

**STATE BAR OF GEORGIA
BOARD OF GOVERNORS
MEETING MINUTES
Friday, April 3, 2020/9:30 a.m.
(Via Zoom Webinar)**

The 282nd meeting of the Board of Governors of the State Bar of Georgia was held at the date and time and in the format shown. Darrell Sutton, President, presided.

Welcome and Call to Order

Sutton called the meeting to order. He asked for a moment of silence for those who have lost their lives during the COVID-19 pandemic.

Presidents Report

Sutton reported that we are meeting today amidst what, for most of us, is uncertainty, worry, fear, anxiety, and grief – all unlike any we have ever before experienced. Our world as we know it has been shuttered – in many cases literally - and even though so many of us and those we know and love have already lost so much, matters are made worse because we know that so much more loss is likely to come. He stated that for so many of us, we will look back upon this time as the most difficult of our lives.

In the face of this difficulty it is a struggle to find hope, but since March 12th he has time and again seen strength; time and again witnessed support and care for others demonstrated; time and again observed concern for one another. This is where hope can be found.

Hope can be found in the dedication of those like MIS Director Lamont Burwell. On March 12 we made the difficult decision to close the Bar Center in Atlanta and the Bar's satellite offices in Savannah and Tifton. Since then that closure has been extended to April 7 and will now be extended to April 30th. In the process, the more than 100 staff members – like so many of you and so very many others – in an instant were required to work remotely even though the Bar did not necessarily have in place the infrastructure needed for them to do so. Through Lamont's tireless effort, as of Monday March 30 nearly two-thirds of the Bar's staff had the server access, hardware and other infrastructure necessary for them to function remotely just as they would if in the office, and 100% of Bar staff have access to their Bar email accounts.

Hope can be found in the random acts of kindness demonstrated by Georgia's lawyers. Despite the closure of the Bar Center, the Bar's security staff have remained on-site 24 hours per day. The security staff are familiar to many of us, being the first faces we see each time we enter the Bar Center building.

Perhaps because of this, Bar members have shown concern for them, too. This includes Bar member Nancy Prager, who has arranged to have pizza delivered to the security guards each Wednesday since the Bar Center's closure was announced.

Hope can be found in the concern about the ability of Georgia's lawyers to continue working. For the past three weeks, Director of Government Affairs Christine Butcher Hayes and our legislative program team have worked every day to secure the various orders needed for Georgia's lawyers to continue operating their practices. An order permitting remote real estate closings and remote notarization and witnessing in the context of real estate transactions is one example. An order that permits lawyers and law firms to continue operating during a statewide shelter-in-place, is another example. Even now, as she attends this meeting, Christine and the legislative program team are hard at work to devise solutions that will satisfy member requests for orders permitting remote notarization and witnessing of a broad array of legal documents.

Hope can be found in the desire of Georgia lawyers to help others. The pandemic and its fallout have impacted us all, but in particular the less fortunate in our state and country. Those in need of civil legal services; those facing food insecurity; those needing a donation of blood. Georgia's lawyers are helping fulfill those needs.

Last week a task force among the State Bar, the Atlanta Legal Aid Society (ALAS) and the Georgia Legal Services Program (GLSP) was formed to address issues related to the delivery of civil legal services for the poor that have arisen and continue to arise as a result of this pandemic. The Bar's role in this task force will be fulfilled by a special committee created last week and being chaired by Board member Paul Painter, III that will provide support to ALAS and GLSP as they continue to fulfill their missions under these trying circumstances. Under Paul's leadership, the committee will also identify other issues arising as a result of the pandemic affecting both the legal system and the legal profession, develop solutions to them, and then work with Bar leadership and other appropriate entities to implement those solutions.

Under the leadership of YLD President Will Davis, the YLD Signature Fundraiser raised more than \$20,000 for GLSP despite the fact that the event was cancelled as a result of the pandemic. Will and the YLD have converted their Build a Better Georgia Day, originally devoted to Habitat for Humanity builds, into a day of blood donation drives in conjunction with local Red Cross offices across the state. The YLD is using their annual partnership with the state's community food banks through the Legal Food Frenzy to ensure that every Georgian, especially Georgia's children, have access to food as the pandemic continues. The Legal Food Frenzy will take place between April 20 and May 1, raising funds and food so that Georgia's eight community food banks can continue, among other things, providing free breakfast and lunch to children who rely on free or reduced-priced school meals, which they no longer have access to.

