

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

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

April 2, 2020  
3:00 p.m.  
Telephonic Meeting

**Minutes (Approved (TBD))**

**MEMBER ATTENDANCE:**

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

**T – Benjamin Taylor, Chair**

**T – Jessica Sanchez, Vice Chair**

**T – Dave Byers**

**A – Lori Higuera**

**T – David Rosenbaum**

**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**

**A - Joe Hengemuehler**

**T – Deanna Commack**

**T - Lori Maxwell**

**T - Candice French**

**T - Lisa Panahi**

**T – Jessica Iennarella**

**T – Lisa Deane**

**T – Mike Vallone**

**T – Mauri Hawkins**

**T – Roberta Tepper**

**T – Rick Palmatier**

**Minutes taken by: Jessica Iennarella**

**I. CALL TO ORDER:**

**Called to Order by: Benjamin Taylor**

**Time:** 3:05 pm

## **II. CALL TO THE PUBLIC:**

**Individuals addressing the Committee:** None

**Discussion:** None

## **III. Action/Vote – Approve Meeting Minutes 2/27/2020**

**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.

## **IV. Discussion – Key Financial Issues**

**Individual(s) addressing the Committee:** Kathy Gerhart, Joel E., Lisa D., Mauri H., Lisa P., Rick P.

**Discussion:** The individuals listed above provided an update to the committee regarding the following key financial issues:

### 1) Impact of COVID 19

- a. Joel E. discussed the impact of COVID 19 on SBA day-to-day operations.
  - i. COOP was implemented March 12<sup>th</sup> with the office closing the afternoon of March 27<sup>th</sup>.
  - ii. SBA staff have been working on moving and canceling CLE and events.
  - iii. MCLE compliance deadline has been moved six months.
- b. Lisa D. discussed SBA's annual convention which has been moved to December 1<sup>st</sup> through 3<sup>rd</sup>.
  - i. Negotiated with hotel to reduce minimum F&B and room requirements.
  - ii. Updated Force Majeure clause was added to contract to address future uncertainties regarding social distancing.
  - iii. Final deposit owed in August instead of May.
  - iv. Anticipate additional costs for conference planner and brochures which will need to be re-done.
  - v. Potential change in content depending on speaker availability.
- c. Mauri H. discussed SBA's efforts to reschedule canceled CLE and efforts to move CLE to virtual format.
  - i. Had to cancel 8 CLEs in March and revenue decreased 10%.
  - ii. Have canceled 27 of the 38 CLEs for 2<sup>nd</sup> quarter 2020. 2<sup>nd</sup> quarter is normally peak season for CLE (driven by proximity to MCLE deadline).
  - iii. F&AC discussion regarding pros and cons of offering free resources to members to assist during this period versus the need to mitigate SBA revenue losses.
- d. Lisa P. and Rick P. discussed FFCRA impact on SBA and efforts to enable nearly 100% remote work.

- e. Dave B. let SBA know that July bar exam will likely not take place resulting in less new admittees in July.
  - f. Sandra E. requested an update regarding CLE by the Sea. Lisa D. clarified that the event is currently slated to take place. Waiting until closer to the end of May to make a decision.
- 2) Kathy G. updated committee that current investment policy has resulted in SBA largely not experiencing COVID-related market volatility. Investment sub-committee still moving forward with evaluating options.

**V. Discussion – Financial Information**

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

**Discussion:** Kathy G. reviewed the preliminary February 2020 high-level statements.

**Meeting adjourned by:** Benjamin Taylor at 4:03 pm.