

**Philadelphia Bar Association
Board of Governors Meeting
September 29, 2016**

The meeting was called to order at 4:07 p.m. by Chair Lauren P. McKenna.

Upon consideration by the Board, the minutes of the meetings held July 20, 2016 and September 8, 2016, were unanimously approved.

Treasurer Regina Foley presented the Financial Report for the period ending August 31, 2016. The Association is ahead of budget by approximately \$121,819, and this positive variance is anticipated to decrease over the next few months as incoming revenue slows and the influx of expenses continues. Revenue is running over budget by approximately \$2,335 which is primarily attributed to dues and LRIS, and is offset by CLE running slightly under budget. CLE is running below in expenses as well, which offsets the revenue shortfall. Expenses are running under budget by approximately \$119,454, which is primarily attributed to benefits and cost saving measures. The Treasurer's Report for the period ending August 31, 2016 was unanimously approved.

The 2015 Philadelphia Bar Association Audit Report was presented by Maxine Romano, C.P.A., Director, Audit and Accounting and Kevin Gloviak, C.P.A., Manager, Audit and Accounting, of Kreisler Miller. The 2015 Audit Report and Letter was distributed to the Board.

Kreisler Miller's first audit of the Association's financial statements was for the year ending December 31, 2015. The Report was previously presented to the Association's Finance/Audit Committee. There was some volatility in 2015, especially towards year-end, but the portfolio for that fiscal year is relatively unchanged with minimal increase due to purchases exceeding sales. Regarding collection items taken into consideration, including paintings, portraits and other historical documents, net proceeds received by the Association including approximately \$650,000 for the sale of a painting were written down to \$0 according to standard accounting practices since the fair market value was unknown. Membership dues received in advance for subsequent fiscal year membership was deferred until 2016 when that revenue is recognized, again, consistent with generally accepted accounting principles.

Net assets went from a loss of \$45,000 in 2014 to a loss of \$188,000 in 2015. There was a total impairment loss of \$1,031,000 which was non-cash and non-operational. That caused a loss of \$188,000 in 2015, and a total change in net assets of 1.2M. The audit also takes into consideration the amendment of the existing sublease with the City of Philadelphia effective September 1, 2016, and the Association becoming a statewide CLE provider. Total support revenue is about 4.4M, just under an 8% decline from 2014. Expenses declined approximately 5% from 2014 to 2015, with total expenses coming in at approximately 4.6M in 2015 from 4.8M in 2014. IRS form 990 was completed and presented to the Audit Committee.

In sum, the audit went well. There were no deficiencies noted and no corrected or uncorrected misstatements. The auditors commented that it was a pleasure working with Chief Financial Officer / Director of Administration Susan Knight, and the Board should have confidence in the figures reported

from Knight as accurate on a monthly and quarterly basis. Finally, there was a new accounting pronouncement issued 8/2016 that includes expanded disclosures effective December 2016.

Following the audit report presentation, Chancellor Gaetan Alfano thanked Ms. Romano and Mr. Gloviak for preparing the 2015 audit report so quickly and effectively. Alfano also thanked and congratulated Bar Association Chief Financial Officer / Director of Administration Susan Knight and her staff for working so swiftly and putting together a “clean” audit report. Alfano also recognized Past Chancellor Albert S. Dandridge, III for leading the decision to realize the value of the artwork and sell the painting so as to not carry the value on the books for another year, putting the Association on better financial footing. Alfano then reported on a five-year trend of profits and losses from operations. In 2010, the Association lost approximately \$23,000 but had realized and unrealized gains of approximately \$82,000, resulting in a net operating profit of approximately \$58,000. 2011 was an extraordinary year with a net operating profit of approximately \$248,000 largely due to LRIS revenue of over \$900,000 which was approximately \$500,000 over budget. In 2012 the Association had a net operating loss of approximately \$332,000, but a gain in the investment account of over \$100,000 minimizing the loss to approximately \$231,000. In 2013 the Association essentially broke even from an operating standpoint, and historic gains in the market of slightly over \$200,000 resulted in a profit of approximately \$213,000. In 2014 the Association lost approximately \$123,000 on an operating basis but had investment gains of approximately \$78,000 reducing the loss to approximately \$45,000. In 2015 there was a net operating loss of approximately \$152,000 that was compounded with investment losses of approximately \$35,000 resulting in a total net loss of approximately \$188,000. Over the past five years, the Association has been “running in place” financially by offsetting the cash losses with market gains. At the start of 2016 Alfano feared the Association could that year have losses close to \$325,000. He credited the Association staff and Board for the year’s raising of revenue and containing expenses but predicted that there would be a similar economic projection in the coming year. Alfano summarized that this is the financial trend that will need to be reversed.

