

ICMA Budget

Fiscal Year 2017

July 1, 2016 — June 30, 2017

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Executive Summary

Document Organization

The FY 2017 budget document begins with an executive summary, which includes a budget summary, FY 2017 strategic priorities and metrics, a description of the budgeting process, summary budget by outcome area, budget assumptions, grant-and-contract analysis, risks, and risk mitigation.

The executive summary is followed by financial reserve goals, progress anticipated toward these goals, and a summary of capital investments and depreciation. Next is the summary comparative FY 2017 budget followed by data with key priorities organized by outcome area.

Appendix A includes the strategic plan adopted in 2008 with updates of progress towards strategic objectives made in FY 2015 and FY 2016 and strategies and tactics for FY 2016 and 2017.

Budget Summary and Context

The ICMA 2017 budget is based on a continued philosophy of responding to changing factors in our environment, while positioning ourselves for the future by investing in areas that will ensure the long-term strength of the association and making course corrections as needed.

Even as the economy experienced a financial crisis, ICMA enjoyed financial success over several years, which enabled us to build net assets with steadfast fiscal discipline. In the 10-year period from FY 2004 to FY 2013, ICMA contributed approximately \$5M to net assets, after funding such initiatives as the debit card program, investments to jump-start the *Life, Well Run* campaign, and other priorities. Net assets balance at the end of FY 2013 was \$6.3M, exceeding the target of \$5.3M by approximately \$1M.

During FY 2014 and FY 2015, ICMA underwent a transition, as we experienced sharp reductions in grants and contracts funding, while at the same time reviewing and revitalizing several business lines that were no longer sustainable in their current model. The changing environment necessitated an internal reorganization, which was implemented during that period, with the goal of right-sizing the organization, focusing on key priorities more effectively, and minimizing the impact of funding fluctuations on the rest of the organization. The ability to use from reserves built during the previous years enabled us to make the necessary changes thoughtfully. The net assets balance at the end of FY 2015 was approximately \$5.8M.

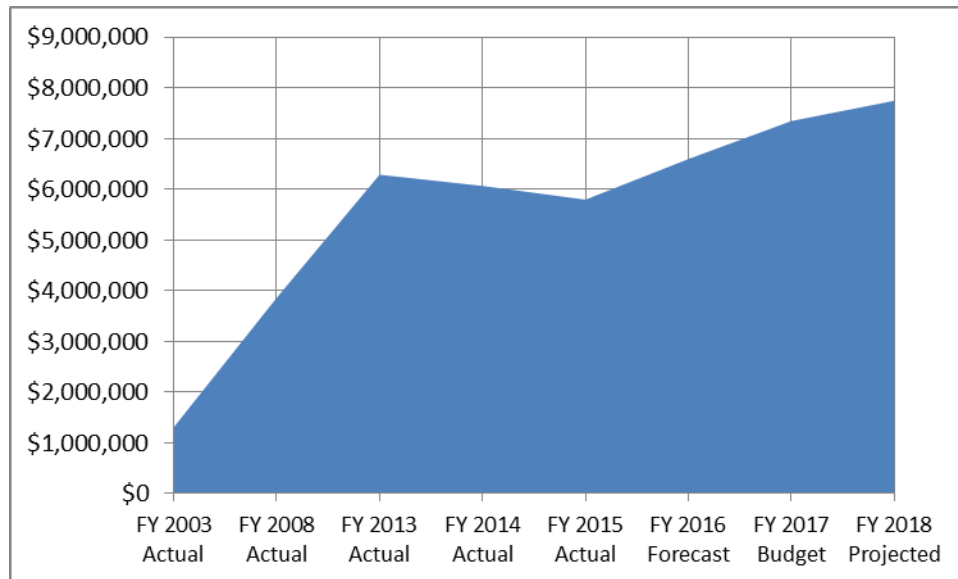
In FY 2016, we anticipate returning to profitability, with a projected net contribution of approximately \$800,000. Success in obtaining new grants and contracts, particularly the award early in FY 2016 of a five-year \$47.8M USAID contract for work in the Philippines, Strengthening Urban Resilience for Growth with Equity (SURGE), was a major factor in our ability to achieve this projected net contribution. Among other contributing factors are steadily growing membership dues revenue, increased sponsorships from ICMA-RC, and stronger-than-anticipated revenues from publications and REIT dividend. Net assets are expected to reach \$6.6M at the end of FY 2016.

