

WEST VIRGINIA BAR FOUNDATION  
BOARD OF DIRECTORS MEETING  
TELEPHONE CONFERENCE CALL  
JUNE 6, 2019-12:00 NOON

MINUTES

The meeting of the West Virginia Bar Foundation's Board of Directors was called to order by President Rich Ford, on June 6, 2019, at 12:00 Noon, by telephone conference call.

Board Members participating by telephone conference call were Vice President Ellen Cappellanti, Secretary/Treasurer Mary Clare Eros, Judge Alan Moats, Judge Mary Ellen Griffith, Judge Joyce Morton, David Jividen, Lucien Lewin, Professor Marjorie McDiarmid, Christy Morris, Gerry Stowers and Tracey Weber, III. Bar Foundation Executive Director Tom Tinder were also present.

The first item on the Agenda was a review of the Minutes of the previous Board of Directors meeting which had been held on March 7, 2019. A motion was duly made, seconded and passed that the Minutes be approved.

President Ford called upon Secretary/Treasurer Eros to present the financial report. She stated that the current budget year was very successful with the anonymous \$25,000 contribution meaning that there will be a significant reduction in the budgeted \$30,000 from the Justice Fund. (Last year \$20,000 was transferred instead of the budgeted \$30,000.) The successful Lunch and Laughs and the Bar Foundation Fellows Dinner were both basically breakeven, there was similar revenue from the Fellows' payments as in the past and the additional \$10,000 sponsorship by Antero for the Lawyers Leadership Institute was very beneficial. On the expense side, the overall expenses are below budget, especially the awarding of grants. Overall it was another very satisfactory financial year for the Bar Foundation. After some questions, a motion was duly made, seconded and passed to approve the financial report as presented.

Secretary/Treasurer Eros then went over the proposed budget for the 2019-20 fiscal year. The proposed budget for 2019-20 is very similar to this year's

financial report with the plan for a Lawyer Leadership Institute Sponsorship to be obtained again. After comments were made about a proposed extraordinary donation opportunity that had just been communicated to the Board earlier in the day, a motion was duly made, seconded and passed to approve the 2019-20 budget proposal as presented, with the need to perhaps make changes in it in the future based upon possible Board action on the donation opportunity.

She concluded by stating that the Board needs to consider giving the final authority to the Officers to decide how much revenue, if any, will be transferred from the Justice Fund to the administrative account at the end of the fiscal year (June 30). A motion was duly made, seconded and passed to authorize the Officers to transfer funds from the Justice Fund to the administrative bank account as needed at the end of the fiscal year which occurs on June 30.

President Ford discussed the successful 21st Bar Foundation Fellows Dinner on April 25 with approximately 150 persons from all parts of the state in attendance to honor the seventeen members of the 2019 Fellows class, the highly rated 8<sup>th</sup> Lawyer Leadership Institute on May 10-12, when ten younger lawyers received leadership training from judges and lawyers at Stonewall Resort, sponsored by Antero Resources and the upcoming Lunch and Laughs event in Morgantown on September 13, when Bar Foundation Past President Ken Gray will be the honoree.

The next item on the agenda was a discussion of the Justice Fund by President Ford. He reported that as of May 29, the Fund contained \$663,000 compared to \$655,000 at the last Board meeting in March. He then began an extended discussion by stating that on the previous day, the anonymous donor, who made a donation of \$25,000 earlier this year, presented the Bar Foundation's Justice Fund with an extraordinary opportunity.

Comments were then made that several years ago, the Bar Foundation Board set a goal of having \$1 million in the Justice Fund in order to increase Bar Foundation grants by \$50,000 per year (5% of the \$1 million). Some fundraising was done which generated a little less than \$100,000. The Justice Fund currently contains approximately \$660,000.

The anonymous donor has presented a two page Letter of Understanding (which had been sent to each Board member) which states in Paragraph No. 2 Schedule that the donor intends to have grants made to the Bar Foundation in monthly payments of \$5,000 for 40 consecutive months (\$200,000), commencing July 1, 2019.

In Paragraph 3 Intended Grants Purposes, the donor expects that the \$5,000 grants made over 40 months will generate principal and interest in the Justice Fund that will increase the total in the Justice Fund to \$1 million, by or before the 40 months elapse. Once the \$1 million goal is reached, then Bar Foundation grants can be made from the Justice Fund so long as \$1 million remains in the Justice Fund. In addition, once \$1 million is reached, 5% of the amount in the Justice Fund (\$50,000) will be the maximum amount that is able to be used for grants from the Fund.

The remainder of the Letter included the standards used in making the \$5,000 grants, the donor remaining anonymous to the public, the ability to request changes in the use of the grant monies and reports to the donor.

There was then a discussion of the history of the Justice Fund, including

- Justice Fund was set up by Bar Foundation Board in 2011 with the \$520,000 proceeds from the sale of the Bar Foundation's two buildings in Charleston.
- Initially, the Board required 100% of the funds to be placed in bonds because of the recent Great Recession. Over the years, with the guidance of the Merrill Lynch Financial Analyst, Jamie O'Connor, the Board changed the make-up of the Fund to where the current split can be up to 80% stocks and 20% bonds, which is the industry standard for non-profit entities.
- There have been only two occasions that the Board approved taking money from the Justice Fund and they both occurred in 2018. The Board approved a \$60,000 loan (5% interest rate) to the WV Bar Association with monthly payments of \$1,527, ending in July, 2022. Each payment has been made timely, beginning in August, 2018.  
Secondly, the Board approved the transfer of \$20,000 to the administrative account in June, 2018, to be used for Bar

Foundation grants. The Board approved budget for the last few years has included \$20,000 or \$30,000 to be transferred for grants, but last year was the first year that it was ever done--- during the previous years, there was enough revenue in the administrative account that there was no need to make the approved transfer of funds.