Alfano further spoke of positive developments relating to the lease for the Association headquarters. By way of background, the City has had a lease with 1101 Market Street, with the Association as a subtenant. In 2009, during the recession, the City asked the Association to, for the first time, contribute to the City’s rent, at an agreed annual rate of \$140,000 or approximately \$9 per square foot for the total space of approximately 15,000 square feet, with an annual escalation of \$0.50 per square foot. That resulted in annual rent through July 1, 2016 of slightly under \$194,000. Alfano reported that the City recently renewed its lease with 1101 Market for 15 years with the Association continuing as a subtenant, with a fifty percent rent reduction that is being passed on to the Association dollar for dollar. This is a great development for the Association from both an economic and quality of life standpoint. As a result, the annual Association rent has decreased from \$194,000 to slightly more than \$165,000 effective September 1, 2016. Equally important, the City has agreed to eliminate the escalator cost so this rent amount will be locked in for the balance of the lease or so long as the Association remains a tenant in this space. As a result, the Association is looking at the possibility of improving the space, and would be interesting in speaking with a space planner or other related services, such as a carpet manufacturer, willing to donate their efforts pro bono.

Upon consideration, the 2015 Audit Report was unanimously approved.

Director of Continuing Legal Education Tara Phoenix reported on Philadelphia Bar Association CLE. The second compliance group was completed the end of August. Two sets of free CLEs have been offered. Many more people are now understanding that the Association is a CLE provider and they are different than PBI. The Sections and Committees have been very active, and the Association CLE calendar is very full. Phoenix has calculated CLE revenue to be approximately \$13,400. Various organizations are recognizing that the Association's programs are more diverse and have reached out to partner with the Association on programs, including the American Translator Association for a program scheduled October 6, 2016. Another program scheduled on October 5, 2016 is for certification to become a court appointment arbitrator, and 72 people preregistered is anticipated to generate revenue of approximately \$8,900. The Association is scheduling more 2 and 3-hour programs, and has been adding some 4-hour programs. There has been great feedback and many repeat attendees. Phoenix asked the Board to disseminate word, particularly in the surrounding counties, that the Association is a CLE provider and about upcoming programs in an effort to reach new attendees. Phoenix added that, for 2017, judges will be required to take CLE credits, so the Association will be reviewing the tuition policy to include a judicial rate. Finally, Phoenix said the CLE programs at the Bench Bar Conference were a great success. To date, 120 courses have been scheduled, and people should contact Phoenix with ideas about new program content.

Civil Rights Committee Co-Chairs Molly Tack-Hooper and Su Ming Yeh presented consideration of the proposed Resolution Opposing Pennsylvania House Bill 1885, PN 3075 on "Sanctuary Cities." This matter followed up on the Resolution that went before the Board in December 2015 opposing Senate Bill 997 relating to Sanctuary Cities. That Bill was intended to force Pennsylvania counties and cities to honor ICE detainers, which are requests sent by federal immigration authorities to local law enforcement agencies asking the agency to continue imprisoning individuals pending the investigation of their immigration status, and potentially take them into federal custody for deportation proceedings. The Senate Bill would have stripped funding from those cities that had not honored ICE detainers, and imposed municipal liability for damages following the release of an individual due to that municipality's policy to not honor ICE detainers. In Galarza, following a three-day detention of a U.S. citizen, the U.S. Court of Appeals for the Third Circuit found that municipalities who chose to imprison an individual pursuant to an ICE detainer can be held liable for a constitutional violation, and held that ICE detainers are federal government requests but non-binding. Following Galarza, Pennsylvania counties adopted policies to no longer imprison individuals pursuant to ICE detainers without a judicial warrant, and Philadelphia was one of the first major U.S. cities to adopt that policy in April 2014.

