

FINANCE & AUDIT COMMITTEE (F&AC)

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

May 16, 2024
3:00 p.m.
Telephonic Meeting

Minutes (Approved (8/29/2024))

MEMBER ATTENDANCE:

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

T – Doreen McPaul, Chair

T – Mignonne Hollis, Vice Chair

T – Dave Byers

A – Denis Fitzgibbons

A – David Rosenbaum

T – Chris Russell

T – Elizabeth Schmitt

T – 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 – Jessica Iennarella

A – Maret Vessella

A – Joe Hengemuehler

T – Lori Maxwell

T – Trish McCarty

A – Lisa Panahi

T – Carrie Sherman

A – Roberta Tepper

T – Deanna Commack

T – Octavius Garrett

Minutes taken by: Octavius Garrett

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 – Approval of Meeting Minutes – 4/18/24

Individual(s) addressing the Committee: Doreen McPaul

Discussion: Doreen M. presented the meeting minutes for April 18, 2024, for review and approval.

Motion/moved by: Dave B. motioned to approve the April 18, 2024, meeting minutes as presented.

Seconded by: Mignonne H.

Motion: Passed unanimously

IV. Discussion – 2023 Financial Statement Audit Update

Individual(s) addressing the Committee: Jessica Iennarella

Discussion: Jessica I. informed the Finance & Audit Committee that the audit fieldwork start time has been moved from the first week in May 2024, to the last week in June 2024. This change does not alter the cost of the audit, nor the anticipated timing of the audit results.

V. Discussion – Reserve Policy – Opportunity Reserve Update

Individual(s) addressing the Committee: Jessica Iennarella, Joel England

Discussion: Jessica I. provided an update on the current definition of uses for the Opportunity reserve, with consideration to adding a new use of the funds.

Motion/moved by: Dave B. motioned to go into executive session at 3:09 p.m. Executive session ended at 3:15 p.m. Dave B. motioned for the Finance & Audit Committee to recommend the Board add an approved use for the Opportunity Reserve – specifically, the ability to pay out discipline costs as ordered by the Presiding Disciplinary Judge.

Seconded by: Elizabeth S.

Motion: Passed unanimously

VI. 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 April 2024.

VII. Information – State Bar of Arizona March 2024 Financial Update

Individual(s) addressing the Committee: Jessica Iennarella

Discussion: Jessica I. provided an update regarding annual fees collections for 2024. Jessica I. also provided membership figures, based upon the various fee categories, from 2018 through April 2024, showcasing membership count trends.

VIII. Information – State Bar of Arizona Q4 2023 Quarterly Reports

Individual(s) addressing the Committee: Jessica Iennarella

Discussion: Jessica I. provided an update regarding the fifth and final quarterly report of 2023, significant contracts.

IX. Information – 1st Quarter 2024 CPF Financial Update

Individual(s) addressing the Committee: Jessica Iennarella

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

Meeting adjourned by: Doreen McPaul at 3:18 p.m.