

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

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

November 16, 2023  
3:00 p.m.  
Telephonic Meeting

**Minutes (Approved (2/22/2024))**

**MEMBER ATTENDANCE:**

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

**T – Doreen McPaul, Chair**

**A – Mignonne Hollis, Vice Chair**

**A – Dave Byers**

**T – Denis Fitzgibbons**

**T – David Rosenbaum**

**T – Chris Russell**

**T – Elizabeth Schmitt**

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

**A – Benjamin Taylor (President – Board of Governors)**

**OTHER ATTENDEES:**

**State Bar Staff:**

**T - Joel England**

**T – Kathy Gerhart**

**T - Maret Vessella**

**A - Joe Hengemuehler**

**T – Deanna Commack**

**A - Lori Maxwell**

**T - Lisa Panahi**

**T – Roberta Tepper**

**A – Carrie Sherman**

**T – Trish McCarty**

**T – Jessica Iennarella**

**T – Nick Gustin**

**Minutes taken by: Jessica Iennarella**

**I. CALL TO ORDER:**

**Called to Order by: Doreen McPaul**

**Time:** 3:01 p.m.

**II. CALL TO THE PUBLIC:**

**Individuals addressing the Committee:** None

**Discussion:** None

**III. Action/Vote – 2024 Operating Budget – 2<sup>nd</sup> Draft**

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

**Discussion:** Jessica I. presented 2<sup>nd</sup> draft of 2024 operating budget & discussed material changes made since 2<sup>nd</sup> draft. Also presented comparative data to 2023 projections. Budgeted net surplus which meets requirements of budget memorandum.

**Motion/moved by:** David R. motioned to approve the 2024 operating budget as presented.

**Seconded by:** Denis F.

**Motion:** Passed unanimously

**IV. Action/Vote – 2024 – 2028 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:** Chris R. motioned to approve the 2024 capital budget as presented.

**Seconded by:** Denis F.

**Motion:** Passed unanimously

**V. Action/Vote – JustWare Replacement Software – Contract Approval**

**Individual(s) addressing the Committee:** Joel England, Nick Gustin

**Discussion:** Joel E. presented the proposed contract for eProsecutor including anticipated costs and implementation timeline. Nick G. provided additional context regarding need for change in software.

**Motion/moved by:** Liz S. motioned to authorize State Bar staff to sign a five-year contract within terms presented with eProsecutor, to replace JustWare as SBA’s case management software.

**Seconded by:** David R.

**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 2024 operating budget as the first year. Highlighted areas of growth and potential future challenges.

**VII. Information – 2022 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 2022 Form 990 & 990-T.

**VIII. Information – 2023 Q3 CPF Financial Statements**

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

**Discussion:** Kathy G. presented the financial statements for Client Protection Fund for the third quarter of 2023, including current claims status.

**IX. Information – State Bar of Arizona September 2023 Financial Update**

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

**Discussion:** Jessica I. provided an update regarding significant financial activities through September 2023, including CLE performance, early MCLE filings and operating expenses.

**X. 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 of mid-November 2023.

**XI. Information – 2023 – Q3 Quarterly Reports**

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

**Discussion:** Kathy G. presented quarterly reports for 3<sup>rd</sup> quarter of 2023, along with the CEO/ED and CFO Certification of Financial Statement and Policy Compliance.

**Meeting adjourned by:** Doreen McPaul at 3:52 p.m.