It is in this hope we will find the strength to endure what lies ahead. In our community and collective support of each other this is how we will ensure our resurgence

Proposed Rules Changes

Following a report by Sutton, the Board of Governors took the following action by poll votes on these proposed Rules changes:

<u>Proposed Rules Changes</u>	<u>Action</u>
Rule 1-202. Classes of Members	Approved by majority poll vote (Exhibit B)
Rule 4-202. Receipt of Grievances: Initial Review by Bar Counsel	Approved as a block by majority poll vote (Exhibit C)
Rule 4-204. Investigation and Disposition by State Disciplinary Board-Generally	
Rule 4-221.1 Confidentiality of Investigations and Proceedings	
Rule 4-222. Limitations	
Rule 4-228. Receiverships	A motion to approve was withdrawn so the rule can be amended to provide for a bonding requirement
Rule 1.2 Scope of Representation and Allocation of Authority Between Client and Lawyer	Approved, as revised, by majority poll vote (Exhibit D)

Standing Executive Committee Policy 1000 (informational)

Sutton reported that this establishes a policy about emails for Executive Committee and Officer elections. The Bar will send one email to the Board of Governors on behalf of candidates for Officer positions in advance of the Midyear Meeting and the same on behalf of candidates for Executive Committee in advance of the Annual Meeting.

Proposed Standing Board Policy Regarding Nominations (informational)

This proposed policy was reserved for discussion at a later meeting.

Treasurer's Report

Financial information as of December 31, 2019, was provided in the Board book. Treasurer Elizabeth Fite also notified the Board that Chief Financial Officer Ron Turner implemented a paperless system to sign checks and a new GL software this year, which has enabled the Bar to electronically process checks. An unintended benefit to this has been the Bar's ability to continue operating while ensuring the safety of staff and the Officers. Fite thanked Turner and his team for their foresight.

Fite then reminded the Board of Governors that the dues amount and other items that will appear on the dues statement will be decided at this meeting. Based upon the dues amount set today, the Finance Committee, chaired by Patrise Perkins-Hooker, along with senior bar staff, will develop a budget for the 2020-2021 Bar year.

Fite also reminded Board members that a revised Board agenda was provided the night before the meeting with items for consideration that differ from those originally reflected in the Board book. This is so because the Executive Committee modified its recommendations in order to balance the unprecedented territory in which we find ourselves with our obligations to act as responsible stewards of the Bar's finances. Fite reported that the Executive Committee is able to make these recommendations in light of the work that was performed over the past year to address issues we have discussed throughout the year regarding the Bar's finances. Those recommendations are:

- 1) Maintaining Bar dues at their current level of \$254 active and \$127 inactive.
- 2) Not imposing the CSF assessment for fiscal year 2020-2021.
- 3) Section dues ranging from \$10 - \$40 (as determined by the Sections).
- 4) Professionalism fee of \$11 (down from \$15 for fiscal year 2019-2020).
- 5) Contributions to the Legislative and Public Education Fund (\$100 optional contribution).
- 6) Contributions to the Georgia Legal Services Program (\$350 suggested individual contribution/\$100 suggested contribution for YLD).

Fite reminded the Board that at the Annual Meeting, the Board of Governors received information previewing the likely need for a dues increase during fiscal year 2020-2021. While conducting operations at a loss for reasons we have repeatedly reported, we knew the time of budgeting in the negative was coming to an end. We highlighted that our unallocated cash (those funds not attributed to any section, program, or bar designated reserve/fund) only covered a month or two of Bar operations, and Bar Center operations (parking deck, conference space, tenants) significantly subsidized our Bar operations, thereby keeping our dues artificially low.

In order to avoid this dues increase without doing what we could to cut expenses, the Bar undertook a programs assessment, which was discussed at length at the Fall Meeting. Simultaneously, senior bar staff reviewed internal operations and trimmed expenses. The Programs Committee's recommendations resulted in some programs finding new homes and others securing new sources of funding, which was discussed at the Midyear Meeting. These changes resulted in cost savings for the Bar. Gone are the days that we expect to hit 92%-93% of our budgeted expenses. Instead, 95%-96%, even 97% is now the Bar's intention (at least it was pre-pandemic).

We also introduced a new financial form at the Midyear Meeting detailing the balance of the Clients' Security Fund (CSF) and advised that it had dipped below the \$1 million threshold, which triggers an automatic assessment of all members in an amount up to \$25, and that we were investigating a way to address that funding issue.

Fite then reported that the Finance Committee met in early February and recommended a \$6 per active member dues increase, concluding that while this amount would not balance the budget, it would avoid digging a deeper hole, so to speak. The Executive Committee met at the end of February and recommended a \$12 per active member dues increase. In addition to other factors, the Executive Committee was cognizant that the Governor's budget cuts impacted some of our tenants and created uncertainty at the time about whether all would remain, and meanwhile the Bar Center assessment had been eliminated. This left the Executive Committee even more convinced that it was imperative for Bar operations to operate in the black. And after considering the various elimination of expenses achieved over fiscal year 2019-2020, \$12 per active member was the amount that would balance the Bar operations budget.

