

FINANCE & AUDIT COMMITTEE (F&AC)

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

February 22, 2024
3:00 p.m.
Telephonic Meeting

Minutes (Approved (4/18/2024))

MEMBER ATTENDANCE:

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

A – Doreen McPaul, Chair

A – Mignonne Hollis, Vice Chair

T – Dave Byers

T – Denis Fitzgibbons

T – David Rosenbaum

T – Chris Russell

T – Elizabeth Schmitt

A – 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

T – Lisa Panahi

T – Carrie Sherman

T – Roberta Tepper

T – Deanna Commack

T – Octavius Garrett

Minutes taken by: Octavius Garrett

I. CALL TO ORDER:

Called to Order by: David Rosenbaum

Time: 3:02 p.m.

II. CALL TO THE PUBLIC:

Individuals addressing the Committee: None

Discussion: None

III. Action/Vote – Approval of Meeting Minutes – 11/16/23 & 1/18/24

Individual(s) addressing the Committee: David R.

Discussion: David R. presented the meeting minutes for November 16, 2023, and January 18, 2024, for review and approval.

Motion/moved by: Dave B. motioned to approve the November 2023 and January 2024 meeting minutes as presented.

Seconded by: Denis F.

Motion: Passed unanimously

IV. Action/Vote – 2023 Annual Surplus - Reserve Account Allocation

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

Discussion: Jessica I. presented the anticipated 2023 annual surplus with the final 2023 capital reserve funding needs, and the recommended allocation of remaining funds. Joel E. provided insight regarding recommended allocation of remaining funds.

Motion/moved by: Dave B. motioned to recommend funding the capital reserve as the net between depreciation expense and actual capital funding, funding the opportunity reserve at \$400K, with the remaining surplus going to the annual fees reserve.

Seconded by: Denis F.

Motion: Passed unanimously

V. Discussion – 24th Street Leasing Activity

Individual(s) addressing the Committee: Jessica Iennarella

Discussion: Jessica I. provided an update regarding the early termination status of Ste 150. The early termination with current tenant, whose firm has dissolved, has been negotiated and agreed upon. The tenant will vacate the suite no later than January 31, 2024.

VI. Discussion – 24th Street Capital Project - Unplanned Contingency

Individual(s) addressing the Committee: Jessica Iennarella

Discussion: Jessica I. provided a recap regarding a leaking pipe on the third floor along with the costs to repair. Initial assessments were completed, the insurance company was notified, and the repair work has begun. The costs will not exceed the unplanned contingency capital budget.

VII. 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 2024.

VIII. Information – State Bar of Arizona Year-End 2023 Financial Update

Individual(s) addressing the Committee: Jessica Iennarella

Discussion: Jessica I. provided an update regarding significant financial activities through December 2023, including CLE performance and operating expenses, highlighting areas most subject to change by final year-end entries.

IX. Information – State Bar of Arizona January 2024 Financial Update

Individual(s) addressing the Committee: Jessica Iennarella

Discussion: Jessica I. provided an update regarding annual fees collections for 2024.

X. Information – Client Protection Fund 2023 Financial Update

Individual(s) addressing the Committee: Jessica Iennarella

Discussion: Jessica I. provided an update regarding the 2023 financial operating results for Client Protection Fund, including the current status of claims processing.

Meeting adjourned by: David Rosenbaum at 3:26 p.m.