The meeting was called to order by Chair Racine at 4:01pm.

The minutes from the February 28, 2019 meeting were considered. Treasurer Zucker questioned a reference to the ADL in the Executive Director’s Report, and that reference will be deleted by friendly amendment. A motion to approve the minutes was made and seconded and passed unanimously.

Chair Racine presented pins to the new members of the Board of Governors. New members are Alex Barth, Kristine Calalang, Diane Penneys Edelman, Leon Goodman, Leslie John, Hillary Ladov, Brenda Marrero, Mark Mazzanti, Marcel Pratt, Dino Privitera, Riley Ross, Reggie Shuford, Doug Sisk, Lyndora Patterson Tiller, Cheryl Upham, Neelima Vanguri.

Treasurer Marc Zucker gave the Treasurer’s Report for the period ending February 28, 2019. A review of the money that came in and the money that flowed out, indicates that overall the Association is in the red by about $26,000 compared to what had been budgeted for this period, and about $100,000 worse than last year at this time. Dues were ahead last month, but they have lagged this month, so revenues are lower than had been expected by about $45,000, and more than $120,000 less than were collected at this point last year. That is not a meaningful number, though, because the Association can catch up this month as dues continue to be collected. For whatever reason, some of the large firms were quicker with their payments last year. Likewise, the LRIS revenue was lower than expected in the first two months, by about $9,000, and more than $16,000 lower than last year. The Association already had lowered our expectations for LRIS income in this year’s budget, and in fact more money has started to come in for LRIS this month. Treasurer Zucker is hopeful that the cash flow will improve in the coming weeks and there will be a better report next month. Association Chief Financial Officer Susan Knight advises that the Association is still on track to meet budgeted numbers.

On the expense side, the numbers are even better than expected. The staff continues to keep the expenses down, and the Association spent approximately $20,000 less in this two-month period than last year, and likewise about $20,000 below what the budget would permit. That may also even out over time. Additionally, last year there was a lot of discussion in the Budget Enhancement Task Force about the offsite storage expense of approximately $20,000. Susan Knight has resolved this issue and the Association will save $10,000 this year and $20,000 annually going forward.

Treasurer Zucker advised that conditions change a great deal from month to month, so the statements should be constantly monitored and current efforts to continue to grow revenue should be followed. Treasurer Zucker advised that he anticipates that budgetary goals will be met from both a revenue and expense perspective. A motion to approve the report was made, seconded and passed unanimously.

Maxine Romano, C.P.A., Director, Audit and Accounting and Christopher Pekula, C.P.A., Director, Tax Strategies, Not-for-Profit Tax Specialist, Kreischer Miller presented the 2018
Audit Report. The auditors’ report was a clean or unmodified opinion, which is the type of opinion that all of those charged with governance want to hear. It means there are no issues or deficiencies noted and no internal control comments that are required to communicate to the Board. She explained the Audit report in greater detail.

The Association implemented ASU 2016-14 Presentation of Financial Statements for Not-for-Profit Entities, which did not have a large impact on the Association’s financial statements with the exception of adding statements of functional expenses that are noted at pages 3 and 4 of the financial statements. Ms. Romano explained the Financial information on the balance statement contained in the report with a year to year comparison:

- Total assets decreased about $507k or 14.3% as a result of a decrease in investments of ~ $325k due to poor market performance at 12/31/18 and withdrawing $250k to fund operations.
- In addition, the fixed assets decreased ~ $128k as a result of new management cleaning up the fixed assets and recognizing that the website and servers were obsolete, thus writing them off the books.
- Liabilities were consistent with the prior year and will vary based on timing of invoices and when the Association pays their bills.
- Page 2: The Statement of Activities indicates revenues decreased ~$900k again as a result of a $528k decrease in investment return due to poor market conditions when compared to prior year.
- Also, Royalty income decreased $270k as a result of the renegotiated contract with USI.
- Expenses decreased ~$150k as a result of losing 2 full time employees and additional cost cutting efforts.
- Gain on Sale of Auction – the Association sold some of its collection items (artwork) that resulted in ~ $147k gain on sale.
- And the impairment of $49,611 related to the write off of the website and server which became obsolete.

Statements of Functional Expenses found on pages 3 & 4 are new statements that report the expenses both by function and natural classification. Cash Flow is found on page 5 and demonstrates that $269,150 of cash provided was used to cover the $282,329 of cash used for operations. Overall, cash was a break even from year to year. Ms. Romano also explained some notes to the financial statements, which are largely unchanged:

- Page 9 – note to indicate that the Association implemented ASU 2016-14 as mentioned above.
- Page 10 Liquidity and Availability Note #3 – New as a result of ASU 2016-14 – reflects the financial assets available for general expenditure within one year of the balance sheet date.
- Note #5 describes the gain on sale of auction items and the impairment loss related to the website and server.