The proposed FY 2017 net contribution is \$750,000, with revenues of \$37,277,947 and expenses of \$36,527,947. This consists of a net contribution from base operations, which include up to \$15M in grants and contracts revenue, of \$25,000; an additional contribution from grants and contracts in excess of \$15M of \$1,100,000; a continued investment in ICMA Insights of (\$250,000); and other one-time expenses (\$125,000).

	FY 2016 Budget	FY 2016 Forecast	FY 2017 Budget
Revenues	29,344,000	33,107,508	37,277,947
Expenses	29,419,000	32,307,508	36,527,947
Net contribution	(75,000)	800,000	750,000
FTE's	99		110

If grants and contracts revenue assumptions hold true in FY 2016 and beyond, particularly with respect to the SURGE project, the net assets goal for FY 2018 can be revised from the previously established target of \$6M to \$7.75M, as shown below. However, considering that most of the projected additions to reserves are expected to be generated from a single contract in excess of the normal, steady-state level of \$13M - \$15M, the risks and uncertainties related to our ability to reach this goal are high. In the event of an unanticipated loss of SURGE, the net assets balance will be lower, but not less than \$6M.

NET ASSETS BALANCES 2003 - 2018



FY 2017 Strategic Priorities

The FY 2016 budget approved by the board included a list of key strategic priorities for FY 2016 and beyond with a broad impact on the association and its future. As most priorities on that list are ongoing and span more than one year, ICMA will continue implementing these priorities through FY 2017. The

updated list of priorities is below. In addition, each outcome team and program has its own set of tactics and metrics that comprise the operations plan for ICMA.

- Focus on what is important to our members and our core activities
 - Promote ethics, leadership, professional development, and connecting with members
 - Engage, support, and grow membership at all levels
 - Recruit emerging leaders to ICMA
 - Engage new members
 - Enhance member benefits and continue to articulate value of membership.
- Continue to implement the recommendations made by the ICMA Task Force on Leadership building on progress made in FY 2016.
- Continue to implement approved recommendations from the Task Force on Women in the Profession and Task Force on Strengthening Inclusiveness.
- Continue to support the work of the Strategic Planning Task Force.
- Continue to fund expenses related to the executive director recruitment and help ensure a smooth transition to the new executive director.
- Continue investment in ICMA Insights, the enhanced performance management and analytics product that is offered in partnership with SAS.
- Maintain a more coordinated and targeted approach to business development and bids and proposals in order to maintain a pipeline of future international and domestic funding.
- Continue to invest in ICMA China to develop and deliver training courses to local governments in China for a fee.
- Continue focusing on generating and delivering content electronically, so that ICMA is a thought leader on local government issues.
- Gain operational efficiencies with a focus on effective use of the association management software, netFORUM, and in other process improvements.
- Implement the website redesign and a new version of SharePoint (“Inside ICMA”) to create efficiencies in content sharing across the organization.

FY 2017 Budgeting Process

ICMA is organized internally around priority outcomes to achieve the objectives in the 2008 strategic plan. Staff teams are organic and are adjusted periodically in keeping with a commitment to continuous improvement and in recognition of a changing environment. Team budgets are developed to achieve the strategies related to each area to accomplish the following:

- Increase membership through recruitment, retention, and services, and provide individual connection, support, and services to our members (*Member Services*).
- Offer professional and leadership development to address needs of various career stages (*Professional Development*).
- Identify, research, and disseminate content and best practices on local government management issues (*Research and Policy*).
- Provide access to consulting and program services on fundamental and leading management practices (*Global Program Management*).
- Offer products such as ICMA Insights that help local governments achieve effective and efficient performance management (*Performance Management and Analytics*).

