

FINANCE & AUDIT COMMITTEE (F&AC)

State Bar of Arizona
4201 N. 24th Street, Suite 100
Phoenix, Arizona 85016

August 26, 2021
3:00 p.m.
Telephonic Meeting

Minutes (Approved (TBD))

MEMBER ATTENDANCE:

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

T – David Rosenbaum, Chair

T – Kelsi Taylor Lane, Vice Chair

T – Dave Byers

T – Mignonne Hollis

A – Eric Ruchensky

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

T – Jennifer Rebholz (President – Board of Governors)

OTHER ATTENDEES:

State Bar Staff:

T - Joel England

A - Maret Vessella

T - Kathy Gerhart

T - Joe Hengemuehler

T – Deanna Commack

T - Lori Maxwell

T - Lisa Panahi

A – Lisa Deane

T – Roberta Tepper

T – Carrie Sherman

T – Rachel Williams

T – Jessica Iennarella

T – Sarah Corpening

Minutes taken by: Jessica Iennarella

I. CALL TO ORDER:

Called to Order by: David Rosenbaum

Time: 3:01 p.m.

II. CALL TO THE PUBLIC:

Individuals addressing the Committee: John Messing, Hope Kirsch, Don Smith, Dave P., Joel England, Kathy Gerhart & Roberta Tepper

Discussion: SBA staff – Joel E., Kathy G., and Roberta T. – presented analysis done by SBA staff regarding members over the age of 70. Analysis included review of services provided by SBA, as well as historical and current fees paid by members over the age of 70. Public members - John M., Hope K., and Dave P. - each addressed the F&AC regarding annual fees paid by inactive and retired members over the age of 70. Discussed potential for Emeritus status – comment by public members regarding request to retain FastCase and online Senior Lawyer Division community access under Emeritus status. Requested that matter be further investigated.

Motion/moved by: Dave B. motioned for the F&AC to recommend further analysis into fees paid by members over the age of 70 to Executive Council, including involvement by SBA staff and members.

Seconded by: Mignonne H.

Motion: Passed unanimously

III. Action/Vote – Approval of Meeting Minutes – 5/20/2021 & 8/04/2021

Individual(s) addressing the Committee: Kathy Gerhart

Discussion: Kathy G. presented the meeting minutes from May 20, 2021 and August 4, 2021 for review and approval.

Motion/moved by: Mignonne H. motioned to approve the meeting minutes as presented.

Seconded by: Kelsi L.

Motion: Passed unanimously

IV. Action/Vote – Capital Expenditure – Approval – 4% Budget Variance

Individual(s) addressing the Committee: Kathy Gerhart

Discussion: Kathy G. discussed need to upgrade the access card reader and the related software simultaneously. The software upgrade was not budgeted – therefore the project exceeds approved budget by greater than 4%. Additional cost can be absorbed by excess generated from other capital projects coming under budget.

Motion/moved by: Mignonne H. motioned to approve SBA upgrading the access card reader and related software at updated cost.

Seconded by: Kelsi L.

Motion: Passed unanimously

V. Discussion – Banking & Treasury Request for Proposal – Update

Individual(s) addressing the Committee: Kathy Gerhart & Jessica Iennarella

Discussion: Kathy G. & Jessica I. provided an update to F&AC regarding the continued negotiations with Wells Fargo. Wells Fargo was able to reduce merchant processing fees in line with limits approved previously by F&AC. SBA to continue relationship with Wells Fargo.

VI. Action/Vote – 2022 Budget Guidelines Memorandum

Individual(s) addressing the Committee: Kathy Gerhart

Discussion: Kathy G. presented proposed 2022 budget guidelines memorandum, including rationale regarding changes over 2021 budget guidelines memorandum.

Motion/moved by: Mignonne H. motioned to approve 2022 budget guidelines memorandum.

Seconded by: Dave B.

Motion: Passed unanimously

VII. Discussion – Senior Lawyer

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

Discussion: See “Call to the Public”

VIII. Discussion – Annual Fees Payment Plan Research Update

Individual(s) addressing the Committee: Jessica Iennarella

Discussion: Jessica I. updated the F&AC regarding the current status of researching implementing a payment plan for annual fees. Next anticipated update in January 2021 – after resolution of banking relationship request for proposal and accounting software evaluation.

IX. Information – Client Protection Fund

Individual(s) addressing the Committee: Kathy Gerhart

Discussion: Kathy G. presented the financial statements for Client Protection Fund for the second quarter of 2021.

X. Information – State Bar of Arizona

Individual(s) addressing the Committee: Kathy Gerhart & Jessica Iennarella

Discussion: Kathy G. & Jessica I. presented the financial statements for the State Bar of Arizona for June 2021, including a discussion of variances relative to budget, both permanent and those anticipated to be timing differences. Kathy G. presented the CEO/ED and CFO Certification of Financial Statements & Policy Compliance for the second quarter of 2021. Kathy G. also presented the State Bar of Arizona quarterly reports for the second quarter of 2021.

Meeting adjourned by: David Rosenbaum at 5:00 p.m.