FINANCE & AUDIT COMMITTEE (F&AC)
State Bar of Arizona
4201 N. 24th Street, Suite 100
Phoenix, Arizona 85016

November 14, 2019
1 p.m.
Cholla Room

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
P – David Rosenbaum
A – Doreen McPaul
T – Sandra Etherton (Client Protection Fund Board Liaison/Non-voting F&AC member)

OTHER ATTENDEES:
State Bar Staff:
A - Joel England
P - Maret Vessella
P - Kathy Gerhart
A - Joe Hengemuehler
P - Ann Leslie
A - Lori Maxwell
P - Candice French
P - Lisa Panahi
P - Brett Martin
P - Octavius Garrett
P – Mike Vallone

Minutes taken by:  Brett Martin & Octavius Garrett

I. CALL TO ORDER:
Called to Order by:  Benjamin Taylor
Time:  1:01pm
II. CALL TO THE PUBLIC:

Individuals addressing the Committee: None  
Discussion: None

III. Approval of Minutes – September 26th meeting minutes:

Individuals addressing the Committee: Benjamin Taylor  
Discussion: None  
Motion/ moved by: David R. motioned to approve September 26th meeting minutes.  
Seconded by: Dave B.  
Motion: Passed unanimously

IV. 2020 Operating Budget – 2nd Draft

Individuals addressing the Committee: Kathy Gerhart  
Discussion:

Kathy G. reported that the 2020 Budget second draft saw insignificant changes with a current budgeted surplus of $228K. Total 2020 revenues are anticipated to increase by 2.61%, and total expenses are anticipated to increase approximately 1.04% over the 2019 budget. The current draft is in-line with BOG-approved 2020 Budget Memorandum. The BOG is scheduled to vote on the final budget draft on Friday Dec 6.

Motion/moved by: David R. motioned to approve the 2020 Operating Budget.  
Seconded by: Sandra E.  
Motion: Passed unanimously

V. 2020-2024 Capital Budget – 2nd Draft

Individuals addressing the Committee: Kathy Gerhart  
Discussion:

Kathy G. reviewed the updated 2020 Capital Expenditures budget totaling $555K, which included both mission-critical and mission-enhancing projects that were identified in the October 24th F&AC meeting. Mission-critical and mission-enhancing projects were reviewed including the remodel of elevator, flooring in key traffic areas, water faucet retrofit, and a knowledge-based technology system.
Motion/ moved by: Dave B. motioned to approve the 2020 Capital Budget with the following adjustments – 1) removal of Mission Critical unplanned contingencies for 24th Place (17.5K), Office Services ($3.5K), and Tucson ($10k) ; 2) removal of Mission Enhancing project for water faucet retrofit and review by the Executive Council of the following Mission Enhancing projects - Elevator cabs interior refresh ($55K) and Knowledge Base System ($20K). Final draft to be submitted to the BOG for approval at the December 6th meeting.

Seconded by: David R.

Motion: Passed unanimously w/ contingencies.

VI. October 2019 SBA Financial Statements - Update
Individuals addressing the Committee: Kathy Gerhart
Discussion:
Kathy G. noted that per the Financial Policies & Processes Manual financials are to be distributed to the F&AC by the 15th business day of the month – November 21st. October financials are projected to be distributed by that date.

VII. Planning – December Finance & Audit Committee Meeting
Individuals addressing the Committee: Kathy Gerhart
Discussion:
Kathy G. addressed the committee regarding a need for an F&AC meeting for December. Since there is a short time between the meetings and financials would not be available, a recommendation was made to not have a December meeting unless it was subsequently determined a meeting was needed.

Meeting adjourned by: Benjamin Taylor at 2:16 pm