- Increase the perceived value of the profession and ICMA's visibility as a valued brand (*Outreach*).
- Provide a coordinated approach to fund raising, partnerships, business development, and bid and proposal efforts (*Strategic Development*).
- Provide needed organizational support so that other teams can accomplish their goals (*Executive Office, Finance, Facilities, Office Services, Human Resources, and Information Technology*).

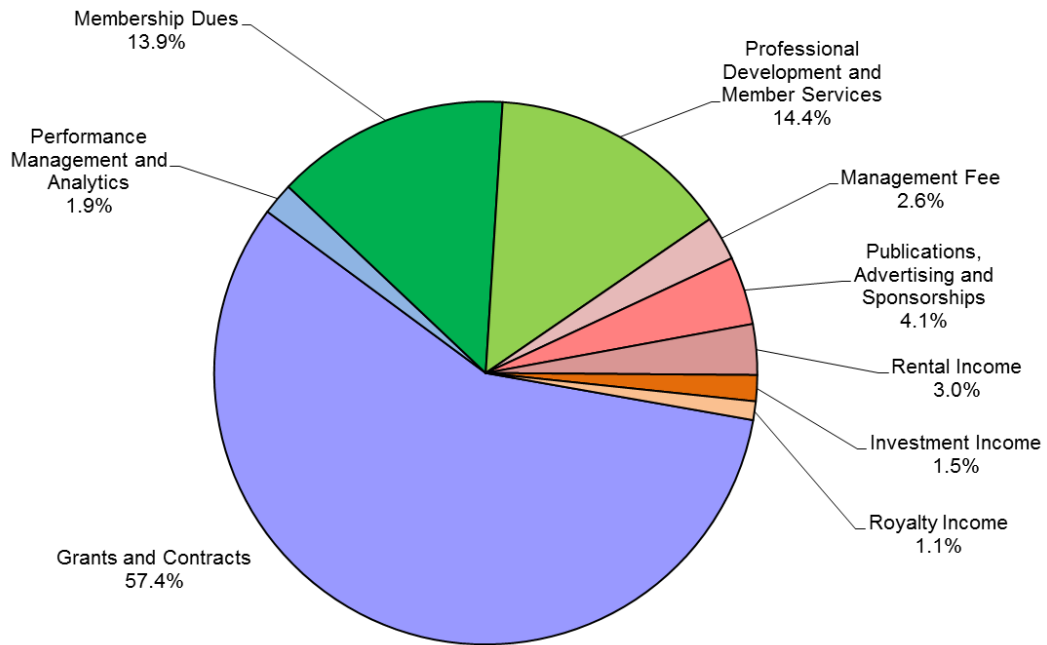
The following table shows the FY 2017 budgeted financial results by outcome area:

FY 2017 Budgeted Results by Outcome	FTEs	FY 2017 BUDGET		
		Revenues	Labor, Fringe, & Other Direct Costs	Net Contribution from Operations
Member Dues	-	\$ 5,200,000	-	5,200,000
Member Services	15.83	929,504	3,248,743	(2,319,238)
Professional Development	9.87	4,447,724	3,071,956	1,375,768
Research and Policy	3.58	691,000	1,009,120	(318,120)
Outreach	6.92	329,647	1,126,225	(796,578)
Other (SLGE, sublease, royalty, investment income)	3.32	2,965,055	1,758,193	1,206,862
Strategic Development	2.95	490,000	510,031	(20,031)
Global Program Management (up to \$15M)	26.60	14,880,016	13,171,304	1,708,712
Organizational Support	18.82	132,000	6,144,374	(6,012,374)
Net Results from Operations	87.88	\$ 30,064,947	30,039,947	25,000
Global Program Management (in excess of \$15M)	5.13	6,500,000	5,400,000	1,100,000
Performance Management and Analytics	2.90	713,000	963,000	(250,000)
One-time Expenses		-	125,000	(125,000)
Net Contribution to / (use from) Reserves	95.91	\$ 37,277,947	36,527,947	750,000

