

**FINANCE & AUDIT COMMITTEE (F&AC)**

State Bar of Arizona  
4201 N. 24<sup>th</sup> Street, Suite 100  
Phoenix, Arizona 85016

September 23, 2020  
3:00 p.m.  
Telephonic Meeting

**Minutes (Approved)**

**MEMBER ATTENDANCE:**

**P = present in person; T = present telephonically; A= absent.**

**T – Benjamin Taylor, Chair**

**T – David Rosenbaum, Vice Chair**

**T – Dave Byers**

**T – Lori Higuera**

**T – Kelsi Taylor Lane**

**A – Doreen McPaul**

**T – Sandra Etherton (Client Protection Fund Board Liaison/Non-voting F&AC member)**

**OTHER ATTENDEES:**

**State Bar Staff:**

**T - Joel England**

**T - Maret Vessella**

**T - Kathy Gerhart**

**T - Joe Hengemuehler**

**T – Deanna Commack**

**T - Lori Maxwell**

**A - Candice French**

**T - Lisa Panahi**

**T – Lisa Deane**

**T – Carrie Sherman**

**T – Patricia Seguin**

**T – Jessica Iennarella**

**Minutes taken by: Jessica Iennarella**

**I. CALL TO ORDER:**

**Called to Order by: Benjamin Taylor**

**Time: 3:03 pm**

**II. CALL TO THE PUBLIC:**

**Individuals addressing the Committee:** None

**Discussion:** None

**III. Presentation – Economic Update**

**Individuals addressing the Committee:** Gina Cizek, 401K Advisors

**Discussion:** Gina presented economic update for 2020.

**IV. Presentation – Annual Insurance Coverage Review**

**Individuals addressing the Committee:** Andy Forsell & Christian Gurnett

**Discussion:** Andy & Christian presented on trends in insurance industry – claims and premium trends. Included discussion of uncertainty of workers compensation claims with increased work from home participation.

**V. Action/Vote – Approve Meeting Minutes 8 /27 /2020**

**Individual(s) addressing the Committee:** Benjamin Taylor

**Motion/moved by:** Dave B. motioned to approve the meeting minutes for the proposed month.

**Seconded by:** David R.

**Motion:** Passed unanimously.

**VI. Action/Vote – 2021 Budget Guidelines Memorandum**

**Individual(s) addressing the Committee:** Kathy Gerhart, Joel England

**Discussion:** Kathy G. presented proposed budget memorandum for approval. Highlighted that budgeted expenses will not increase more than 1.5% and that all budgeted items will be evaluated for continuing potential impact of COVID.

**Motion/moved by:** Dave B. motioned to approve F&AC recommending the budget memorandum to the Board.

**Seconded by:** Lori H.

**Motion:** Passed unanimously.

**VII. Action/Vote – Investment Subcommittee Recommendation**

**Individual(s) addressing the Committee:** Kathy Gerhart

**Discussion:** Kathy G. presented Investment Subcommittee’s recommendation to place SBA funds in short-term CDARs as soon as possible, and then schedule presentations with three investment brokers to better evaluate long-term plans for investment.

**Motion/moved by:** Dave B. motioned for us to place \$500,000 in a 13-week CDAR and the remaining cash reserve funds in another 13-week CDAR.

**Seconded by:** Lori H.

**Motion:** Passed unanimously.

**VIII. Discussion – Convention Update**

**Individual(s) addressing the Committee:** Joel England, Lisa Panahi, Lisa Deane

**Discussion:** Joel E. and Lisa P. discussed efforts to negotiate with Westin La Paloma and avoid cancellation fees by signing a contract for 2023. Lisa D. provided update regarding current plans for Convention. All seminar speakers and sections have signed on to produce virtual model. Pre-recording efforts are in motion and the supporting website is being developed.

**IX. Discussion – 24<sup>th</sup> Street Leasing Update**

**Individual(s) addressing the Committee:** Kathy Gerhart

**Discussion:** Kathy G. reviewed leasing updates regarding three tenants. SBA has negotiated a lease extension with Tyler Allen, whose lease expires November 2020 to extend their lease through November 2023.

The Law Office of Daniel Hutto is currently leasing Suite 140 through March 2021 but has outgrown space. SBA is executing an amendment to the lease to allow the business to move to Suite 220 for the remainder of the term (i.e. October 2020 – March 2021). Efforts to release Suite 140 will begin immediately.

Lester Norton is leasing Suite 150 and their term expires July 2021. Tenant is not prepared to begin negotiations on space.

**X. Discussion – Investment Subcommittee Update**

**Individual(s) addressing the Committee:** Kathy Gerhart

**Discussion:** Combined with action item above.

**I. Discussion – SBA Financial Information**

**Individual(s) addressing the Committee:** Kathy Gerhart

**Discussion:** Kathy G. reviewed the August 2020 SBA financial statements, including commentary regarding the current financial position relative to budget. SBA is performing favorable compared to budget – while revenues have been reduced due to COVID 19, SBA has taken steps to minimize expenditures.

**Meeting adjourned by:** Benjamin Taylor at 4:30 p.m.