In December 2015 during the presentation of the Resolution opposing Sanctuary Cities Senate Bill 997, Tack-Hooper pointed out the many constitutional problems with detainers and the reasons municipalities had chosen to stop honoring them. Those problems included the potential liability for constitutional violations, and law enforcement agency reports that immigrant communities are less likely to cooperate with police if they view local police as an arm of the Immigration Department, which detrimentally impacted on crime solving and public safety since it decreased crime reports and the willingness of witnesses to come forward.

House Bill 1885 is aimed at a similar goal but structured slightly differently than Senate Bill 997. Unlike the Senate Bill, the House Bill does not mention detainers. Instead, it focuses on the post-Galarza municipal policy issue of when local law enforcement agents may notify ICE about an

individual. Several counties, including Philadelphia, ceased honoring ICE detainers and limited the circumstances when ICE could be notified of an individual's release date which would have increased the likelihood of that individual being picked up and deported. House Bill 1885 prohibits localities from restricting employees from sharing information with federal immigration authorities about a person's immigration status, and requires all municipalities to notify their employees to share information with ICE, including that they have reasonable cause to believe that someone arrested is not lawfully present in the U.S., or risk the loss of state funding. Further, as opposed to Senate Bill 997 that would have imposed liability on a municipality following the release despite an ICE detainer, House Bill 1885 would impose strict liability on a municipality that is a "Sanctuary City" and fails to comply with the notification provisions if an unlawful U.S. resident commits a crime that injures a person or property. Tack-Hooper stated that the application of strict liability, unusual for municipalities in current Pennsylvania law, is overly broad and unwarranted without a clear nexus between the municipality's action and the harm. This resolution has the support of the Civil Rights Committee, the Public Interest Section and the Immigration Law Committee. Upon consideration by the Board, the Resolution was unanimously approved.

Past Chancellor and Zone One Governor Kathleen Wilkinson presented consideration of a proposed Resolution In Memoriam: Honorable Norma L. Shapiro, U.S. District Judge, Eastern District of Pennsylvania. Shapiro was nominated to the U.S. District Court by President Jimmy Carter on August 1, 1978 as the first woman judge to sit in the Third Circuit, confirmed by the Senate on August 11, 1978, and received her commission that same day. Shapiro, who became a Senior Judge in 1998, was a wonderful, caring person who fostered and developed the leadership of many attorneys and especially women attorneys in Philadelphia. She was very active in the Philadelphia, Pennsylvania and American Bar Associations. She was a frequent speaker at women's professional events, and she received many awards including the first Philadelphia Bar Association U.S. Supreme Court Justice Sandra Day O'Connor Award in 1993, the Margaret Brent Women Lawyers of Achievement Award from the American Bar Association Commission on Women in the Profession in 1999, and she was the first woman to receive the Justice William J. Brennan Distinguished Jurist Award in 2013. Most recently, she received the Anne X. Alpern Award from the Pennsylvania Bar Association in 2016. Shapiro was a mentor who did much for the Philadelphia Bar Association. Past Chancellor William Fedullo suggested amending the Resolution to state that its purpose is both to mourn the loss *and celebrate the life* of Shapiro, which was accepted. With that amendment, upon consideration by the Board, the Resolution was unanimously approved.