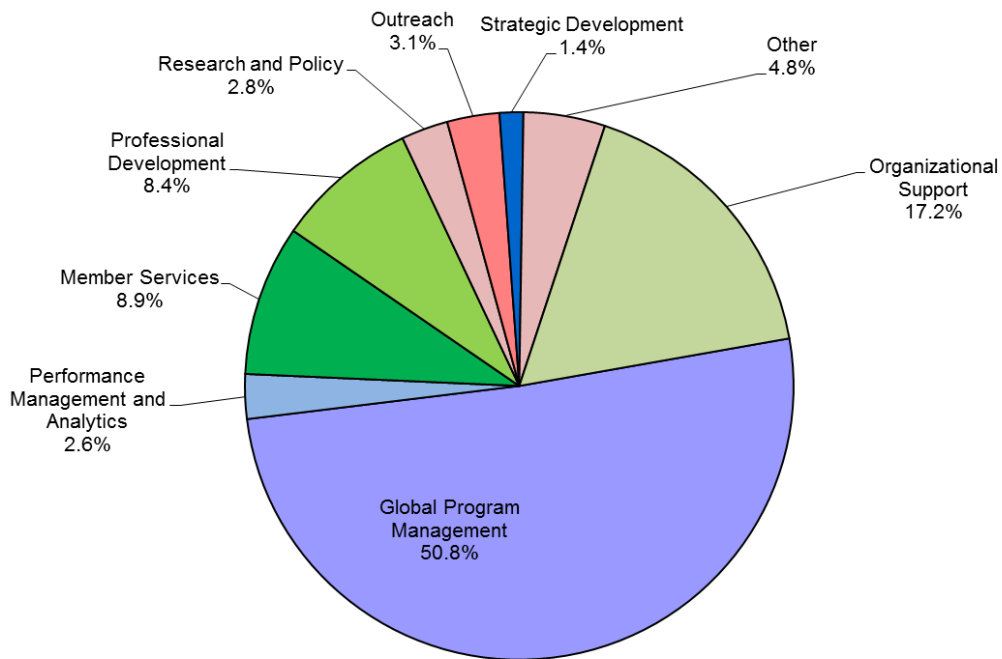
The FY 2017 budget proposes a net contribution to reserves of \$750,000, with revenues of \$37,277,947 and expenses of \$36,527,947. The budgeted net contribution from base operations, which include up to \$15M in grants and contracts, is \$25,000, with an additional contribution from grants and contracts in excess of \$15M of \$1,100,000, an investment in ICMA Insights of \$250,000, and one-time expenses related to the executive director search (\$45,000), testing of cloud solutions for the IT infrastructure (\$38,000), a security assessment of IT systems (\$15,000), and support for the outgoing website (\$27,000).

The following pie charts show the FY 2017 budgeted sources of revenue and the allocation of these revenues to the priority outcomes:

FY 2017 Budgeted Sources of ICMA Revenue



FY 2017 Allocation of ICMA Resources to Outcomes



Note: Organizational Support costs include labor, fringe, rent expense, and other direct expenses related to executive office, finance, human resources, information technology, facilities, and office administration.

Budget Assumptions

The FY 2017 budget includes the following assumptions:

Revenue Estimates

- ↑ **Membership dues** are budgeted to be higher than FY 2016 budget and approximately at the same level as FY 2016 projected results. This reflects the combined results of increasing salaries of the full member population and increasing membership with the implementation of the new flat-rate dues for department directors.
- ↓ **Annual conference** revenues and costs related to the Kansas City conference are budgeted to be lower than Seattle. Based on our experience showing that locations in the West Coast region generally attract higher attendance than those in Midwest, paid attendance is budgeted at approximately 90% of that in Seattle. The budget proposes no increase in registration fees.
- ↑ **Other professional development offerings** have higher budgeted revenues compared with the FY 2016 budget and are approximately on the same level as the FY 2016 forecast, reflecting increased sponsorships from ICMA-RC and the continued implementation of new certificate programs.
- ↑ **Research and Policy revenues** are budgeted to be higher than FY 2016 budget and forecast as we continue focusing on generating revenues from print and electronic content and on obtaining sponsorships for survey research.
- ↓ **Partnerships** revenues are projected to be lower than in FY 2016. Although budgeted revenue from Strategic Partners is higher, the FY 2016 budget included sponsorships for the Brownfields conference in the Strategic Partner program, which is not part of the FY 2017 budget. Also royalties from preferred providers are declining, with only a few relationships, such as the Center for Public Safety Management (CPSM), still generating revenues.
- ↔ **Performance Management and Analytics** revenues are budgeted to remain flat with FY 2016 forecast as we are budgeting a very modest increase in participation from the current level of approximately 120 participants to 140 participants. ICMA and SAS are in the process of renegotiating the pricing structure and assessing the usability of the software to determine enhancements needed to attract higher participation in the program. Since these negotiations are still in process, the budget assumes the status quo on pricing and product.
- ↑ **Funded Programs** revenues are budgeted at \$21.4M compared with the FY 2016 forecast of \$17M. Budgeted revenues from funded programs are significantly higher due to several new projects awarded in FY 2016, most notably the \$47.8M SURGE contract for work in the Philippines. The budget includes \$20.2M of funding in hand and an additional \$962K that we anticipate from outstanding proposals. New proposals that will be generated during the year have not been factored into potential wins to be consistent with the conservative budgeting approach assumed last year.
- ↑ **Other revenues** are budgeted slightly higher than the FY 2016 budget and forecast. Royalty payments from ICMA-RC are budgeted to be flat; the reimbursements from the Center for State and Local Government Excellence are expected to increase; sublease income is budgeted to remain flat as we renew subleases with existing subtenants or find new subtenants; and investment income from the Real Estate Investment Trust (REIT) dividend is expected to be at the same level as in FY 2016.

Expense Estimates

The FY 2017 budget includes expense estimates to deliver on funded projects and the priorities identified by the board, while maintaining ongoing core operations. Specific items that are funded are referenced under the FY 2017 strategic priorities section above.

In addition, the FY 2017 budget also includes investment in staff as follows:

- Professional development and training, maintained at approximately \$1,000 per staff.

- Average 3% increase in labor costs, which will be distributed as a combination of base pay increases and bonuses.

