

FINANCE & AUDIT COMMITTEE (F&AC)

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

November 14, 2024
3:00 p.m.
Telephonic Meeting

Minutes (Approved (1/16/2025))

MEMBER ATTENDANCE:

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

T – Chris Russell, Chair

T – Mignonne Hollis, Vice Chair

A – Dave Byers

T – Marcus Reinkensmeyer (Arizona Supreme Court Alternative Representative)

T – Cortez Smith

T – David Rosenbaum

A – Diandra Benally

T – Cliff Hill (Client Protection Fund Board Liaison/Non-voting F&AC member)

A – Ted Schmidt (President – Board of Governors)

OTHER ATTENDEES:

State Bar Staff:

T – Joel England

T – Jessica Iennarella

A – Maret Vessella

A – Lisa Panahi

T – Roberta Tepper

A – Noah Coakley

A – Lori Maxwell

T – Trish McCarty

A – Joe Hengemuehler

T – Deanna Commack

T – Octavius Garrett

Minutes taken by: Octavius Garrett

I. CALL TO ORDER:

Called to Order by: Chris Russell

Time: 3:00 p.m.

II. CALL TO THE PUBLIC:

Individuals addressing the Committee: None

Discussion: None

III. Action/Vote – Approval of Meeting Minutes – 10/17/24

Individual(s) addressing the Committee: Chris Russell

Discussion: Chris R. presented the meeting minutes for October 17, 2024, for review and approval.

Motion/moved by: Marcus R. motioned to approve the October 17, 2024 meeting minutes as presented.

Seconded by: Cortez S.

Motion: Passed unanimously

IV. Action/Vote – 2025 Operating Budget - 2nd Draft

Individual(s) addressing the Committee: Jessica Iennarella

Discussion: Jessica I. presented the second draft of 2025 operating budget & discussed material changes made since second draft. Also presented comparative data to 2024 projections. Budgeted net surplus which meets requirements of budget memorandum.

Motion/moved by: Mignonne H. motioned to approve the 2025 operating budget as presented.

Seconded by: Cortez S.

Motion: Passed unanimously

V. Action/Vote – 2025 – 2029 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: Marcus R. motioned to approve the 2025 – 2029 capital budget as presented.

Seconded by: Mignonne H.

Motion: Passed unanimously

VI. Action/Vote – Contact Approval – Annual Convention Venue

Individual(s) addressing the Committee: Roberta Tepper, Joel England

Discussion: Roberta T. presented the 2027 & 2028 Annual Convention contract for Sheraton Wild Horse Pass in Phoenix for approval. Roberta included updates regarding changes from the previous contract rates and answered questions regarding space and date issues.

Motion/moved by: David R. motioned for Joel E. to enter a contract with Sheraton Wild Horse Pass as presented for the 2027 Annual Convention.

Seconded by: Mignonne H.

Motion: Passed unanimously

Motion/moved by: Marcus R. motioned for Joel E. to enter a contract with Sheraton Wild Horse Pass as presented for the 2028 Annual Convention.

Seconded by: Mignonne H.

Motion: Passed unanimously

VII. Discussion – Five-year Forecast

Individual(s) addressing the Committee: Jessica Iennarella

Discussion: Jessica I. presented the five-year operating forecast based on the 2025 operating budget as the first year. Highlighted areas of growth and potential future challenges.

VIII. Information – Vanguard Investment Performance Update

Individual(s) addressing the Committee: Jessica Iennarella

Discussion: Jessica I. provided an update on the current reserve investment balances and recent performance, including current outlook as the end of October 2024.

IX. Information – State Bar of Arizona Financial Update

Individual(s) addressing the Committee: Jessica Iennarella

Discussion: Jessica I. provided current in-depth projections as part of the budget presentation. Updated projections and October financial statements will be issued later in November.

X. Information – CPF Financial Update – Q3 2024

Individual(s) addressing the Committee: Jessica Iennarella

Discussion: Jessica I. provided an update regarding the third quarter of 2024 financial operating results for the Client Protection Fund, including the status of claims processing.

XI. Information – 2023 Form 990 & 990-T Tax Return

Individual(s) addressing the Committee: Jessica Iennarella

Discussion: Jessica I. provided an update regarding the timely filing of the 2023 Form 990 & 990-T.

XII. Information – Annual & Quarterly Reporting requirements

Individual(s) addressing the Committee: Jessica Iennarella

Discussion: Jessica I. informed the committee that all outstanding reports, except the 2024 final quarter report, will be produced and submitted as part of the next meeting of FAC.

Meeting adjourned by: Chris Russell at 3:57 p.m.