

NEW HAMPSHIRE BAR ASSOCIATION
BOARD OF GOVERNORS MEETING
Thursday, May 18, 2017
Bar Center, Concord, NH

MINUTES

Present for all or part of the meeting were:

Scott H. Harris
Robert R. Howard III
Mary Tenn
Edward D. Philpot, Jr.
Christopher T. Regan
Paul W. Chant
J. Christopher Marshall
Kristin G. Fields (by phone)
James P. Cowles
Richard C. Guerriero, Jr.
Sandra L. Cabrera
Ora Schwartzberg
Daniel E. Will
Cathy E. Shanelaris
James A. Shepard

Lanea A. Witkus
Jennifer L. Parent
Russell F. Hilliard
Kathleen M. Mahan
Andrew Hamilton
Robert Berry
Henry Klementowicz
Maya Dominguez
Alex Najjar
Jeannine. McCoy
Denice DeStefano
Virginia Martin
Joanne Hinnendael
Jennifer Pinckney
Deborah Hawkins
Clara Lyons

A meeting notice reminder, preliminary agenda and related materials were emailed May 15th. Additional materials were distributed May 18th. The Agenda is duplicated below in order of consideration of agenda items. Unless otherwise noted, all motions reported are deemed to have been appropriately proposed, seconded and voted upon by those present.

REGULAR BUSINESS

A. Call to Order

Scott Harris

The regular session of the May 18, 2017 Board of Governors meet was called to order at 4:07 p.m.

President- Elect Harris welcomed Andrew Hamilton, the ABA New Lawyer Association Delegate. Andrew will begin serving his term in August of 2017.

B. Welcome and introduction- Leadership Academy Participants

Board Members

Participants of the 2016-2017 Leadership Academy Henry Klementowicz, Maya Dominguez, Alexander Najjar, and Robert Berry were introduced by Board members Mary Tenn, Cathy Shanelaris, and Chris Marshall. Scott Harris added that Belknap County Governor Kristin Fields is also a member of this year's Leadership Academy.

Scott commended this year's class for the great work they did producing the May 4th Symposium, "Leading into the Future."

PRESENTATION / DISCUSSION / ACTION ITEMS

C. New Lawyer Committee Proposal for New Action

Clara Lyons, Chair

Clara presented a Proposal for New Action to the Board. They are interested in putting a team together to participate in an established charity walk. They have not selected one yet, but are looking at MS, Cancer or similar charity. They are not seeking any financial or staff support. There was discussion about their possible participation in the Race for Justice 5K that is being held on June 24 in conjunction with the NHBA Annual Meeting in Whitefield, NH.

Scott Harris will talk with Clara and the committee about this request.

D. Status of the Bar Update

Jeannine McCoy

Jeannine mentioned the CLE graphics in the board packet highlighting hours taken. She also discussed the organizational restructuring that will begin to be implemented over the next few months. Jeannine shared the current organization chart and a revised organization chart highlighting the changes. Assistant Executive Director Denice DeStefano will be retiring from her full-time position at the end of June 2017; she will remain on a limited part-time basis to oversee a few projects through the end of August 2017. Facilities oversight will shift from Denice DeStefano to Paula Lewis, who will head the renamed Business Operations department. Member services and meetings will shift from the Executive Department to Professional Development and Member Services (formerly CLE). The Communications Department will become Marketing and Strategic Communications. The Executive Department will consist of Jeannine and three other staff, her assistant, a support person and the LRE Coordinator.

These changes were in response to feedback from the 2015 Member Survey as well as the strategic plan. Planned retirements and other staff changes gave the organization an opportunity to review operations and revise the structure of the organization.

E. 2017-2018 Budget

Scott Harris

Scott spoke about the proposed 2017-2018 budget, discussing the line items that affected the change in the budget.

(Please see 6-page attachment to these minutes containing the PowerPoint and notes regarding the budget.)

There was discussion about the budget. Jeannine shared that information from the 2015 member survey was utilized when designing the restructuring. Member services is not a new position, but has been unfilled while the restructuring was worked on. Practice management support will be added to the position. The proposed new marketing position is in response to survey.

Jen Pinckney added that industry benchmarks for marketing expenses are about 10 – 12% of revenue. The Association's current budget is 2%. New staff will allow us to package practice management on the NHBA web site, and better communicate our services to the membership.

There was discussion about the Board's role in organizational planning, noting that the Board's role is to establish a strategic plan, and ask the executive director to execute that plan, including establishing the best staffing structure possible with the available resources.

