

**Philadelphia Bar Association
Board of Governors Meeting
February 18, 2016**

The meeting was called to order at 4:05 p.m. by Chair Lauren P. McKenna.

Upon consideration by the Board, the minutes of the January 21, 2016 meeting were unanimously approved.

Chief Financial Officer Susan Knight presented on the consideration of the 2015 Financial Report. Knight explained that the financial report was preliminary pending the final audit. Some highlights of Knight's presentation on the budget review include the following:

2015 dues were down throughout the year and finished approximately \$127,000 below budget, which was anticipated due to the recent trend of large law firm policies on dues for their members. Lawyer Referral and Information Service ("LRIS") was uncharacteristically down, since consultant fees were down approximately \$3,200, and percentage fees were down approximately \$70,000.

Committee programs were above budget in revenue with an increase of committee expense of approximately \$5,600, which reflects increased committee involvement. Interest and dividends showed a strong return of approximately \$7,800 but there was ultimately a loss on investments of \$33,000 due to declining market conditions. Special events were budgeted at \$292,000 but came in short at approximately \$280,000, due in part to a diversity conference planned but not held.

The Young Lawyers Division ("YLD") has independent revenue because it charges for certain events and gets sponsorships. Last year YLD was budgeted as a net expense of \$25,000. Its revenue fell slightly short of projections; nonetheless, it ultimately cost a net amount of approximately \$17,600. So, as a line item cost, YLD came in under budget.

There was a loss of sponsorship revenue of approximately \$14,809, causing revenue to be under budget by approximately \$282,000.

With regard to expenses, the employee salaries for LRIS were under budget by approximately \$116,000 after a savings of approximately \$83,000, which helped to offset the \$282,000 revenue loss. Additionally, a reduction of LRIS advertising resulted in a savings of approximately \$28,000. Travel budgets were reduced with saving of approximately \$34,000, and IT consulting expenses were reduced by approximately \$28,000.

In sum, the loss of revenue of approximately \$292,000 was offset by the savings of approximately \$100,000 in expenses, bringing the 2015 loss down to approximately \$182,000.

Chancellor Alfano commented that the Association has set a realistic budget for 2016. The Association needs to take into consideration the impact of cutting expenses on operations,

and cannot rely on LRIS inventory to carry the Association. The critical factor to impact on the 2016 budget is membership and the collection of dues. The key is Association visibility and acknowledging and appreciating those firms who have taken care of the Association, including personally reaching out to firm managing partners to thank them for their support and hearing their feedback about the Association and its relevance. Further, several Chancellor forums, including relating to the PA Attorney General race, and the judicial retirement age, have been scheduled during the first quarter of the year, when membership dues must be paid.

The Chancellor was asked about the practical impact of the revenue loss, and responded that it comes out of the Association's reserve. The goal is to increase liquid assets in order to build greater principal to invest and generate further income, and to provide a cushion to weather future losses. The Chancellor stressed that the budget was a battle the Association could win with the commitment of each and every member of the Board.

Treasurer Natalie Klyashtorny presented the Financial Report for the period through January 31, 2016. There was a shortfall of approximately \$42,694. Revenue is under budget by approximately \$59,726, largely caused by dues being under budget by approximately \$9,655 and LRIS income being under budget by approximately \$45,775. However, the membership renewal deadline is March 1 for large firms and April 1 for the balance of members, and LRIS started off the year well. Expenses are under budget by approximately \$17,032 primarily due to salaries running under budget. After consideration, the Treasurer's Financial Report was unanimously accepted by the Board.

Chancellor Alfano introduced Secretary Jacqueline Segal to present on 2016 membership initiatives. The Chancellor noted that membership is the primary focus for 2016. Much of the discussion has been driven by a survey developed by Segal focusing on membership that was circulated prior to the January 2016 Bar Leaders Retreat and then reviewed and discussed at that Retreat, and Segal with others have worked diligently since the Retreat on this issue.