After in-depth discussion with numerous questions and answers, including the identity of the anonymous donor, a motion was duly made, seconded and passed to agree with the terms of the Letter of Agreement and authorize the signing on behalf of the Bar Foundation.

The Board members then talked about the need for a contingency fund for the operation of the Bar Foundation and for Bar Foundation grants, since the approved Letter of Agreement stated that no grants would be made from the Justice Fund until \$1 million had been attained. After more discussion, a motion was duly made, seconded and passed to place the monthly payments from the WV Bar Association Loan agreement into a separate interest bearing investment account at Merrill Lynch in the amount of at least \$30,000 for the exclusive use of making Bar Foundation grant payments.

The next item on the agenda was the report from the Grants Committee. It was stated that the current 2018-19 Bar Foundation budget contains \$50,000 for grants. This Committee and the Board of Directors have already approved the following grants:

WVU College of Law-WV Bar Foundation Public Service Scholarship-\$25,000  
WV Women Attorneys-Supreme Court Candidates Debate Forum-\$1,000  
WV Prosecuting Attorneys Institute-Crimes Against Women Conference-\$4,800  
WV Judicial/Lawyer Assistance Program-Third year of five year annual-\$5,000

Therefore, there is \$14,200 still available to be spent before the end of the fiscal year on June 30.

One grant application had been received from the WV Child Advocacy Network (WVCAN) for its Leadership Cohort Initiative which will focus on the Child Advocacy Center director's role in facilitating multidisciplinary investigative team meetings in child abuse and neglect cases. The grant request was in the

amount of \$4,750. The Bar Foundation has provided past grants to WVCAN and to child advocacy centers in various parts of the state----they have all been successful.

After some additional comments, a motion was duly made, seconded and passed to approve a grant in the amount of \$4,750 to the WV Child Advocacy Network (WVCAN) for facilitating multidisciplinary investigative team meetings in child abuse and neglect cases. Judge Griffith declared a conflict because of her past involvement with child advocacy centers and did not participate in the vote on this grant.

Vice President Cappellanti gave the report of the Nominating Committee for the Officers to serve in 2019-20. The nominations were:

President-Ellen Cappellanti-Charleston

Vice President Chip Shaffer-Madison

Secretary/Treasurer-Mary Clare Eros-Shepherdstown

A motion was duly made, seconded and passed to close the nominations and approve the Officer nominations.

Vice President Cappellanti then presented her plans as President for the upcoming year. She wants to continue existing successful activities, as well as the following actions:

Need for the Bar Foundation and the Board of Directors to be more proactive in grantmaking situations.

Board Members will receive Mission Statement, Lawyer Leadership Institute Agenda with Speakers and Contact Information for all Board Members.

Strategic Planning Committee will meet during the summer to consider sources of future revenue and possible sponsorship of Supreme Court Candidate Forums in Spring, 2020.

Justice Fund Committee will review Justice Fund administrative fee agreement with Merrill Lynch.

Board meeting dates will be calendared using Outlook program.

Continue main events of Lunch and Laughs With A Legal Legend-Ken Gray-Friday, September 13-11:30 AM-Erickson Alumni Center-Morgantown

Bar Foundation Fellows-22<sup>nd</sup> class in 2020. Thursday, April 23, 2020-Charleston Marriot Hotel

Lawyer Leadership Institute-May 15-17, 2020-Stonewall Resort

As her Presidential appointments, she recommended:

Nominating Committee-VP Shaffer, Secretary/Treasurer Eros and Lewin

Audit Committee-Officers (Cappellanti, Shaffer and Eros)

Foundation Fellows Nominating Committee-J Moats, Shaffer and Morris

Grants Committee-J Griffith, Cappellanti and Henderson-Staples

Justice Fund-Jividen, Stowers, Weber and Dumire

Strategic Planning Committee-Officers, McDiarmid-, Judge Morton and Ford

A motion was duly made, seconded and passed to approve the plans and appointments of Vice President Cappellanti.

The Board then reviewed the contract for another year of services with Herman and Cormany (Independent Audit-\$3200), Gibbons and Kawash (Monthly bank reconciliation-\$95 per month for second year of two year agreement) and Merrill Lynch (Justice Fund). A motion was duly made, seconded and passed to approve Independent Auditor and continue the other two service contracts.

Under the topic of Other Business, Mr. Tinder made a report and a motion was duly made, seconded and passed to make a \$150 Bar Foundation donation to the Joint Fellows Luncheon to be held at the WV Bar Association meeting in August. Similar donations have been made for the past several years.

The next item for discussion was the employment contract for Executive Director Tinder, who absented himself from the conference call. A motion was duly made, seconded and passed to go into Executive Session to discuss personnel matters. After some period of time, a motion was duly made, seconded and passed to return to regular session, Mr. Tinder was brought back on the call and a motion was duly made, seconded and passed to retain his services for the

2019-20 fiscal year under the same terms and conditions as contained in the 2018-19 employment contract.

President Ford announced that the Board of Directors meetings would be held on the following dates:

Friday, September 13, 2019-1:30 PM-Erickson Alumni Center-Morgantown

Thursday, December 5, 2019-12:00 Noon

Thursday, March 5, 2020-12:00 Noon

Thursday, June 4, 2020-12:00 Noon

There being no further business to transact, the meeting was adjourned.