Chris Regan spoke about the budget development process from a finance committee member's perspective, and noted the budget has been thoroughly vetted by members of the finance committee.

ACTION

On motion to approve the budget as presented. Passed. Unanimously.

F. Strategic Planning and Initiatives Update

Ed Philpot

Ed updated the Board. The Transitions Out of Practice focus is too broad and a way to narrow it is being sought. Jen Pinckney added that the Leadership Academy presentation at the May Symposium will be very helpful in doing this. The Association's goal is to bundle services together, and develop and market resources to help these members.

CLE continues to enjoy success with the Learn at Lunch presentations. They are starting to reach more people with short programs.

The Legal Services Virtual Pro Bono project continues to await the outcome of the Ethics/Board subcommittee work.

Efforts are well underway for the Modest Means Program launch on June 1st. A promotion and publicity timeline has been developed for attorney and public outreach in preparation for the launch.

REGULAR BUSINESS-

G. President-elect's Report

Scott Harris

Scott invites the members of the Board of Governors to consider the following questions to be discussed at the August Board retreat.

1. What initiatives that we can take and how we can organize our efforts to deliver initiatives that serve the members?
 - a. Serve transparently – who we are serving? Transparency is essential.
 - b. Whatever we do for activities and services must be sustainable.
 - c. Things we adopt as strategic initiatives must deliver measurable results.
2. What we do at Board meetings - There should be a measurable deliverable that proves it is worth the investment. Should the Board continue to meet monthly?

The Association and Board needs to be thinking about ways to increase the organization's connection to the membership. Jeannine suggested that one way is to be more visible at local and county bar events. The CLE department is working at taking continuing education out to the areas around the state outside of the Concord area. They have found that members like live CLE in addition to online offerings.

Scott asks that Board members please send him thoughts and he will collate and share.

- ABA Day report and follow-up

The threat to legal services got us to think about making the importance of these services clear to population at large. We are working on doing something between now and September to help educate the business community and other entities about why this support is essential to our economy.

- Annual Meeting 2017 – June 23-24, 2017, Mt. View Grand
- 5K Road Race – Saturday, June 24, 10:00 a.m.

Scott reports that our annual meeting room block at the Mt. View Grand is sold out. There are other lodging options posted on the Bar Association's web site. He encouraged Board Members to reach out to their group of friends and encourage them to sign up. We are trying hard to get something new going to support pro bono. People can run or walk in the 5K. Scott urged the Board to recruit runner friends to sign up to help make the 5K successful.

- Midyear Meeting 2018

Scott reported we are assembling a great cast of several "big name" speakers, and he expects it will be another blockbuster event.

- June 1 – Centennial Celebration of Women in the Bar

Jennifer Parent spoke about this June 1 event. As of 5/18, 353 people are attending. Mary highlighted the work that Jennifer has done on this event.

H. Executive Director's Report

Jeannine McCoy

- Activity Report (March-April)

Jeannine encourages the Board to review the report. It contains extensive information about Bar Association activity.

She let the Board know that a Judicial nomination was put forth at yesterday's (5/17) Executive Council meeting. There will be a special board meeting to meet with the nominee, probably sometime the week of 5/22.

Reminder – Program being held at the Bedford Village Inn on 5/25 sponsored by the NH LAP featuring the North Carolina Bar Association's Transitioning Lawyers Commission on the topic of Transitions Out of Practice.

- Court Commission Update

Jeannine spoke about the meeting on 5/11 with commission members John Broderick and Mary Ann Dempsey. She referenced the handout of answers to the Commission's most recent questions, provided to the Board, and referenced especially question 5 regarding comparative information with the Rhode Island and Hawaii Bar Associations. Jeannine noted that in comparing them with the NHBA, one can see that we have a larger scale operation.

Jeannine notes the commission is looking for the final report to be a collaborative effort, and members know that the board wants to meet with them. Mary Ann Dempsey indicated on 5/11 that some draft recommendations might be available by the Board orientation, but the Board probably won't have the full report until September.

- Board "Elevator speech"

Copies of this were distributed with the Board materials. The Board had asked about this at the March Board meeting. These materials were prepared a few years ago. It may be discussed at the orientation in August.

- I. Board member announcements All Board Members
Board members are asked to report on issues of concern or interest for Association members that should be brought to the attention of the Board of Governors
- Judge James Carroll's retirement "roast" will be held in Belknap County Bar fashion on 6/8 at Faro Italian Grill at the Weirs.
 - Chris Reagan asked about the timetable or structure for the Board's meeting with the court commission. Cathy Shanellaris (member of the commission) will check on this.
 - Jeannine thanks Sandra Cabrera for working with her on comparative bar information.

