

FINANCE & AUDIT COMMITTEE (F&AC)

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

October 21, 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 – 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

A - Joe Hengemuehler

T – Deanna Commack

T - Lori Maxwell

T - Lisa Panahi

T – Lisa Deane

T – Carrie Sherman

T – Jessica Iennarella

Minutes taken by: Jessica Iennarella

I. CALL TO ORDER:

Called to Order by: Benjamin Taylor

Time: 3:02 pm

II. CALL TO THE PUBLIC:

Individuals addressing the Committee: None

Discussion: None

III. Action/Vote – Approve Meeting Minutes 9/23/2020

Individual(s) addressing the Committee: Benjamin Taylor, Kathy Gerhart

Motion/moved by: Recommended defer approval until following month as meeting minutes not included in materials sent for pre-reading.

IV. Action/Vote – 2020 Convention Contract

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

Discussion: Lisa P. & Joel E. presented re-negotiated contract with Westin La Paloma. Hotel agreed to allow cancelation under force majeure clause, on the basis that we sign contract for 2023 and give some assurances of booking for 2026 – potential right of first refusal. Negotiation also allows for 2020 deposit to be applied to 2023 convention. Discussion amongst Committee regarding concerns of committing to 2026 given present uncertainties.

Motion/moved by: David R. motioned to 1) approve SBA moving forward with signing 2023 contract, including application of deposit, and 2) approve SBA continue negotiations regarding 2026 – can give right of first refusal contingent on success of 2023 convention.

Seconded by: Kelsi L.

Motion: Passed unanimously.

V. Discussion – HR Annual Compensation & Benefit Review

Individual(s) addressing the Committee: Anna Thomasson

Discussion: Anna T. provided Committee with updates regarding the information the HR Subcommittee is considering. Recommended approval of benefits package by Committee. They are continuing to evaluate all other components (e.g. merit pool, 401k contribution, etc.).

Motion/moved by: David R. motioned to approve benefits package based on recommendation by HR Subcommittee.

Seconded by: Lori H.

Motion: Passed unanimously.

VI. Discussion – 2021 Budget 1st Draft

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

Discussion: Kathy G. presented first draft of 2021 budget, which projects an approximately \$17k deficit. Highlighted key areas which will be evaluated in additional detail prior to November. No questions from Committee at time of meeting.

VII. Discussion – Legal Paraprofessionals' Membership Fees

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

Discussion: Joel E. informed Committee of internal working group appointed to consider this issue. Current stance of working group is for LLPs to pay the same fees as attorneys on the basis that they will receive the same benefits of being part of SBA and will be subject to regulation as well. David R. requested SBA consider if they will be allowed to have content at Convention, if they will receive a subscription to AZ Attorney, if they will have their own Sections and if they will be

allowed to have representation on the Board. Dave B. clarified LLPs are prohibited under Court Rule from having seat on the Board.

VIII. Discussion – 24th Street Leasing Update

Individual(s) addressing the Committee: Kathy Gerhart

Discussion: Kathy G. reviewed leasing updates regarding early termination of Weight Watchers lease agreement. Negotiation of cancelation fees remains ongoing.

IX. Discussion – Investment Update

Individual(s) addressing the Committee: Kathy Gerhart

Discussion: CDARs purchased as previously instructed by Committee. \$250,000 left in reserve account to avoid account fees. Joel E. provided insight regarding ongoing discussions with Wells Fargo as to SBA's banking relationship and strategies for reducing our bank fees.

I. Discussion – SBA Financial Information

Individual(s) addressing the Committee: Kathy Gerhart

Discussion: Kathy G. reviewed the September 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. 3rd quarter reports and CEO/ED & CFO Certification also reviewed.

Meeting adjourned by: Benjamin Taylor at 4:25 p.m.