ABA Delegate Albert Dandridge III, on behalf of himself and co-Delegate Butler Buchanan, III, reported on actions of the House of Delegates at 2016 ABA Annual Meeting in San Francisco, CA in August 2016. Dandridge was accompanied at the podium by Wilkinson since she also attended the meeting. Dandridge focused on Resolutions 109 and 113, which both have significance to diversity and diversity efforts by the ABA. Specifically, Resolution 109 would amend Section 8.4 of the Model Rules of Professional Conduct by adding paragraph "g" which characterizes as professional misconduct behavior by a lawyer to engage in conduct that the lawyer knows or reasonably should know is harassment or discrimination on the basis of race, sex, religion, national origin, ethnicity, disability, age, sexual orientation, gender identity, marital status or socio and economic status in the conduct related to the practice of law. The paragraph further states that a lawyer may engage in conduct to promote diversity and inclusion without violating this rule for, by example, implementing initiatives aimed at recruiting, hiring, retaining, advancing diverse employees or sponsoring diverse laws through an

organization. Dandridge saw the amendment as an important change by the ABA in moving forward to deal with discrimination. Resolution 113 urges all providers of legal services, including corporations and law firms, to expand and create opportunities at all levels of responsibilities for diverse attorneys, and calls for clients to assist the facilitation and expansion of opportunities for diverse attorneys. Both Resolutions were adopted by the ABA.

Further, Dandridge spoke about the lawyer referral service known as ABA Law Connect, which was raised at the 2015 Annual Meeting. He recounted the efforts of the ABA to promote Law Connect and the successful opposition by local bar associations, including Philadelphia, and noted the Philadelphia Bar Association Board of Governors Resolution combating Connect and similar programs such as “Rocket Lawyer” due to the importance of LRIS to the vitality and necessary financial assistance to the Association. Dandridge commended the Philadelphia Bar Association for its efforts and “tremendous service on behalf of state and local bar associations” on this issue.

Law School Outreach Committee Co-Chair A. Michael Snyder reported on the Law School Outreach program. The Committee visited local law schools to promote the Association and signed up 51 at University of Pennsylvania Law School, 42 students at Rutgers School of Law, 93 students at Temple University Beasley School of Law, and 56 students at Villanova Law School, for a total of 242 new Association members.

Young Lawyers Division Chair Erin Lamb and Executive Committee Member and Program Co-Chair John Coyle, III reported on the Expungement Clinic scheduled November 12, 2016. Lamb spoke of the tremendous effort and time commitment expended on this project by the YLD along with the office of the Mayor, the District Attorney, the City, Duane Morris LLP, and the Bar Association staff and, particularly, Director of Communications and Marketing Meredith Avakian-Hardaway, Senior Managing Editor, Publications Thomas Rogers, Web Manager Wesley Terry and Assistant Executive Director Paul Kazaras. Lamb also recognized State Representative Jordan Harris on the project. Six expungement clinics will be held on November 12, 2016, which is the day that Act 5, the new PA law signed by Governor Wolf in February 2016 facilitating expungement for ex-offenders who remain conviction-free for ten years following many second or third-degree misdemeanors, takes effect. One clinic location will have bilingual assistance available. Nearly 700 individuals have signed up to date, and the YLD is looking for 100 volunteers to serve at the clinics. Lamb stressed the importance of the project and its impact on the credibility of the Association and the community. Information about the clinic is available at <http://www.philadelphiabar.org/page/YLDExpungement> or John.Coyle@phila.gov. Many participants will be pre-screened but walk-in participants are anticipated. Representatives from the District Attorney’s office will be on-site to determine whether to contest petitions or not, and uncontested petitions will be completed that day. Further, the Courts have agreed to in forma pauperis status in order to waive filing fees.

Chair McKenna commended Lamb, Coyle and everyone involved on this important, worthwhile project.

Assistant Secretary Jennifer Coatsworth reported on the Diversity and Inclusion Action Plan Checklist. Coatsworth was pleased to report full Board compliance on the mandatory pro bono certification form as required pursuant to Bylaws Section 216A. Coatsworth reminded Board Members that they still must complete the Diversity and Inclusion Action Checklist form by the end of the

calendar year, and stressed the importance of complying with that requirement to show the Association's commitment to diversity and inclusion.