REGULAR BUSINESS – CONSENT ITEMS

- J. Membership Status Changes for May Paula Lewis

The Board received the membership status changes which are attached as a permanent part of these minutes.

- K. Minutes of April 20, 2017 Meeting Rob Howard

The Board accepted the minutes as presented.

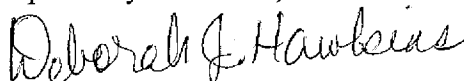
ACTION

On motion to accept the consent agenda. Approve. Unanimously.

ADJOURNMENT

The May 18, 2017 Board of Governors Meeting adjourned at 5:40 p.m.

Respectfully submitted,



Deborah J. Hawkins, for
Robert R. Howard, III, Secretary

Membership Status Changes

Presented to the Board of Governors May 18, 2017

Active to INACTIVE:

- 268622 Blaes, Zachary R., Boston, MA (effective April 13, 2017)
- 310 Brooks, Carol D., Concord, NH (effective May 9, 2017)
- 16515 Campo, Anthony M., Boston, MA (effective May 1, 2017)
- 268574 Cropper, Judith F., Newburyport, MA (effective April 20, 2017)
- 265512 DiPietro, Michael R., Quincy, MA (effective May 2, 2017)
- 20236 Groce, Paul J., Enosburg, VT (effective April 18, 2017)
- 4824 Howell, Lori A., Eliot, ME (effective April 30, 2017)
- 266299 Keller, Aaron M., East Haven, CT (effective May 8, 2017)
- 268059 Matteson, Myles B., Concord, NH (effective May 10, 2017)
- 18716 Millett, Thomas D., Marblehead, MA (effective May 5, 2017)
- 265436 Peyton, Julia C., Wellesley, MA (effective May 1, 2017)
- 15366 Pierce, Melissa A., N Providence, RI (effective May 8, 2017)
- 19314 Smith, Richard W., Cape Elizabeth, ME (effective May 4, 2017)
- 16528 Swartz, Howard H., Methuen, MA (effective April 26, 2017)

Active to INACTIVE RETIRED:

- 727 Eaton, Gerald M., Concord, NH (effective May 5, 2017)
- 9048 Grant, Charlene A.G., Marina del Ray, CA (effective April 13, 2017)
- 1105 Harvell, Michael C., Brentwood, NH (effective May 1, 2017)
- 15142 Haskell, Jennifer G., Vail, CO (effective May 1, 2017)
- 1858 Keefe, Jo-Anwyl F., Portsmouth, NH (effective April 15, 2017)
- 1683 McGinley, Karen S., Bedford, NH (effective April 19, 2017)
- 18650 Pierce, Mark I., N Providence, RI (effective April 18, 2017)

Inactive to ACTIVE:

- 266698 Meidanis, Jonathan A., Hampstead, NH (effective May 1, 2017)

Inactive to INACTIVE RETIRED:

- 1522 Ludtke, Leslie J., Concord, NH (effective May 9, 2017)
- 13130 Spiller, Linda J., Winchester, MA (effective May 8, 2017)
- 2571 Trevethick, Thomas V., Nashua, NH (effective May 1, 2017)

Inactive to RESIGNED:

- 17879 Collins, Laura K., Stowe, VT (effective April 26, 2017)
- 266738 Lynett, Christopher P., Philadelphia, PA (effective May 8, 2017)

New Hampshire Bar Association

Treasurer's Report to the Board of Governors
Fiscal Year 2017/2018 Proposed Budget Presentation
May 18, 2017

Reference Handouts:

- NHBA Comparative Budget: FY 2016/2017 v. FY 2017/2018
- NHBA Insurance Agency Comparative Budget: FY 2016/2017 v. 2017/2018

Note changes in department structure:

- Executive/Member Services to Executive
- Communications to Marketing and Communications
- CLE to Professional Development and Member Services
- Finance & Information Technology to Business Operations

Name change: Lawyer Referral System Reduced Fee is now Modest Means

Budget Summary Comparison

(Excluding NHBA Insurance Agency and NH Minimum Continuing Legal Education)

Proposed Budget 2017-2018

- Revenue: \$4,228,132
- Personnel Costs: \$2,739,079
- Program Expenses: \$829,971
- Overhead Expenses: \$659,083
- Contribution (a/k/a Profit/Loss): \$0

