

MEETING OF THE
BOARD OF GOVERNORS
OF THE
STATE BAR OF ARIZONA

Hassayampa Inn, Prescott

July 26, 2024

BOARD MEMBERS PRESENT: Ted Schmidt, President, Tucson; Sam Saks, President-Elect, Tempe; Doreen McPaul, Vice President, Gilbert; Kelsi Lane, Secretary/Treasurer, Phoenix; Heather Baker-Mushkatel, Phoenix; Jena Decker-Xu, Phoenix; Louis Fidel, Tucson; Denis Fitzgibbons, Casa Grande; Amy Hernandez, Tucson; David Johns, Flagstaff; Robert McWhirter, Phoenix; John Moody, Phoenix; Preston Pollock, Globe; David Rosenbaum, Phoenix; Jimmie Smith, Yuma; Benjamin Taylor, Board Advisor, Phoenix; Henry Whitmer, Prescott; Chloe Woods, Phoenix; Public Governors Cedric Dave, Chandler, and Cortez Smith, Casa Grande; At-Large Governor, Dave Byers, Phoenix; Ex-Officio, Dean Marc Miller, Tucson.

BOARD MEMBERS WITH EXCUSED ABSENCES: Robyn Austin, Tucson; Mike Baumstark, Scottsdale; Diandra Benally, Fountain Hills; Mignonne Hollis, Sierra Vista; Chris Russell, Sierra Vista.

STAFF: Deanna Commack, Executive Assistant; Joel England, CEO/Executive Director; Joe Hengemuehler, Chief Communications Officer; Jessica Iennarella, Chief Financial Officer; Lori Maxwell, CIO; Darla Neill, Assistant to the BOG; Amy Rehm, Deputy Chief Bar Counsel; Roberta Tepper, Chief Member Services Officer; Maret Vessella, Chief Bar Counsel.

Also Present: Victoria Ames o/b/o Dean Stacy Leeds, Phoenix.

Call to Order – Ted Schmidt

President Schmidt called the meeting to order at 12:16 p.m. in the Marina Room at the Hassayampa Inn in Prescott.

Call to the Public – Ted Schmidt

President Schmidt made a Call to the Public and hearing nothing, moved on to the next agenda item.

President's Report – Ted Schmidt

- Attended:
 - Swearing in of Chief Justice Timmer
 - Judicial Conference
 - NBP webinar regarding Rule of Law
- Met with the Governor, thanks to Dave Byers
- Will be establishing a Task Force to promote Rule of Law
 - Shared with new Chief Justice and she volunteered to be on the Task Force

- CEO Joel England, President-elect Sam Saks and President Ted Schmidt will travel to Chicago next week to attend the National Conference of Bar Presidents Meeting
- President Schmidt has begun working on plans for the 2025 Convention
 - Lori Zucco, President of the Cochise County Bar will, be a convention co-chair
- President Schmidt reminded the Board about the Holiday Party with the Tucson Bar on December 6th at Hacienda del Sol
- Recommends having orientation with new people on committees

CEO/ED's Report – Joel England

Mr. England thanked all for attending the Retreat.

He then gave a presentation regarding the 2nd Quarterly Highlights:

- **Strategic Priority 2:** SBA works to improve and sustain the justice system so it is fair, just and accessible to all
 - **Access to Justice Events**
 - Glendale Resource Fair
 - Partnership created with Arizona Women's Foundation
 - 3 Let ABC 15 Know events – landlord/tenant, estate planning, consumer law and Law Day Legal Clinic...helped 366 people
 - ABA Day in D.C. – supported Legal Services Corp Funding (engaged 8 members of Congress)
- **New Access to Justice Committee** formed
- **Client Protection Fund** – paid 13K in satisfying 5 claims
- **Conservatorship Program** – returned \$13.8K in client funds, inventoried 171 client files, returned 29
- **Fee Arbitration Program** – resolved 23 matters
- **Foundation/LSO support**
 - Facilitating State-wide Legal Needs Survey
 - 1st Joint Bar/Foundation report
- **ChatBot Tool** soft launched in May to engage website visitors - average of 20 conversations/day so far
- **Public Service Center** – assisted 214 callers
- **Resource Center** – assisted 3,185 callers from the public

CEO England requested feedback regarding the report and stated that the goal is to give this information to the Board.