Executive Director Mark Tarasiewicz reported on Membership. As of that date, total dues revenue in the amount of \$1.875 million has been collected so the Association has officially made dues budget for year 2016. The Association is continuing its membership campaign in an effort to surpass that amount. To that end, the Association issued dues notices on September 15, 2016 to any member who has failed to renew. During the week of September 19, 2016 the Association generated a mailing to 7,000 non-members in Philadelphia and the surrounding counties highlighting the benefits of membership and encouraging membership. For the first time in five or six years, the Association obtained the Disciplinary Board list and determined that, in addition to those 7,000 non-members in Philadelphia, there are approximately 18,000 attorneys in the five-county area who are not Association members, and that new information is under review. On September 21, 2016 Chancellor Alfano met with Jeffrey Rosenbaum of Rosenblum and Associates to discuss membership for the attorneys in that firm. On September 26, 2016 Chancellor-Elect Deborah Gross and Criminal Justice Section Chair Kevin Harden, Jr. visited the Philadelphia Defenders Association and spoke to their class of 21 new defenders, which was organized by Gross through Chief Defender Keir Bradford-Grey. Further, the Association is continuing its lunchtime law firm presentations on the benefits of Association membership, with the next one scheduled at Drinker Biddle & Reath LLP on October 7, 2016, and the Association thanked Firm Chairman and Chief Executive Officer Andrew Kassner for that opportunity. Tarasiewicz thanked the Association Chancellors, Law School Outreach Chairs, the Board, Section chairs, and the Association staff, especially Manager of Member Services Andrea Morris-Tracey, for all the hard work in reaching the Association's membership goal. Tarasiewicz commented that there has been great progress but much work lies ahead.

Young Lawyers Division Chair Erin Lamb announced the YLD fundraiser benefiting the Philadelphia Bar Foundation, "Striking Injustice – The Bar Abides" on October 6, 2016 from 6:00 p.m. to 9:00 p.m. at North Bowl in Northern Liberties, where there will be three hours of unlimited bowling, other games, and an open bar. People may register at Philadelphiabar.org. Lamb encouraged Board Members to register and attend.

Chair McKenna announced the new date for the October Board of Governors meeting to be held on October 26, 2016 at 4:00 p.m.

There being no further business, the meeting was adjourned at 6:00 p.m.

Respectfully submitted,
Jacqueline G. Segal
Secretary

**Board of Governors
Attendance
September 29, 2016**

Voting members

Present:

Gaetan J. Alfano
Deborah R. Gross
Jacqueline Segal
Jennifer S. Coatsworth
Regina M. Foley
Natalie Klyashtorny
Lauren McKenna
Lawrence Felzer
Peter Newman
Kathleen Kirkpatrick

Ira Lefton
Myisha Lacey-Tilson
Maureen Farrell
James Funt
Wendy Hess
Albert S. Dandridge III
Erin Lamb
Thomas Innes
Brad Rush
Joseph Turchi

Present on Phone:

Mary F. Platt
Kevin Mincey
Erin Siciliano

Shabrei Parker
Matthew Olesh
Katayun Jaffari

Absent:

Rahat Babar
Jeremy Menkowitz
Jeffrey Rosenthal
Julia Swain
Edward Beitz
Angela Giampolo
Teresa Rodriguez

Adam Taylor
Brad Shuttleworth
Dina Ronsayro
Scott Small
Maureen Olives
Eileen Quigley
Jennifer O'Leary

Non-voting members

Present:

Lawrence Beaser
Mark Tarasiewicz
Rochelle Fedullo
William Fedullo

Sophia Lee
Louis Rulli
Kathleen Wilkinson
Jennifer Snyder

Absent:

Steven Bizar
Butler Buchanan
Andrea Yannuzzi
Patricia Infanti
Andrew Laver
Cheryl Disch