

**FINANCE & AUDIT COMMITTEE (F&AC)**

State Bar of Arizona  
4201 N. 24<sup>th</sup> Street, Suite 100  
Phoenix, Arizona 85016

November 17, 2022  
3:00 p.m.  
Telephonic Meeting

**Minutes (Approved (1/19/2023))**

**MEMBER ATTENDANCE:**

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

**T – Kelsi Lane, Chair**

**T – Sam Saks, Vice Chair**

**T – Dave Byers**

**A – Denis Fitzgibbons**

**T – Mignonne Hollis**

**T – David Rosenbaum**

**A – Eric Ruchensky**

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

**T – Jessica Sanchez (President – Board of Governors)**

**OTHER ATTENDEES:**

**State Bar Staff:**

**T - Joel England**

**A - Maret Vessella**

**T - Kathy Gerhart**

**A - Joe Hengemuehler**

**T – Deanna Commack**

**T - Lori Maxwell**

**T - Lisa Panahi**

**T – Roberta Tepper**

**T – Carrie Sherman**

**T – Rachel Williams**

**T – Jessica Iennarella**

**Minutes taken by: Jessica Iennarella**

**I. CALL TO ORDER:**

**Called to Order by: Kelsi Lane**

**Time: 3:02 p.m.**

## **II. CALL TO THE PUBLIC:**

**Individuals addressing the Committee:** None

**Discussion:** None

## **III. Action/Vote – Contract Approval – 2026 Annual Convention**

**Individual(s) addressing the Committee:** Roberta Tepper

**Discussion:** Roberta T. presented the 2026 Annual Convention contract for Westin La Paloma in Tucson for approval. Included updates regarding changes from 2023 contract.

**Motion/moved by:** Mignonne H. motioned to authorize State Bar staff to sign the contract for the 2026 convention with Westin La Paloma.

**Seconded by:** David R.

**Motion:** Passed with four votes in favor and one against

## **IV. Action/Vote – 2023 Operating Budget**

**Individual(s) addressing the Committee:** Jessica Iennarella

**Discussion:** Jessica I. presented 2<sup>nd</sup> draft of 2023 operating budget & provided discussion points regarding changes since 1<sup>st</sup> draft. Also presented comparative data to 2022 projections. Budgeted net surplus which meets requirements of budget memorandum.

**Motion/moved by:** David R. motioned to approve 2023 operating budget as presented.

**Seconded by:** Mignonne H.

**Motion:** Passed unanimously

## **V. Action/Vote – 2023 – 2027 Capital Budget**

**Individual(s) addressing the Committee:** Jessica Iennarella

**Discussion:** Jessica I. presented five-year capital budget, including highlighting areas of change from prior years.

**Motion/moved by:** David R. motioned to approve 2023 capital budget as presented.

**Seconded by:** Mignonne H.

**Motion:** Passed unanimously

## **VI. Discussion – Five-Year Forecast**

**Individual(s) addressing the Committee:** Kathy Gerhart

**Discussion:** Kathy G. presented the five-year operating forecast based on the 2023 operating budget as the first year. Highlighted areas of growth and potential future challenges. Joel E. also provided additional commentary regarding historical responses to the five-year forecast.

## **VII. Discussion – 24<sup>th</sup> Street Leasing Update**

**Individual(s) addressing the Committee:** Kathy Gerhart

**Discussion:** Kathy G. discussed current leasing activity involving suites 200 and 220. Requested Committee recommend to EC that Joel be authorized to finalize and sign the new lease, including related tenant improvements.

**Motion/moved by:** Dave B. motioned to recommend to the Executive Committee, that Joel be authorized to finalize the presented lease, including approving related tenant improvements.

**Seconded by:** Sam S.

**Motion:** Passed unanimously

**VIII. Information – 2021 Form 990 & 990-T Tax Return**

**Individual(s) addressing the Committee:** Kathy Gerhart

**Discussion:** Kathy G. presented an update regarding the timely filing of the 2021 Form 990 & 990-T.

**IX. Information – Client Protection Fund 3<sup>rd</sup> Quarter 2022 Financial Update**

**Individual(s) addressing the Committee:** Kathy Gerhart

**Discussion:** Kathy G. presented the financial statements for Client Protection Fund for the third quarter of 2022, including current claims status.

**X. Information – State Bar of Arizona September 2022 Financial Update**

**Individual(s) addressing the Committee:** Jessica Iennarella

**Discussion:** Jessica I. provided high-level projections for financial statements through September 2022. Actual surplus larger than budgeted based on current information, which is primarily being driven by higher than anticipated revenues.

**XI. Information – State Bar of Arizona Investment Performance Update**

**Individual(s) addressing the Committee:** Kathy Gerhart

**Discussion:** Kathy G. provided October 2022 reserve fund balances with notes regarding performance, including current outlook as of mid-November 2022.

**XII. Information – State Bar of Arizona 3<sup>rd</sup> Quarter Reports**

**Individual(s) addressing the Committee:** Kathy Gerhart

**Discussion:** Kathy G. presented quarterly reports for SBA for third quarter of 2022.

**I. Information – State Bar of Arizona CEO/ED & CFO Certification**

**Individual(s) addressing the Committee:** Kathy Gerhart

**Discussion:** Kathy G. presented CEO/ED and CFO certifications for SBA for third quarter of 2022.

**Meeting adjourned by:** Kelsi Lane at 4:11 p.m.