

FINANCE & AUDIT COMMITTEE (F&AC)

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

May 13, 2022
1:30 p.m.
Telephonic Meeting

Minutes (Approved (9/22/22))

MEMBER ATTENDANCE:

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

A – David Rosenbaum, Chair

T – Kelsi Taylor Lane, Vice Chair

T – Dave Byers

T – Mignonne Hollis

T – Eric Ruchensky

T – 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

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

CBIZ:

T – Allan C. Klose

Minutes taken by: Jessica Iennarella

I. CALL TO ORDER:

Called to Order by: Kelsi Lane

Time: 1:29 p.m.

II. CALL TO THE PUBLIC:

Individuals addressing the Committee: None

Discussion: None

III. Presentation – Audit Kick-Off

Individuals addressing the Committee: Allan C. Klose

Discussion: Presented 2021 financial statement audit kick-off information.

IV. Action/Vote – 2021 Annual Surplus – Reserve Account Allocation

Individual(s) addressing the Committee: Kathy Gerhart

Discussion: Kathy G. presented the 2021 annual surplus and previously approved reserve allocations, with request for Committee to determine timeline for investing. Multiple timelines were reviewed.

Motion/moved by: Mignonne H. motioned to hold the entire reserve allocation until August 2022's meeting of the Committee.

Seconded by: Eric R.

Motion: Failed

Motion/moved by: Mignonne H. motioned to hold 75% of the reserve allocation until August 2022's meeting of the Committee, and invest the remaining 25% in May 2022.

Seconded by: Eric R.

Motion: Failed

Motion/moved by: Eric R. motioned to hold 50% of the reserve allocation until August 2022's meeting of the Committee, and invest the remaining 50% in May 2022.

Seconded by: Mignonne H.

Motion: Passed unanimously

V. Action/Vote – 2025 Convention Hotel Contract

Individual(s) addressing the Committee: Roberta Tepper

Discussion: Roberta T. presented the Convention hotel contract for 2025, including alternative considerations.

Motion/moved by: Dave B. motioned to approve staff to move forward with signing the 2025 Convention hotel contract.

Seconded by: Mignonne H.

Motion: Passed by majority vote – 1 vote against

VI. Discussion – 24th Street Building Update

Individual(s) addressing the Committee: Joel England, Kathy Gerhart

Discussion: Joel E. and Kathy G. presented information regarding external party interested in purchasing the building. Reviewed plan for response to offer including Committee follow-up steps.

VII. Information – Q4 Quarterly Reports – 2021

Individual(s) addressing the Committee: Kathy Gerhart

Discussion: Kathy G. presented quarterly reports for 4th quarter of 2021.

I. Information – Vanguard Investment Performance Update

Individual(s) addressing the Committee: Kathy Gerhart

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

II. Information – State Bar of Arizona April 2022 Financial Update

Individual(s) addressing the Committee: Jessica Iennarella

Discussion: Jessica I. provided high-level projections for financial statements through April 2022. Actual surplus larger than budgeted based on current information. Provided detailed annual fees update – current fees collection is less than prior years.

Meeting adjourned by: Kelsi Lane at 2:32 p.m.