Mr. Pekula explained the Association’s 990 in greater detail. The Association went through an IRS audit and successfully defended its opinion. Transportation fringe benefits are no longer a deductible expense, so this is going to be a change for the year. The employees had
this benefit this year, but going forward starting in 2019 this benefit was omitted. The mission statement is going to be changed so it is consistent and will be reflected in Schedule O. He also indicated there were some spelling errors that will be corrected. Mr. Pekula pointed to Part VII and discussed the determination factors for who was reported in this section. He also explained Part VIII and noted that this refers to the art sales reporting on Line 7a, 7b and 7c (column ii). He explained that there is also a line item for unrelated business income. However, this is on a disallowed expense. The 990T has one difference, boxes ECHI don’t need to be completed when you don’t actually have income. The numbers tie to the financial statements. There is a reconciliation of differences.

Treasurer Mark Zucker presented the 2018 Form 990. He indicated that in a non-profit, this is the substitute for tax forms and serves as the Association’s disclosure of its financial performance. The financial statement discusses management’s responsibility, and this refers to the Board as well as staff management. This must be considered, as the Board members are fiduciaries of the Association. A motion was made to approve the 990, which was seconded and passed unanimously.

George Gould, of Community Legal Services presented a Resolution opposing House Bill 71, Printers No. 75 and Any Similar Legislation Amending the Landlord Tenant Act of 1951. This bill reduces the amount of time for eviction of residential tenants from 21 days to 12 days. He indicated that the proponents of the Resolution think this would be devastating, and the Bar Association has always historically agreed. There were two prior resolutions, one in 2016 and one in 2018, both opposing similar bills. In 1995 the Association advocated for the passage of legislation stating that only courts can adopt court procedure, not the legislature. The current legislation would amend a bill that the PA Supreme Court suspended in 1995, which remains suspended. There is Pennsylvania case law, which states only the judiciary has power over rule making. The Philadelphia Municipal court promulgated a rule that after a judgment, eviction can occur after 21 days. The current proposed legislation would be detrimental to tenants who will have a hard time getting housing, which causes a multitude of hardships on the tenant and causes a financial strain on the city. The Stout report documents the harm suffered by tenants by eviction and the harm to the City. It talks about the benefits of expanded representation. The Public Interest section approved the resolution and so did the Real Property Section, with one abstention.

Judy Berkman also co-presented and corrected that there were not resolutions in 2016 and 2018, but there were letters, which referenced prior resolutions from 1995 and 1966. Vice Chair Kamau asked about the eviction process, which was explained. Decisions are made on the date of the hearing, and if there is a judgment of eviction, there are 10 days to appeal, and 11 days after the judgment, the landlord can get an alias writ. There was a friendly amendment to the spelling of the word judgment, which was accepted. There was a motion to approve the resolution, which was made, seconded and passed. Secretary Coatsworth abstained.

Executive Director Harvey Hurdle presented the Quarterly Executive Director’s Report. There are three main goals for the Association this year: hit budget, raise the profile, build the platform. The Association is on budget for March in every department, based upon the most up to date numbers and slightly ahead of last year on dues. To “hit the numbers” there were some internal goals for membership, CLE and LRIS.
Membership budgeted for a decline, based on trends, but the goal is to have one more member than last year, so we can say we are a growing Bar Association. Benefit utilization by members must also be measured, activity will be tracked by composite engagement scores, which can track activity of members and their particular interests. The staff will work to build this data. Sections and committees will have to use registrations through the website to aide in this effort. New member benefit partners were introduced: Priceline, Hotelogical, Philadelphia Runner and GE Appliance.

CLE had an incredible February. The Association budgeted for 260 attendees, and actual attendance was 602. Therefore, as a team, outcomes and progress are being tracked in real time, and the staff is not waiting for the end of the month. The Association held a very successful Clean Slate CLE, which had 102 attendees and yielded 86 volunteers. Although the program was free for those who volunteered, some revenue was generated from those who did not. Board assistance will be required for voting for Best Provider, which is a goal to attain again this year. Long term plan will be to add jurisdiction in NY and CPE credit. The Association is on track for 155 programs.

Executive Director Hurdle reported that with regard to LRIS, on April 1, the new system for 24/7 access will launch and a link will be distributed to the Board. It has a completely different interface and it is available 24/7. There will be creative marketing campaigns to promote this improvement.

With regard to sponsorships the Association is looking to grow the number. There is a verbal agreement for $50,000 from Law Pay. Director of Meetings and Special Events Tracey McCloskey was recognized for this achievement. Sponsors will continue to be highlighted and he encouraged the Board to use our sponsors. Secretary Coatsworth was recognized for helping USI gain access into other organizations.

Executive Director Hurdle pointed out that the Association needs to continue to ensure money is spent intelligently and some of the money may need to be reallocated.

