

FINANCE & AUDIT COMMITTEE (F&AC)

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

October 14, 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

A – Mignonne Hollis

T – Eric Ruchensky

A – 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

T - Maret Vessella

T - Kathy Gerhart

A - Joe Hengemuehler

T – Deanna Commack

T - Lori Maxwell

A - Lisa Panahi

T – Roberta Tepper

T – Carrie Sherman

T – Rachel Williams

T – Jessica Iennarella

T – Rick Palmatier

Minutes taken by: Jessica Iennarella

I. CALL TO ORDER:

Called to Order by: David Rosenbaum

Time: 3:00 p.m.

II. CALL TO THE PUBLIC:

Individuals addressing the Committee: None

Discussion: None

III. Action/Vote – Capital Expenditures – 2021 Fund Reallocation

Individual(s) addressing the Committee: Kathy Gerhart

Discussion: Kathy G. discussed current underspending with regards to 2021 capital projects and requested the funds be approved to be used to start projects which otherwise would fall into the 2022 budget – specifically, security camera upgrade, ventilation retrofit system and Tucson window replacement.

Motion/moved by: Kelsi L. motioned to approve use of 2021 funds for three new projects - \$50,000 for security camera upgrade, \$40,000 for ventilation retrofit system and \$10,000 for Tucson window replacement.

Seconded by: Eric R.

Motion: Passed unanimously

IV. Discussion – HR Annual Compensation & Benefit Review

Individual(s) addressing the Committee: David Rosenbaum

Discussion: David R. provided Committee with updates regarding the HR Subcommittee recommendation pertaining to the 2022 budget. Recommendation included merit pool, 401k funding, 457b funding and benefits package.

V. Discussion – 2022 Budget 1st Draft

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

Discussion: Kathy G. & Jessica I. presented first draft of the 2022 budget, which projects a surplus in excess of \$400,000. Highlighted key areas which will be evaluated in additional detail prior to November. Also presented comparative data to 2021 projections. No questions or requests for further information from Committee at time of meeting.

VI. Discussion – 5-Year Projections

Individual(s) addressing the Committee: Kathy Gerhart

Discussion: Kathy G. presented five-year projections which utilize 2022 budget 1st draft as Year 1. Highlighted key areas subject to the most future change.

VII. Discussion – Reserve Policies

Individual(s) addressing the Committee: Kathy Gerhart

Discussion: Kathy G. updated Committee regarding upcoming Investment Subcommittee meeting, the purpose of which is to evaluate current reserve policy and potential updates for establishment of third reserve.

Meeting adjourned by: David Rosenbaum at 4:45 p.m.