

FINANCE & AUDIT COMMITTEE (F&AC)

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

February 20, 2025
3:00 p.m.
Telephonic Meeting

Minutes (Approved (4/17/2025))

MEMBER ATTENDANCE:

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

T – Chris Russell, Chair

T – Mignonne Hollis, Vice Chair

T – Dave Byers

T – Cortez Smith

T – David Rosenbaum

A – Diandra Benally

T – Jennifer Rebholz (Past Board Member/BLS Task Force Liaison)

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

T – Lisa Panahi

T – Roberta Tepper

T – Noah Coakley

A – Lori Maxwell

T – Trish McCarty

A – Joe Hengemuehler

T – Deanna Commack

T – Octavius Garrett

T – Mabel Ramirez

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 – 01/16/25

Individual(s) addressing the Committee: Chris Russell

Discussion: Chris R. presented the meeting minutes for January 16, 2025, for review and approval.

Motion/moved by: David R. motioned to approve the January 16, 2025, meeting minutes as presented.

Seconded by: Mignonne H.

Motion: Passed unanimously

IV. Action/Vote – BLS Task Force Funding Request

Individual(s) addressing the Committee: Jennifer Rebholz

Discussion: Jennifer R. presented a funding request and timeline to the committee regarding a campaign to enhance and develop the Board of Legal Specialization program. Ask included components related to educating the members of the Bar and the public, as well as updating the application and recertification process.

Motion/moved by: David R. motioned to approve funding up to \$55K from the opportunity reserve to update the website as related to the BLS program., in coordination with other tasks forces working on the website.

Seconded by: Cortez S.

Motion: Passed unanimously

V. Action/Vote – 2024 Annual Surplus Reserve Allocation

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

Discussion: Jessica I. presented the anticipated 2024 annual surplus with the final 2024 capital reserve funding needs, and the recommended allocation of remaining funds. Joel E. provided insight regarding recommended allocation of remaining funds.

Motion/moved by: David R. motioned to recommend funding the capital reserve as the net between depreciation expense and actual capital funding for 2024, with the remaining 2024 surplus to be allocated evenly between the annual fees and opportunity reserve.

Seconded by: Mignonne H.

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 January 2025.

VII. Information – State Bar of Arizona Financial Update

Individual(s) addressing the Committee: Jessica Iennarella

Discussion: Jessica I. provided an update regarding significant financial activities through December 2024, including anticipated surplus and outstanding items that may impact the surplus. Update given regarding production timeline of final 2024 and first quarter 2025 financial statements. Jessica also provided an update regarding January 2025 annual fees collections.

VIII. Information – Year-End 2024 CPF Financial Update

Individual(s) addressing the Committee: Jessica Iennarella

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

Meeting adjourned by: Chris Russell at 4:23 p.m.