Minutes (Approved (TBD))

MEMBER ATTENDANCE:
P = present in person; T = present telephonically; A = absent.
P – Benjamin Taylor, Chair
P – 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)
Determined there is a Quorum number of members present to proceed

OTHER ATTENDEES:
State Bar Staff:
P Joel England
P Maret Vessella
P Kathy Gerhart
P Joe Hengemuehler
T Ann Leslie
P Lori Maxwell
P Candice French
P Lisa Panahi
P Martin Gaxiola
P Brett Martin

Minutes taken by: Brett Martin and Martin Gaxiola

I. CALL TO ORDER:
Called to Order by: Benjamin Taylor
Time: 3:01pm

II. CALL TO THE PUBLIC:
Individuals addressing the Committee: None
Discussion: None
III. Approval of minutes – August 22nd meeting minutes  
**Individuals addressing the Committee:** Benjamin T.  
**Discussion:** None.  

**Motion/moved by:** Dave Byers. motioned to approve the August 22nd meeting minutes as previously distributed.  
**Seconded by:** Jessica Sanchez.  
**Motion:** Passed unanimously.  

IV. 2020 Budget Guidelines Memorandum - Update  
**Individuals addressing the Committee:** Kathy G.  
**Discussion:** Kathy G. addressed the committee regarding their vote in August to approve the 2020 Budget Guidelines Memorandum (Memo), contingent upon approval by the HR subcommittee in September with the F&AC’s recommendation presented to the Board of Governors at their September meeting. The HR subcommittee is now scheduled to meet in October. A suggestion was made to present the Memo to the Board of Governors (BOG) tomorrow (Friday September 27) with a recommendation from the F&AC. After review by the HR sub-committee in October any additional items identified by the HR sub-committee will be presented to the F&AC in October for consideration. There was no contest on approval to move forward with the BOG review of the Memo tomorrow.  

V. 24th Street – Suite 220 lease negotiations/signature  
**Individuals addressing the Committee:** Kathy G.  
**Discussion:** Kathy G. advised the committee that the prospective tenant for suite 220 (3,572 sq. ft) declined to move forward with the lease due to security deposit requirements. Currently, construction and build-out of suite 220 as a spec suite are moving forward and are anticipated to be completed in 2019.  
Lease executed for suite 140 (1,073 sq. ft.) with a commencement date of October 1 with Three Dot Staffing, LLC. This is a 39-month lease with total rental payments of $80,408. The cost to prepare the space for move-in was less than $2k. The tenant broker for suite 140 provided feedback that the SBA property is doing an excellent job of maintaining the property and stated it looks as fresh as any new building in the market.  

VI. August 2019 SBA Financial Statements  
**Individuals addressing the Committee:** Kathy G.  
**Discussion:** Kathy G. noted that for the eight months ended August 31, 2019, the Bar's income statement generated a surplus (including sections) of $580K. The surplus year-to-date is $765K more than budgeted. This is due to $159K more in revenues and $606K less in expenses. Significant YTD revenue and expense variances were reviewed as noted in the CFO’s Financial Report (distributed previously with the F&AC meeting materials). The SBA is projecting an annual surplus of $264k vs. a budgeted $50k loss. There were no additional questions from committee members.
VII. 2014-2019 Annual Convention Financial Summary:
Individuals addressing the Committee: Kathy G.
Discussion: Kathy G. reviewed the financial results from the annual convention. Attendance for 2019 was 1,452 vs. 1,381 for 2018. Registration fees were lowered for the Young Lawyer division resulting in significant increases in attendance within this demographic area. The Convention generated a $131K net surplus which was $50k over budget.

VIII. 2019 CLE by the Sea Financial Summary:
Individuals addressing the Committee: Kathy G.
Discussion: Kathy G. reviewed the financial results of the CLE by the Sea event held in July. For 2019 revenue generated from the event totaled $206,355 with expenses of $178,599 resulting in a surplus of $27,756 compared to a $19,175 surplus in 2018.

IX. Previous 5 Year Projection – Year 2 (2020) Material Changes
Individuals addressing the Committee: Kathy Gerhart
Discussion: Kathy G. reviewed the section in the Financial Policies Manual which states that “Year 2” of the five-year projection submitted in the previous year will serve as the starting point in the annual budget process and will be submitted to the F&AC in August of each year with an initial assessment by the CEO/ED, CFO and the senior leadership team regarding any expected material changes for the coming year. No material changes are expected.

Dave Byers requested that prior to the next F&AC meeting a cumulative 5-year actual to actual analysis be provided to F&AC for review.

Meeting adjourned by: Benjamin T. at 3:19pm.