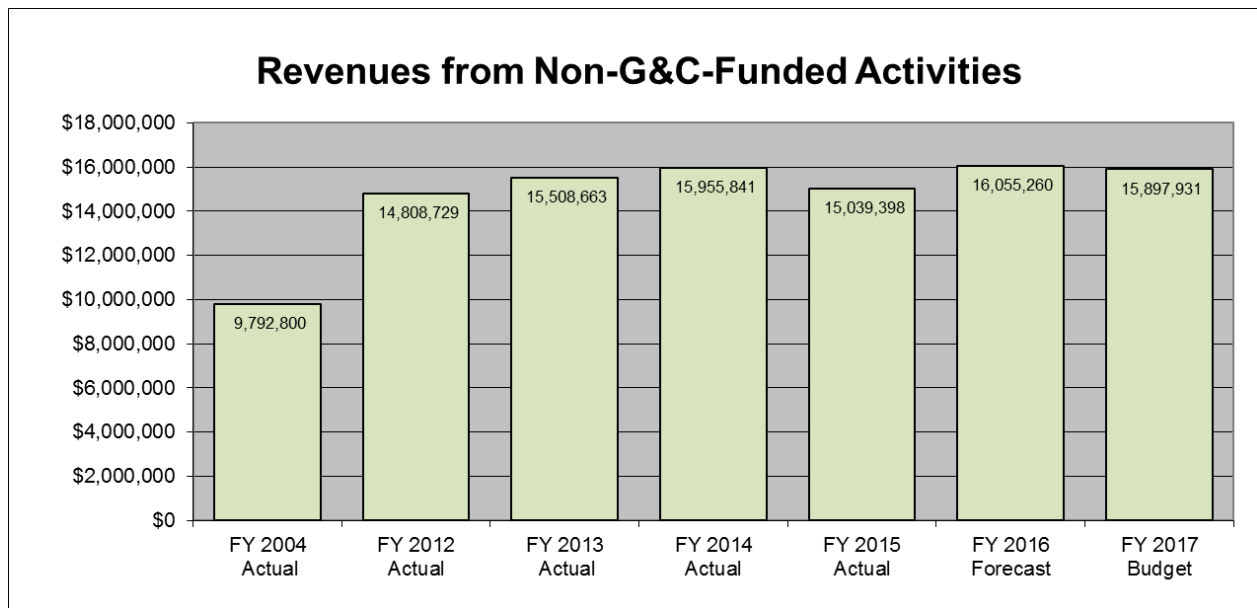
Grant-and-Contract (G&C) Analysis

Federal- and other donor-funded grant and contract (G&C) technical assistance activities (included under Global Program Management) have contributed significantly to ICMA's mission and net assets since 1990. Despite fluctuations in G&C funding, with G&C revenues reaching as high as \$19M in some recent years to as low as \$10M in FY 2015, grants and contracts still remain the largest single source of revenue for ICMA. With the award of the \$47.8M USAID-funded SURGE contract in the Philippines, the FY 2017's budgeted G&C revenue of \$21.4M will be the highest G&C revenue for ICMA, comprising approximately 57% of total ICMA revenues.

While providing benefits to ICMA, these sources come with higher risks, such as the uncertainty of obtaining projected funding; the delay in award of proposals leading to staff downtime and/or to staff reductions; the ability to implement projects