Segal explained that sixteen initiatives have been identified to tackle membership, and five of those sixteen are currently underway. They include:

1. A banner at top of the On-Line Bar Reporter featuring mid-to-large size firms who have shown strong support of the Association by signing up the majority of their attorneys, acknowledging their participation and welcoming and thanking them;
2. Encouraging each Board Member to be a Bar "Ambassador" and bring in at least one new association member annually; and, encourage each Section to implement a similar Ambassador-type membership-push program for Section Chairs and their Executive Committee members. Incentive rewards for those who bring in two or more members may be implemented in the future.
3. Potentially implementing a telemarketing campaign to non-members, if the cost is justified. The idea has been vetted by the Chancellors, who, while knowing that other Bar Associations have engaged in this campaign with success, understand the need to proceed cautiously due to some resistance to phone campaigns. A demonstration with one of the potential telemarketing companies is being arranged.

4. Customized email listserve blasts sent by each Section Chair and some of the larger Committees to their respective members, listing bullet points of accomplishments and efforts over the past two years, to promote continued membership and urge members to bring prospective new members to meetings and events.
5. Continuing “road-show” presentations by the Executive Director and Chancellor to mid-to-large size firms to promote the Association and encourage membership.

The Chancellor commended Segal’s efforts and thanked her for the time and energy devoted to this initiative.

Vice Chair Kevin Mincey led a discussion of Pennsylvania HB 1538, PN 2509. Chancellor Alfano explained the Association’s efforts to locate someone to speak on behalf of the proposed legislation. Director of Public and Legal Services Charlie Klitsch elaborated that he twice reached out to the Bill’s primary sponsor, 170th Legislative District State Representative from Northeast Philadelphia, Martina White, who did not respond. He also reached out to the State and City Fraternal Order of Police, who did not respond. As a result, Mincey delivered a “neutral” presentation of the Bill. The Bill provides that, pending the conclusion of an official investigation involving the discharge of a firearm or use of force by a law enforcement officer during that officer’s official duties, that officer’s identifying information may not be released. If the officer is charged with a criminal offense relating to the discharge of the firearm or use of force, the officer’s name shall be released. If the officer is not charged, the officer’s name may not be released if the release of the information can reasonably be expected to cause a risk of harm to the officer, their property, or their immediate family member. Mincey reasoned that, while the Bill is trying to protect violence against police, it undermines transparency and may preempt the civil process since officers are rarely prosecuted. Mincey stated that the Bill is not scheduled for a vote at this time.

Assistant Secretary Jennifer S. Coatsworth presented on the Board of Governors *pro bono* requirement pursuant to Bylaws Section 216A, that requires each Board member, whether appointed or elected, to certify, for the period ending June 30, that they (1) have undertaken one new *pro bono* matter; (2) are employed on a full-time basis by a public interest organization; or, (3) have provided alternative support if they are prohibited from handling a *pro bono* matter based upon his or her position or is prevented from handling a *pro bono* matter due to other circumstances. Coatsworth reminded the Board members that the Certification must be returned to her or Director of Public and Legal Services Klitsch on or before July 5, 2016. If the form is not returned timely, action may be taken under Bylaws Section 212 which may include reporting the delinquent Board member’s name to Philadelphia VIP Executive Director Sara L. Woods, Esq. for the assignment of a *pro bono* case. Coatsworth urged all Board Members to comply.

ABA Delegate and Past Chancellor Albert S. Dandridge III and ABA Delegate Butler Buchanan III presented on the actions of the ABA House of Delegates at the 2016 Midyear Meeting held in San Diego, California. Buchanan advised that the ABA, and not the Philadelphia Bar Association, paid the bulk of the meeting expenses. At the meeting, “Rocket Lawyer,” an online legal technology company, was introduced as a pilot program for the states of Pennsylvania, Illinois, and California. The program passed through the ABA Board of Governors, without being vetted on the House floor and without identifying the supporting

lawyers.

