

FINANCE & AUDIT COMMITTEE (F&AC)

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

September 21, 2023
3:00 p.m.
Telephonic Meeting

Minutes (Approved (1/18/2024))

MEMBER ATTENDANCE:

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

T – Doreen McPaul, Chair

T – Mignonne Hollis, Vice Chair

A – Dave Byers

T – Marcus Reinkensmeyer

A – Denis Fitzgibbons

T – David Rosenbaum

T – Chris Russell

T – Elizabeth Schmitt

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

T – Benjamin Taylor (President – Board of Governors)

T – Jessica Sanchez (Immediate Past President – Board of Governors)

OTHER ATTENDEES:

State Bar Staff:

T - Joel England

T – Kathy Gerhart

T - Maret Vessella

A - Joe Hengemuehler

T – Deanna Commack

T - Lori Maxwell

T - Lisa Panahi

T – Roberta Tepper

T – Carrie Sherman

T – Trish McCarty

T – Jessica Iennarella

T – Patricia Seguin

Lockton Companies:

T – Kevin Cummings (Partner, President)

T – Diane McDaniel (AVP – Account Executive – Team Lead)
T – Christian Gurnett (Associate Account Executive)

Sandra Day O’Connor College of Law:

T – Victoria E. Ames, JD, MA (Assistant Dean for Legal Projects & External Engagement)

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 Wellness Proposals

Individual(s) addressing the Committee: Victoria E. Ames, Joel England, Benjamin Taylor, Roberta Tepper

Discussion: Roberta T. and Joel E. discussed work wellness task force has completed since July Board retreat and different programs being evaluated. Benjamin T. and Victoria A. provided additional details regarding the potential joint program with Arizona State University.

Motion/moved by: David R. motioned that the Finance Committee recommend to the Board utilizing Opportunity Reserve to fund a wellness program(s), up to \$200,000 per year for up to three years. However, the Finance Committee is not taking a position on which wellness program should be funded.

Seconded by: Elizabeth S.

Motion: Passed unanimously

IV. Presentation – Lockton Companies

Individual(s) addressing the Committee: Kevin Cummings, Christian Gurnett, Diane McDaniel

Discussion: Kevin C., Diane M., and Christian G. presented the proposed insurance renewal rates and related coverage for the policy period 2023-2024, including an overview of the insurance market.

V. Action/Vote – Approval of Meeting Minutes – 5/18/2023

Individual(s) addressing the Committee: Doreen McPaul

Discussion: Doreen M. presented the meeting minutes for May 18, 2023 for review and approval.

Motion/moved by: David R. motioned to approve the meeting minutes as presented.

Seconded by: Mignonne H.

Motion: Passed unanimously

VI. Action/Vote – Capital Expenditure – Repurposing 2023 Capital Budget

Individual(s) addressing the Committee: Jessica Iennarella

Discussion: Jessica I. presented a detailed update regarding budgeted 2023 capital projects, including actual and anticipated spend. Requested Finance Committee approve plan to re-distribute 2023 capital funds which will not be spent as originally budgeted to different capital projects, which will otherwise be part of the 2024 capital budget.

Motion/moved by: David R. motioned to approve the re-allocation of 2023 capital project funds as presented.

Seconded by: Marcus R.

Motion: Passed unanimously

VII. Action/Vote – Sponsorship Request – Maricopa County Justice Museum & Learning Center

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

Discussion: Kathy G. and Joel E. discussed the details of a sponsorship request received from Maricopa County Justice Museum & Learning Center, including rationale for declining request.

Motion/moved by: Chris R. motioned to authorize Joel E. to decline the sponsorship request from Maricopa County Justice Museum & Learning Center.

Seconded by: Marcus R.

Motion: Passed unanimously

VIII. Action/Vote – Sponsorship Request – Los Abogados

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

Discussion: Kathy G. and Joel E. discussed the details of a sponsorship request received from Los Abogados, including rationale for approving request which is over the \$2,500 limit Joel E. can approve.

Motion/moved by: Marcus R. motioned to authorize Joel E. to approve the sponsorship request from Los Abogados at the \$3,000 level.

Seconded by: David R.

Motion: Passed unanimously

IX. Action/Vote – 2024 Discipline Survey

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

Discussion: Joel E. and Jessica S. discussed the details of a discipline survey the Diversity Task Force would like to see undertaken. Request is for Finance Committee to authorize use of Opportunity Reserve to fund the costs of the survey.

Motion/moved by: David R. motioned that the Finance Committee recommend the Board utilize the Opportunity Reserve to fund the costs of the proposed discipline survey.

Seconded by: Chris R.

Motion: Passed unanimously

X. Discussion – Auditor RPF Timeline – Update

Individual(s) addressing the Committee: Jessica Iennarella

Discussion: Jessica I. provided an update on the current progress of the RFP for the next five years of audit and tax preparation services.

XI. Discussion – 2024 Budget – Update

Individual(s) addressing the Committee: Jessica Iennarella

Discussion: Jessica I. provided an update on the current progress of the preparation of the 2024 budget. Reminded Finance Committee that initial draft will be presented in October.

XII. Information – Vanguard Investment Performance Update

Individual(s) addressing the Committee: Kathy Gerhart

Discussion: Kathy G. provided an update on the current reserve investment balances and recent performance, including current outlook as of mid-September 2023.

XIII. Information – State Bar of Arizona July 2023 Financial Update

Individual(s) addressing the Committee: Jessica Iennarella

Discussion: Jessica I. provided an update regarding significant financial activities through July 2023, including Convention results and operating expenses.

Meeting adjourned by: Doreen McPaul at 4:53 p.m.