Prior Year Budget 2016-2017

- Revenue: \$4,200,964
- Personnel Costs: \$2,766,495
- Program Expenses: \$820,529
- Overhead Expenses: \$613,940
- Contribution (a/k/a Profit/Loss): \$0

You may reference the Comparison of Proposed Budget to Current Year's Budget when speaking of this slide

Revenue:

- Projected membership for FY 2018 is 7,966. Current membership is 7,867 (March statistics) (Jeannine)
- 1% decrease in CLE registrations expected (Jo)
- Midyear Meeting budgeted at actual average attendees over the past few years, increasing the MYM revenue line (Jo)
- Expectation to receive close to the grant level as the current year's LSC grant award and increases from IOLTA and other grant awards for NH Pro Bono Referral System. Additional grant awards from VOCA and Criminal Annulment funds. (Ginny)
- Foreclosure Program began in November 2012 with the expectation to continue for three years; project was extended and remaining funds will be used in fiscal year 2018. (Ginny)

Personnel Costs:

- Overall Personnel Costs were reduced from the current year's budget due to fewer staff enrolling in benefit plan and NH Business Enterprise Tax being moved from the

personnel costs line to Miscellaneous Expense as NH BET is a business tax, not an employee benefit, and the update was made to report under the appropriate expense heading (\$17,000). (Jeannine)

- The Salaries line increased by about 1/2% in the amount of \$11,555. The salary adjustment average planned for FY 2018 is 2%. Because the prior year's adjustment total was not fully awarded staff attrition and reductions budgeted the overall salaries and wages increase is less than the adjustments planned. (Jeannine)
- Proposed agreement for NHBA to not charge for support staff used by NHBF continues (Jeannine)
- Assistant Executive Director is retiring in June 2017, but will be part-time through August 2017. The position has been absorbed by current staff. One additional support staff will be hired midyear in the Administration Department to handle the additional tasks assumed. (Jeannine)
- NHMCLE Coordinator retired November 2016, position will not be replaced. (Jeannine)
- Foreclosure Project Coordinator position is expected to terminate December 2017, position will not be replaced (Ginny)
- Part-time Communications Department support staff budgeted in FY 2017 and not hired to date, will not be hired and, therefore, removed from budget (Jen)
- In addition to the support staff position being hired in the Business Operations Department there is also a new hire planned in the Marketing and Communications Department in response to member feedback from the member survey, consultant recommendations and strategic planning. (Jen)
- Reporting lines changes will occur beginning in FY 2018 as follows: (Jeannine)
 - Member Services Coordinator position that has remained unfilled since March 2016, is planned to be filled in FY 2018. The position has been moved from the Executive to Professional Development & Member Services
 - Events Coordinator position will be moved from Executive to Professional Development & Member Services
 - Front Desk Receptionist will be moved from Executive to Business Operations

Program Expenses:

- Program Development & Training: NABE training costs reduced due to reduction in attendees due to retirement and move to online training for staff in lieu of professional trainer reduced costs (Jeannie)
- Committees: Bench/Bar meeting budgeted and Gender Equality Committee survey approved by BOG 2/2017 and subsequently added to budget (Denice)
- Leadership Academy: No class in FY 2018, costs are for alumni to attend NHBA Annual Meeting, alumni event and for continued program development (Denice)
- Note that Annual and Midyear Meeting lines now include meeting costs as well as the continuing legal education costs for a clearer reporting of the event costs (Jo)
- Expansion of the marketing budget as it relates to strategic plan and realignment

focused on branding and outreach as noted from member survey and strategic planning work (Jen)

- Significant reduction in Foreclosure Program expenses as the project winds down mid-fiscal year (Ginny)

Overhead Expenses:

- Occupancy: reduction in interest paid on condominium mortgages; budget reflects actual amounts paid in FY 2017 for all occupancy expenses (Jeannine)
- Miscellaneous Expense: expected continued increase in credit card usage by NHBA members and customers; moved \$17,000 in NH Business Enterprise Tax to Miscellaneous line from Personnel Costs; budgeted forgiveness of NHBF debt included in line at actual expected – forgiveness of debt was not included in current year's budget (Jeannine)