Additionally, Resolution 105 was introduced by the ABA Commission on the Future of Legal Services, founded by ABA Immediate Past President William C. Hubbard. The Resolution “urges that each state’s highest court, and those of each territory and tribe be guided by the Model Regulatory Objectives when they assess the court’s existing regulatory framework and any other regulation they may choose to develop concerning non-traditional legal service providers[.]” The goal of the Resolution was to address the public’s unmet demands for legal services and improve access to justice by allowing certain legal services to be performed by non-lawyers. ABA current President Paulette Brown did not take a position on the Resolution. Although the Resolution was opposed by the New York and New Jersey delegations, along with others, it did pass after an abbreviated debate. Dandridge commented that, contrary to the professed purpose of the Resolution to improve access to justice, the result of the Resolution would, instead, be that only the wealthy would be able to afford actual legal representation. He further noted that the Supreme Courts should not allow non-lawyers to practice law at a time when there are educated and licensed lawyers who need jobs, including to fill much-needed legal services programs. Washington State was the first state to allow non-lawyers to serve in this role, which was a highly regulated program and met with mixed reviews.

Comments included those of Pro Bono Chair Louis S. Rulli, who stated that the Philadelphia Bar Association needs to be on the forefront of Civil Gideon to ensure access to justice for all. Moreover, the concern of malpractice insurance for these non-lawyers was raised. Past Chancellor William Fedullo noted that legal service programs for those in need are in demand and can satisfy a practitioner’s pro bono requirements. It was suggested that the Association sponsor a Resolution for consideration by the Board asking the Pennsylvania Supreme Court to reject this movement, and Chair Lauren McKenna proposed asking one of the Association’s committees to prepare that resolution.

Buchanan further advised that the ABA had a poor fiscal year, with a \$14.8 million operating deficit. Membership has been down for eight consecutive years, with 41% of current ABA members practicing for over 30 years.

Director of Meetings and Special Events Tracey McCloskey announced that the Association will hold its Spring Quarterly Meeting and reception at the Hyatt at The Bellevue on April 5, 2016 at 5:30 p.m.. At that event, the Association will present the Justice Sonia Sotomayor Diversity Award and the Andrew Hamilton Gold Snuff Box to Past Chancellor Dandridge. Networking will follow the reception.

Chancellor Alfano announced that the Commission on Judicial Selection and Retention had its first meeting, and a small group has been appointed to review the operating procedures and discuss the possibility of expanding the Commission to evaluate, investigate and rank candidates for statewide appellate office. Further, the Campaign for Qualified Judges will be reviewing procedures, and a joint meeting is being planned for certain leaders of the Commission, campaign officers, and judges, to provide feedback. A bylaws meeting is scheduled February 24, 2016, and the Association is considering a Resolution to consider the use of only electronic voting for Bar Association elections.

There being no further business, the meeting was adjourned at 5:31 p.m..

Respectfully submitted,
Jacqueline G. Segal
Secretary

**Board of Governors
Attendance
February 18, 2016**

Voting members

Present:

Gaetan J. Alfano
Deborah R. Gross
Mary F. Platt
Jacqueline G. Segal
Jennifer S. Coatsworth
Natalie Klyashtorny
Lauren McKenna
Kevin Mincey
Peter Newman
Erin Siciliano
Ira Lefton
Jeffrey Rosenthal
Julia Swain
Myisha Lacey-Tilson

Maureen Farrell
James Funt
Wendy Hess
Teresa Rodriguez
Adam Taylor
Albert Dandridge III
Thomas Innes
Dina Ronsayro
Scott Small
Maureen Olives
Eileen Quigley
Brad Rush
Joseph Turchi

Absent:

Regina M. Foley
Rahat Babar
Lawrence Felzer
Jeremy Menkowitz
Rachel Keene
Kathleen Kirkpatrick
Edward Beitz
Angela Giampolo

Wendy Hess
Brad Shuttleworth
Erin Lamb
Matthew Olesh
Katayun Jaffari
Jennifer O'Leary

Non-voting members

Present:

Lawrence Beaser

Mark Tarasiewicz

William Fedullo
Sophia Lee
Louis Rulli
Mary-Kate Breslin

Butler Buchanan
Kathleen Wilkinson

Absent:

Rochelle Fedullo
Steven Bizar
Steven Sher
Andrea Yannuzzi
Debra Coulbourn
Andrew Laver
Cheryl Disch

