

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

**Westin La Paloma Resort & Spa
Tucson, Arizona**

June 13, 2023

BOARD MEMBERS PRESENT: Jessica Sanchez, President, Mesa; Benjamin Taylor, President-Elect, Phoenix; Ted Schmidt, Vice President, Tucson; Sam Saks, Secretary/Treasurer, Tempe; Diandra Benally, Fountain Hills; Sandra Bensley, Tucson; Nicholas Brown, Phoenix; Jena Decker-Xu, Phoenix; Denis Fitzgibbons, Casa Grande; Kelsi Lane, Phoenix; Leticia Marquez, Tucson; Robert McWhirter, Phoenix; Preston Pollock, Globe; Jennifer Rebholz, Board Advisor, Phoenix; Christopher Russell, Sierra Vista; Jimmie Dee Smith, Yuma; Public Governors Robyn Austin, Tucson, Cedric Dave, Chandler, Mignonne Hollis, Sierra Vista; At-Large Governors Mike Baumstark, Scottsdale, Dave Byers, Phoenix, and Doreen McPaul, Gilbert.

BOARD MEMBERS WITH EXCUSED ABSENCES: Dean Stacy Leeds, Phoenix; Dean Marc Miller, Tucson; John Moody, Phoenix; David Rosenbaum, Phoenix; Eric Ruchensky, Flagstaff.

BOARD MEMBERS WITH UNEXCUSED ABSENCES: Public Member Jonathan Martone, Paradise Valley.

STAFF: Deanna Commack, Executive Assistant; Tim Eigo, Editor; Joel England, CEO/Executive Director; Kathy Gerhart, Chief Financial Officer; Joe Hengemueller, Chief Communications Officer; Trish McCarty, HR Director; Lori Maxwell, Chief Information Officer; Darla Neill, Board Administrative Assistant; Lisa Panahi, General Counsel; Carrie Sherman, Director of Board Operations; Maret Vessella, Chief Bar Counsel.

GUESTS: Victoria Ames, ASU College of Law; Heather Baker-Mushkatel, Governor-elect, Phoenix; Elizabeth Schmitt, YLD President-elect, Phoenix; Cortez Smith, Public Governor-elect, Casa Grande; Lean Won, UA College of Law.

Call to Order – Jessica Sanchez

President Sanchez called the meeting to order at 1:07 pm.

Call to the Public – Jessica Sanchez

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

President's Report – Jessica Sanchez

- Presented at the June 2nd Investiture of the Hon. Daniel Kiley, Court of Appeals, Division One.
- Reminded everyone to fill out the various BOG forms and return them to staff.

CEO/ED's Report – Joel England

- Recognition of Elena Nethers, Director of DEI. Elena has coordinated the BLI program and has made a tremendous impact as a leader and mentor. Jessica Sanchez commented that Elena encouraged her to run for president and has been instrumental in her success.
- President-Elect Benjamin Taylor has made his appointments to standing Bar committees.
- Mr. Taylor will make Board assignments soon and thanks those who have responded regarding their preferences.
- Along with Benjamin Taylor and Carrie Sherman, held an orientation for Board members-elect.
 - At this time, Mr. England introduced District 6 (Maricopa County) Governor Heather Baker-Mushkatel, YLD President-elect Elizabeth Schmitt, and Cortez Smith, Public Governor-elect. District 1 (northern Arizona) Governor David Johns and Dean Stacy Leeds were unable to attend the meeting.
- Attended:
 - Judge Kiley's investiture with President Sanchez
 - MCBA Diversity Summer Social.

Nominating Committee – Jennifer Rebholz

- Candidates are:
 - Ted Schmidt, President-Elect
 - There were no nominations from the floor.

MOTION: Sam Saks moved, Jimmie Smith seconded, and the motion carried unanimously to elect Ted Schmidt as the 2023-2024 president-elect.

- Sam Saks, Vice President
- There were no nominations from the floor.

MOTION: Cedric Dave moved, Jimmie Smith seconded, and the motion carried unanimously to elect Sam Saks as the 2023-2024 vice president.

- Kelsi Lane and Doreen McPaul, Secretary/Treasurer candidates.
- Chair Rebholz announced that the Nominating Committee recommends electing Kelsi Lane to the officer position.

MOTION: Jimmie Smith moved and Bob McWhirter seconded to nominate Doreen McPaul.

- Both candidates addressed the Board regarding their qualifications and interest in the officer position and then left the meeting.

MOTION: A motion was made, seconded and carried unanimously to move into Executive Session at 1:31 p.m. The Board reconvened in Open Session at 2:04 p.m.

- The two candidates returned to meeting.
- The Board then voted by secret ballot for their top candidate. The ballots were collected and counted, pursuant to the bylaws, by the secretary/treasurer and the CEO.
- President Sanchez announced that Doreen McPaul had been elected as the 2023-2024 secretary/treasurer and offered congratulations.

BREAK: Photos of the new/2023-2024 Board and Executive Council were taken.

Appointments Committee – Ted Schmidt

- Community Legal Services Board of Directors
 - Eight applications were received for two positions. Those recommended received the most votes from the Committee:
 - Ms. Linda Tivorsak Bird, Righi Fitch Law Group
 - Ms. Katya Marie Lancero, Sacks Tierney, P.A.

MOTION: Kelsi Lane moved, Denis Fitzgibbons seconded and the motion carried unanimously to appoint Linda Bird and Katya Lancero to the Community Legal Services Board of Directors.