and to spend available funding in hand without interruptions and obstacles; the challenges of working in high-risk countries; funders imposing heavy compliance requirements and restrictions on indirect cost recovery; and the possibility of having costs disallowed during an audit after project completion.

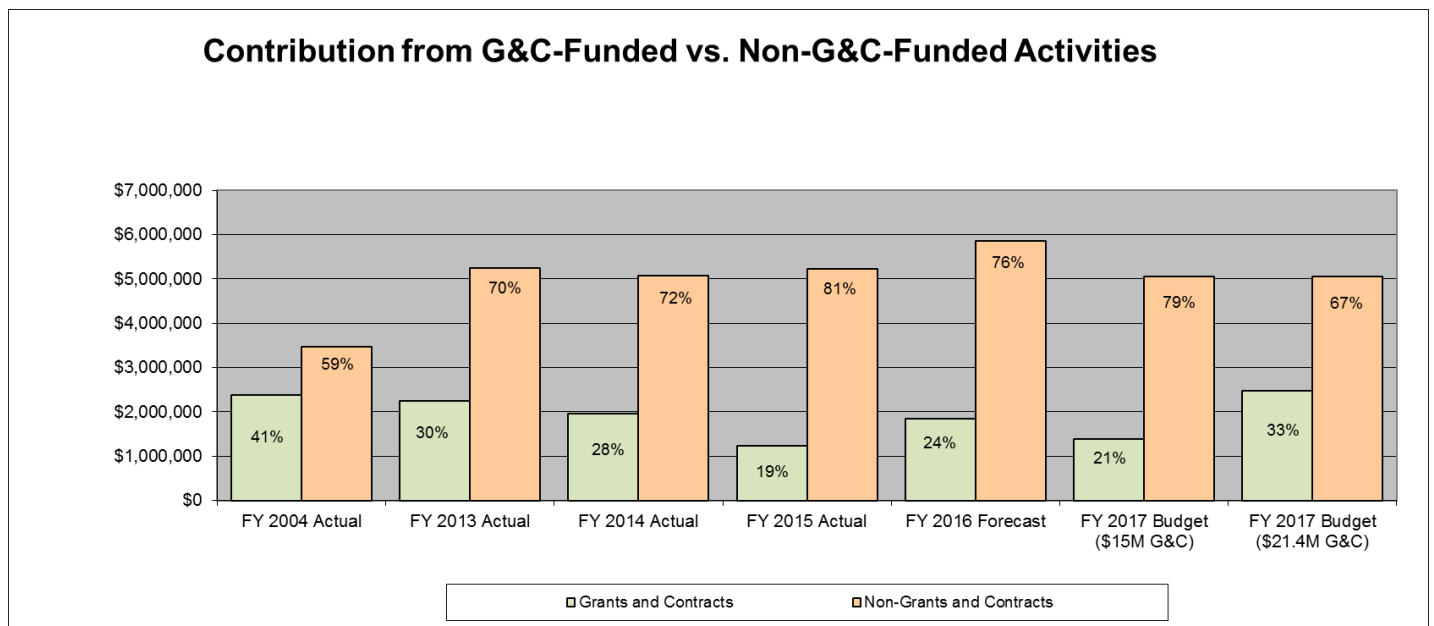
Since FY 2004, ICMA has been focused on reducing its reliance on grants and contracts by successfully pursuing such strategies as attracting sponsorships; ensuring a higher contribution from the annual conference; offering new professional development products; trying and revising other business models, such as with CPSM and ICMA Insights; providing management services to the Center for State and Local Government Excellence for a fee; and generating cash from the headquarters building by converting ownership to a REIT structure, all with a goal of increasing the contribution from non-G&C-funded activities.