Similarly, the Executive Committee received recommendations from the CSF trustees and recommended imposing a \$15 per member assessment to infuse capital into the fund. The amount resulting from this assessment would provide the trustees not only the ability to pay claims, but help avoid dipping below the assessment threshold in the future.

While the Executive Committee was prepared to recommend a \$12 per active member dues increase and a \$15 assessment for all members, things changed in the meantime. The Executive Committee met twice this week and decided that considering the financial uncertainty our members are facing, those recommendations are not in the best interests of the Bar and its membership. The Executive Committee instead concluded that a \$6 per active member dues increase would better align with our responsibilities as stewards of the Bar. While this amount would by no means balance the budget, it would ensure the soundness of the Bar's finances. The Executive Committee also resolved to go back to the drawing board to identify temporary funding assistance for the CSF.

Following a flurry of phone calls, some innovative quick-thinking and collaboration, the Bar was able to obtain two once-in-a-lifetime grants from the Commission on Continuing Lawyer Competency (CCLC) as follows:

- 1) One grant for up to \$300,000, which would cover the proposed \$6 per active member dues increase, thereby allowing the Bar to keep dues at the same for fiscal year 2020-2021 as it was for fiscal year 2019-2020, and
- 2) Another grant to the CSF sufficient to bring the fund above the \$1 million threshold, thereby avoiding a per-member assessment.

The Executive Committee voted to accept these grants, which resulted in the modified recommendations being presented today. Fite expressed her personal gratitude to the members of the CCLC and the Supreme Court of Georgia for providing these extraordinary measures in extraordinary times.

Fite asked the Board to recall that without these grants, the Board would have received a recommendation to increase dues by approximately \$6 (or \$12), and that while the current dues recommendation is \$254, we are operating as if our dues are now approximately \$260. Fite also reported that this will make the budget process more challenging this year. Predictions about investment income are difficult to assess; potential losses expected from lack of use of the Bar Center and parking deck loom; and the impact of quarantines on our ability to meet in person will impact our budget. Also, we have realized savings on the cancellation of the Spring meeting, savings from staff and officer travel, and the like.

Dues 2020-2021

The Board of Governors, by majority poll vote, approved Active Dues at \$254 (no increase from fiscal year 2019-2020) and Inactive Dues at \$127 for fiscal year 2020-2021.

Approval of Other Dues Items

The Board of Governors, by majority poll vote, approved the following other due items:

- 1) Clients' Security Fund (\$100 @ \$25/year for new members per Bar Rule 1-506).
- 2) Professionalism Fee (\$11/year, which is \$4 reduction from fiscal year 2019-2020).
- 3) Legislative and Public Education Fund Contribution (\$100 optional contribution).
- 4) Georgia Legal Services Program (\$350 suggested individual contribution/\$100 suggested contribution for young lawyers).
- 5) Section Dues (\$10 to \$40).

State Bar Liability Insurance Renewal

Deputy General Counsel Bill NeSmith reported that every year when the Bar is renewing its liability insurance policy, we have to ask the Board of Governors if anyone has any knowledge of an act, error, or omission which might reasonably be expected to rise to a coverable liability claim or action. Thereafter, a poll was taken and the results given to Bill.

Remarks/Q&A/Comments/Suggestions

Sutton responded to questions posed by the Board members.

Closing Remarks

Sutton said that in this difficult time he has hope. He misses the interaction with Bar staff, but found hope in talking with them every day. They are incredible and he hopes the Board of Governors members take time to thank them, too.

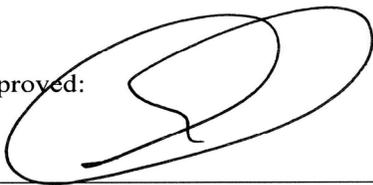
Sutton also reported that Jeff Davis and Sharon Bryant have postponed their departure dates to the end of calendar year. He indicated that the Bar is nevertheless continuing to work on the search for their replacements and are dedicated to finding those. Sutton said he is working closely with President-elect Dawn Jones and the Officers so that this can be done to their satisfaction.

He thanked the Board members for taking time out of their day and hopes this meeting has given them hope, too.

Adjournment

There being no further business, the meeting was adjourned at 11:20 a.m.

Approved:



Darrell L. Sutton, President



Sarah B. (Sally) Akins, Secretary