Executive Director Hurdle explained that the Association is also working to raise its profile. The Board and the staff need to highlight the work the Association is doing so that membership can be increased. Currently, work is being done to highlight the Stout report. The editorial in the Inquirer was a huge win for this effort. There was an email called “Our influence,” sent to the members, highlighting this work, which had a very high open rate. The new YLD magazine, YLDetails, and Did You Know campaign are all demonstrating how the Bar Association is working and describing some of the good work being done.

Future planning for raising the profile efforts will include highlighting the Judicial Commission work and the recommended and highly recommended candidates. Success of the Commission’s recommended candidates will further raise the Association’s profile and success rate. Following the publicity of the judicial ratings, there will be a spotlight on the new LRIS system. Hiring of Luna + Eisenla Media dramatically increased the Association’s presence in the press.
There have also been internal systems improvements, consistent with the goal of building the platform. Efforts and success with deduplication of emails had been discussed at a previous meeting. Additionally, the staff are doing test runs of large emails to eliminate errors. There is also new automation of administrative functions, including upload of the budget into financial systems. Additionally, prior to the renovations of the entire space, the 11TH Floor conference center has been painted and there is a new Bar Association podium banner. There is a 4th quarter discussion for renovation of the entire space.

Executive Director Hurdle reported that he attended “boot camp” for new EDs in Chicago. That program stressed that if you are not changing every day, you are not changing fast enough. Another take away he learned is that you cannot change direction every year with each new Chancellor and there needs to be consistency within the leadership team. He also indicated that partnerships are being sought with Chester County, Montgomery and Allegheny Counties. He also reported that the St. Louis Bar was very interested in the Delivery of Legal Services Committee of this Association.

Chancellor Fedullo, praised the staff and the Board. There is an upcoming Chancellor’s Forum around the Stout report and work around Civil Gideon. She indicated that she believes it is great that the Association is trying to help indigent people who don’t have representation for eviction proceedings so that they don’t get thrown out on the streets. It is a wonderful thing that we can do as an Association. Access to Justice Advisor Lou Rulli was thanked, because he introduced us to Abe Gutman at the DLSC meeting. He is on the editorial board and attended the Chancellor’s Forum and two days later, the full editorial board supported counsel for tenants. There will be more work to put this forward and the Association will advocate for legislation of a legal defense fund and to help the community. She is proud that the Board passed a resolution to urge the pardon board not to publicize juvenile records. She authored a letter to the Allegheny County Bar Association and they passed a similar resolution. As a result, the pardon board is reforming. They changed the charges and they no longer require full drivers’ report. They listened to the Board’s position and the change the Board helped to implement made a real difference in people’s lives. The Bar Association is doing this important work.

Chancellor Fedullo announced the April 16 Quarterly Meeting, Celebrating our History. Former Chancellors Mary Platt, Abe Reich and Mark Aronchick will be honored. They are all Board Members and have dedicated service to the Association. The year club members will also be honored. The location was moved from Vie to the Lucy. There were some concerns about the location of Vie, and the Lucy, which was the first choice, became available. The price was good, so she decided to have a different format.

For the mentoring initiative, there were a lot of mentees, but not as many mentors. Chancellor Fedullo requested the Board to sign up to be mentors and she indicated it’s an easy way to help.

Chair Racine sent emails advising each Board member’s pledge and the staff member assigned to each pledge. If there are questions about the pledge please contact Chair Racine. Chair Racine will track progress with individual pledges. She thanked everyone for their hard work and indicated this will be a more active Board. The Board has a $20,000 responsibility to the Association as a Board. She announced Philadelphia Runner will have an additional 10% discount. Kris Calalang was congratulated for the Villanova Law Service Award.
There being no further business, the meeting was adjourned at 5:08 pm.

Respectfully submitted,
Jennifer S. Coatsworth
Secretary

Board of Governors Attendance
March 28, 2019

Voting members present
Rochelle Fedullo
Hon. A. Michael Snyder (Ret.)
Lauren McKenna
Jennifer Coatsworth
Ira Lefton
Marc Zucker
Matthew Olesh
Amber Racine
Nicholas Kamau
Hon. Sandra Mazer Moss (Ret.)
Benjamin Barnett
Francesca Iacovangelo
Alisha Rodriguez
Michael van der Veen
Dominique Ward
James Berardinelli
Diane Penneys Edelman
P. Douglas Sisk
Michaella Tassinari
Kris Calalang
Maureen Farrell
Erin Siciliano
Cheryl Upham
Mark Mazzanti
Mary Platt
Reginald Shuford

Absent:
Katayun Jaffari
Susan Lin
Neil Maskeri
Maureen Olives
Jennifer Seme
Meghan Claiborne
Lawrence Felzer
Dino Privitera
Riley Ross
Neelima Vanguri
Hillary Ladov
Marcel Pratt
Leon Goodman
Brenda Marrero
Alexander Barth

Non-voting members present:
Lawrence Beaser
Butler Buchanan
Harvey Hurdle

Absent:
Leslie John
Abraham Reich
Wesley Payne

Invited guests present:
John Gregory
Louis Rulli
Jacqueline Segal