- Board of Governors District 2 (Yavapai County) Governor
 - The Committee interviewed the two candidates who applied but they were unable to attend this meeting.
 - The Board will interview Henry Whitmer, Signature Law Group and Eric English, The English Law Firm PLLC, at the July 21 meeting in Sedona.

Member Survey Request re: Supporting Justice V – Joel England and Joe Hengemuehler https://baylor.qualtrics.com/jfe/form/SV_4NJrem7kSIOe3FI

- Per policy, the Board must approve requests for member surveys to be circulated.

MOTION: Bob McWhirter moved, Mignonne Hollis seconded and the motion carried unanimously to disseminate the Supporting Justice V survey to the State Bar members.

Consent Agenda – Jessica Sanchez

MOTION: Jimmie Smith moved, Bob McWhirter seconded and the motion carried unanimously to remove from the Consent Agenda the final suspension list for Non-Compliance with Annual Membership Fee and/or Trust Account Compliance (Rule 32(c)(10) and/or Rule 43, Ariz.R.Sup.Ct.).

- Mr. Smith made a motion to remove the first member on the list and extend the payment deadline for all members on the suspension list to 5:00 p.m. Friday, June 16.
- CFO Kathy Gerhart stated that the member in question had paid his fees that morning.
- Mr. Smith withdrew his motion.

MOTION: Bob McWhirter moved, Mignonne Hollis seconded and the motion carried unanimously to approve the list of Suspensions for Non-Compliance with Annual Membership Fee and/or Trust Account Compliance as presented to the Board.

MOTION: Bob McWhirter moved, Chris Russell seconded and the motion carried unanimously to approve the May 19, 2023 Board meeting minutes.

Workplace DEI Survey Timeline – Jennifer Rebholz

- Discussion regarding how to get more participation in responding to DEI surveys in the future.
- Results were posted on the Bar's website; share via social media, reach out to Affinity Bars.
- Ms. Rebholz reiterated that the survey is baseline and a work in progress and will improve.
- Denis Fitzgibbons asked whether classes at the law schools are more diverse. Victoria Ames and Leah Won indicated they were and will share data with the Board.

Finance and Audit Committee – Kelsi Lane and Kathy Gerhart

The following updates are based on operating results through 1st Quarter 2023 – final income statement will be issued by tomorrow afternoon.

- Revenues
 - Overall, revenues under budget, but not by operationally significant amount so far.
 - Annual fees collections within normal variance of budget – anticipate \$10.2 million of \$10.3 million.
 - Pro Hac Vice, Board of Legal Specialization Fees, Rental Revenues, significant CLE programs and significant new publications are all tracking in line with budget.
 - MCLE late fees have exceeded budget by around \$40,000.
 - Ad Sales are less than budget by around \$30,000.
 - For 2nd quarter, will be paying close attention to continuing CLE and Ad Sales trends. Do anticipate Convention coming in under budget.
- Expenses
 - Personnel costs are less than budgeted for 1st quarter, even given budgeted vacancy factor of 3.5%.
 - Depreciation is within \$4K of budget
- Operating expenses are less than budgeted by around \$215K. For 2nd quarter, will be determining permanent versus timing, based on needs and continued revenue trends

Legislative Update – Joel England and Joe Hengemuehler

- SB 1435 was on the final read calendar that morning, was voted on and passed during the board meeting and will be sent to the Governor.
 - Mr. England to send reminder to the Governor’s General Counsel of the Bar’s (and Court’s and Bar Foundation’s) request to veto the bill.
 - Discussion regarding individuals reaching out to elected officials, Governor’s new Chief of Staff, others, and the potential for that to backfire.; members asked to contact the CEO and the CCO for talking points and any plans to engage with the Executive or Legislative Branch.

Recognition of Outgoing Board Members - Jessica

- Outgoing members in attendance presented with mementos and thanked for their outstanding service to the Board; mementos to be mailed to those not in attendance.
 - Nicholas Brown, YLD President:
 - Sharon Flack, District 2/Yavapai County (not in attendance)
 - Jonathan Martone, Public Governor (not in attendance)
 - Jennifer Rebholz, District 6/Maricopa County
 - Eric Ruchensky, District 1/Apache, Coconino, Mohave, Navajo Counties (not in attendance).

Recognition of Outgoing President by Staff – Joel England

- Surprised President Sanchez by showing a video of Board and staff members sharing personal comments and well wishes on her outstanding year as State Bar president.

Recognition of Outgoing President on Behalf of State Bar of Arizona and Board of Governors – Benjamin Taylor

- Recognized President Sanchez for her outstanding leadership and commitment to providing scholarships and programming for diverse candidates in the legal profession. At her request a donation in her name was made to the Los Abogados Foundation.
- Ms. Sanchez credited Los Abogados as reason she is on the Board to begin with and recognized her father, who passed away during her tenure as president, as her biggest cheerleader.

Passing of the Gavel – Jessica Sanchez

- Ms. Sanchez “crowned” Benjamin Taylor as the new president for 2023-2024.

Correspondence/Reports

- Executive Council Meeting – March 10, 2023
- Executive Council Meeting – April 3, 2023
- Executive Council Meeting – May 8, 2023
- Board’s Convention Events

Adjournment: Jimmie Smith moved, Bob McWhirter seconded, and the motion carried unanimously to adjourn the meeting at 3:41 p.m.

Respectfully submitted,

Sam Saks
Secretary/Treasurer