Operating Cash Estimate, May 31, 2017

Estimated Cash Position May 31, 2017	Estimate @ 5/16/2017
Unrestricted Cash:	
Reconciled Cash @ March 31, 2017	\$ 2,073,996
Expected Cash Receipts - April 1 - May 31, 2017	\$ 183,016
Expected Intercompany Transfers April 1 - May 31, 2017	\$ 190,000
Expected Cash Outlay - April 1 - May 31, 2017	\$ (883,180)
Estimated/Actual Cash Balance @ May 31, 2017	\$ 1,563,833
Cash Balance Last Fiscal Year May 31, 2016	\$ 1,626,964
Due from Affiliates at 5/31/2017 (estimate):	
New Hampshire Bar Foundation	\$ 93,514
NHBA Legal Services - Foreclosure Project	\$ 39,602
NH Pro Bono Referral System	\$ 90,593
NH Pro Bono Referral System Foreclosure Project Funds	\$ -
NHBA Insurance Agency, Inc.	\$ 213,640
NH Public Protection Fund	\$ 5,503
NH Minimum Legal Continuing Education (NHMCLE)	\$ -
	\$ 442,851

Reporting NHBA only; no affiliates included in cash estimate

- Remember: This report is for the NH Bar Association entity only – no affiliates included in the report
- Report is estimate of NHBA operating cash balance at the end of this fiscal year, May 31, 2017
- Estimated ending cash balance is \$63,000 less than the previous fiscal year's actual cash balance
 - Bar Association is using the revenue and funding it receives towards programs, operations and capital expenditures.
 - Current cash balance is an accumulation of many years' of cash surplus
- Due from Affiliates
 - Amounts due to NHBA for personnel and expenses paid by NHBA on behalf of the Affiliate. Affiliate, in turn, reimburses NHBA for the expenses it has paid on the Affiliate's behalf.
 - All amounts due from Affiliates are considered collectible

NHBA & Affiliate Operating Reserve Report

	Audited Financial Stmt 5/31/2016	Audited Financial Stmt 5/31/2015	Audited Financial Stmt 5/31/2014	Audited Financial Stmt 5/31/2013	Audited Financial Stmt 5/31/2012	Audited Financial Stmt 5/31/2011	Audited Financial Stmt 5/31/2010
Operating costs	3,438,664	3,435,714	3,282,377	3,174,524	3,251,391	3,162,451	3,012,710
Less depreciation & amortization	(120,040)	(144,352)	(130,298)	(113,203)	(117,756)	(108,213)	(110,273)
Annual cash operating costs	3,318,624	3,291,362	3,152,079	3,061,321	3,133,635	3,054,238	2,902,437
Monthly cash operating costs	276,552	274,280	262,673	255,110	261,136	254,520	241,870
2 month reserve requirement	553,104	548,560	525,347	510,220	522,273	509,040	483,740
Total unrestricted net assets	2,998,389	2,801,064	2,567,621	2,300,371	1,968,516	1,858,968	1,610,867
Less equity in property & equipment	(1,868,190)	(1,978,102)	(1,990,696)	(1,956,080)	(2,037,444)	(2,143,380)	(2,233,333)
net of long term debt	652,188	688,447	723,733	763,042	805,042	806,262	854,936
Unrestricted net assets for designations	1,782,387	1,511,409	1,300,658	1,107,333	736,114	521,850	232,470
Unrestricted board designated - capital	(94,339)	(94,197)	(93,937)	(93,937)	(121,526)	(120,938)	(119,764)
Unrestricted board designated - client indemnity fund	(12,147)	(12,141)	(12,129)	(12,129)	(12,118)	(12,105)	(12,086)
Remaining undesignated operating funds	1,675,901	1,405,071	1,194,592	1,001,267	602,470	388,806	100,620
Unrestricted board designated - operating reserves	(553,104)	(548,560)	(525,347)	(510,220)	(522,273)	(509,040)	(483,740)
Remaining undesignated operating funds	1,122,797	856,511	669,246	491,047	80,198	(120,234)	(383,120)
Cash - Unrestricted	1,780,200	1,566,668	1,121,584	966,931	812,912	529,000	213,424

- Purpose of the Operating Reserve policy is to ensure the stability of the mission, programs, employment and ongoing operations of the organization.
- The target minimum Operating Reserve is equal to two months of average operating costs as computed above
- The Operating Reserve target minimum is calculated annually after approval of the audited financial statements by the NHBA Board of Governors.
- Recap:
 - With \$1.78 Million in cash at May 31, 2016, both the Condo Property Reserve (\$250,000) and Operating Reserve (minimum of \$553,104) are met.
 - The remaining cash surplus of \$977,096 may be applied toward pay down of long term debt (mortgages \$663,234), proposed Capital Expenditures Budget (\$56,500), or as additional Operating Reserve funds.