	
Insurance - Retirees		8,600.00	
Janitorial		6,000.00	
Legislative Meeting		1,200.00	
Legislative Day		6,000.00	
Maintenance Building		7,500.00	
Maintenance Computer		10,000.00	
Meeting Expense		15,000.00	
Membership Dues		750.00	
Miscellaneous		500.00	
Office Equipment		3,000.00	
Office Supplies		5,000.00	
Other Prof. Fees		33,000.00	
Postage		3,000.00	
Scholarships		500.00	
Seminar and Travel		1,100.00	
Salary Expense and Related Costs		250,423.00	
Storage Rental		900.00	
Utilities (Elec, Teleph., Water)		14,000.00	
<b>Total Expenses</b>		<b>604,498.00</b>	
<b>Net Income before depreciation</b>		<b>(33,598.00)</b>	
Depreciation Expense (non-cash)		\$16,000.00	
Rent (non-cash)		20,200.00	
<b>Net Income (Loss)</b>		<b>(49,598.00)</b>	