Consent Agenda

- Approval of June 11, 2024 Board Meeting Minutes
- Approval of Resignations in Good Standing
- Approval of Resignations in Lieu of Reinstatement

President Schmidt asked whether anything needed to be added to or deleted from the Consent Agenda. Hearing nothing, he asked for a motion to accept it:

MOTION by Sam Saks to accept the Consent Agenda, seconded by Henry Whitmer, motion passes.

Finance and Audit Committee - Jessica Iennarella

- Q2 2024 Financial Statements
 - As of June 30, 2024, operational surplus of \$1,175K relative to a budgeted surplus of \$242K. Investments \$628K surplus, resulting in a positive change in net assets of \$1,804K.
 - In August have department meetings related to the 2025 budget process and will dig into variances from budget in detail.
 - Revenue is current \$238K higher than budget, but majority of variance likely timing due to CLE by the Sea registration.
 - Expenses are currently \$695K less than budget, with the variances spread among a variety of line items and departments.

CFO Jessical Iennarella indicated that we will hear more about this at the September Board Meeting, after she's done an August deep dive.

- Fiscal Responsibility
 - Financial Policies and Processes Manual
 - Manual purpose: Policies & procedures to fulfill fiduciary responsibility to Members and the Supreme Court of Arizona.
 - Manage, invest and safeguard financial resources.
 - Document is maintained by CFO and any revisions are approved by Senior Leadership, Finance & Audit Committee and Board of Governors.
 - Last comprehensive revision 3/25/2022
 - Next will be in 2025
 - Appendices to be most familiar with
 - Appendix A: Reserve Policies
 - At the end of each year, surplus is allocated between reserve accounts
 - Appendix A dictates purpose and allowed use of reserve accounts
 - Capital Reserve - Goal is to have sufficient funds for five-year capital budget (no line of credit)
 - Annual Fees Reserve - Reduce and/or delay the need to increase annual fees in a future year(s)
 - Opportunity Reserve - Special Projects; Innovation; Mission Driven Expenses; Unexpected Emergency; Discipline Costs as Ordered by PDJ
 - Appendix D: Finance-related Responsibilities
 - Board of Governors (Page 36) Approve budget & policies
 - Finance & Audit Committee - Monitor budget & compliance
 - CEO Implement budget & assure compliance
 - CFO manages financial operations & establishes controls
 - Staff Members Safeguard & apply resources

Convention Report - Roberta Tepper

Ms. Tepper advised that we had a good Convention.

- Reviews from seminars positive; good response to plenary session, etc.
- We did not have attendance budgeted for, or as many 3-day attendees
 - 800 attended education seminars

- Board Advisor Benjamin Taylor suggested that a big name will draw more people
- We need to figure out how to have attendees stay after lunch, as we had about 200 people who only attended events including the Friday lunch
- Reminder – 2025 convention June 23-25, M-W

CLE by the Sea Report – Roberta Tepper

- This was the first year this event was not held at the Hotel Coronado
 - It was held at Marriott on the Bay side of the island
- Most people were very happy
- Good attendance (200) with 4 rather than 5 tracks
- CLE sent out a survey regarding the Marriott (which is cheaper) vs. the Hotel del Coronado
- Revenue positive

Correspondence/Reports

- Executive Council Minutes May 3, 2024
- Board of Governors' – Primary Convention Events
- 2024-2025 Board/Executive Council Meeting Schedule

MOTION by Sam Saks to approve the Correspondence/Reports, seconded by Henry Whitmer, motion carries.

ADJOURNED at 12:39.