Revenue from non-G&C-funded activities includes income from membership dues, annual conference and other professional development offerings, Job Center, sales of publications, survey research, performance management, strategic partnerships, sponsorships, advertising, subtenant rent, and management services income from the Center for State and Local Government Excellence, as well as royalty income, REIT dividend income, and other investment income.



As evidenced in the chart above, the focus on increasing non-G&C revenues has been successful as revenues from these areas increased from less than \$10M in FY 2004 to approximately \$15M in FY 2015 and \$16M projected for FY 2016. The FY 2015 revenue from these sources was lower than the FY 2014 actuals because of reduced revenues resulting from the change in the business model in CPSM and in publishing. In FY 2017, revenue from non-G&C activities is projected to be approximately \$15.9M.

The contribution towards general support costs and net assets from G&C activities up to \$15M included in base operations is projected to be at 21% of the total net contribution, with the remaining 79% contributed by non-G&C activities. The excess of G&C revenue over the \$15M will increase the G&C contribution to 33%, with 67% coming from non-G&C activities. The general support costs in the context of measuring contributions include general ICMA-wide marketing, brand management, communications, digital strategy, executive office, human resources, information technology, finance, facilities, and office administration.

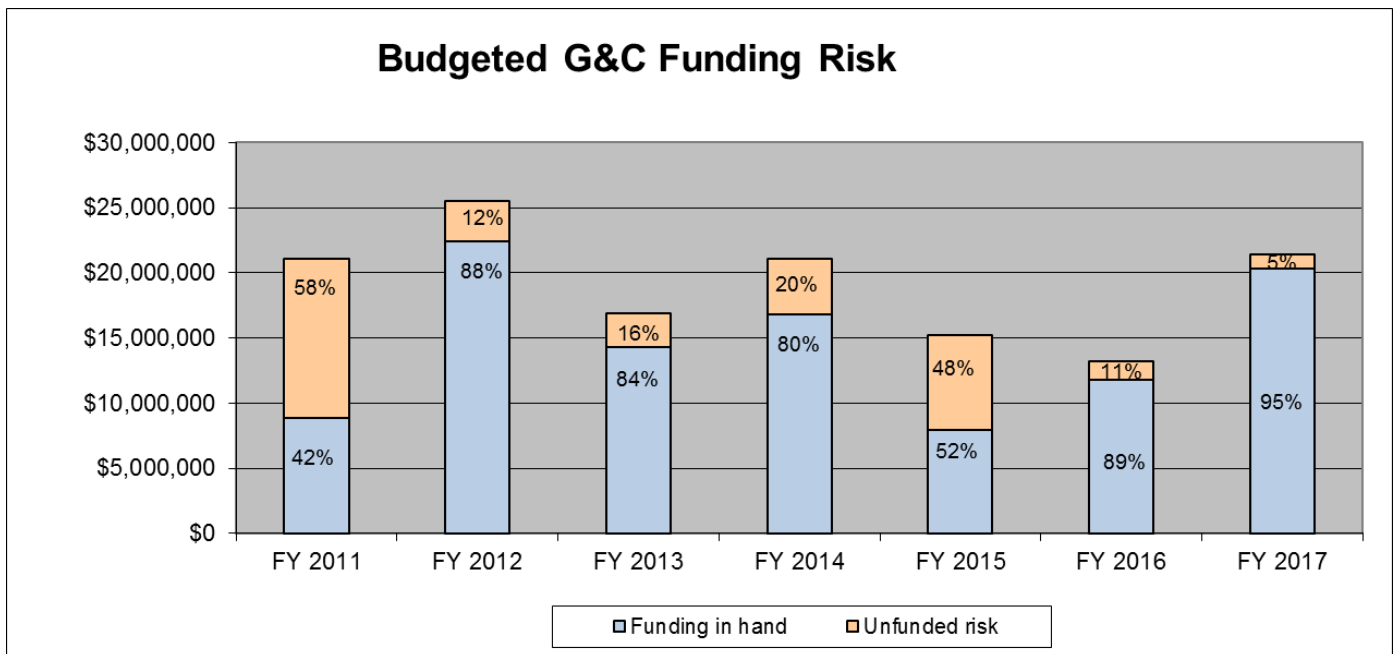


Risks

Risks inherent in the FY 2017 budget that might affect actual results include:

- Continued heavy reliance on funding from one primary source, USAID, for international G&C work is still an area of high risk as this funding source is volatile, influenced by changing political environments and other factors, and comes at a high cost of compliance. In addition, heavy reliance on revenues from a single project, SURGE, increases this risk. Revenues from SURGE are projected to be at \$6.5M in FY 2017, which is approximately 30% of G&C revenue and 17% of total ICMA budgeted revenue. The single largest risk in the budget is that work in the Philippines may be interrupted or stopped and the contract cancelled by the funder due to changes in the funder's priorities, project implementation challenges, political and security environment in the country, or other factors.
- The Kansas City conference is expected to attract lower attendance than the conference in Seattle, with the budget based on the assumption that paid attendance will reach 90% of that of Seattle.
- Local governments' restrictions or freezes on discretionary spending continue to be a risk as they might adversely affect membership dues, participation in professional development programs, and participation in direct technical assistance activities. A 5% reduction in these areas would reduce revenues by \$500,000 without an appreciable reduction in related expenses.
- The FY 2017 budget includes a continued investment in ICMA Insights of \$250,000, which assumes current tiered product pricing of the software and a modest increase in participation to 140 participants from the current level of approximately 120. SAS will soon be conducting "user labs" aimed at gathering information that will help us better understand the challenges users face with the existing product. SAS will then propose a product solution to address these issues. Results of this activity will inform the future direction of Insights including product structure, pricing, and revenue share. Because the results of this review are unknown at this time, the budget assumes current product structure and pricing; however, these assumptions will change as more information becomes available. Staff will provide an update to the board of the results of this review and the options ICMA has with respect to the future direction of the program at the November 2016 board meeting.
- There continue to be additional risks associated with federal program audits. A Special Inspector General for Afghanistan Reconstruction (SIGAR) audit of a major project in Afghanistan is still open, awaiting USAID's decision regarding the \$1.8M in questioned costs. This risk has increased with the award of SURGE, a federal contract, which has a high risk of undergoing a government audit in the coming years.
- The amount of unfunded G&C revenue included in the budget—\$962,120 (approximately 5% of total budgeted G&C funding and 2.6% of total revenue)—is the lowest unfunded amount in recent years, reducing the risk included in the budget. The unfunded amount fluctuates each year based on awards in hand and our average win rate applied to outstanding or pending proposals and reflects the anticipated return on the investments made in business development and bid and proposal activities. The FY 2017 unfunded revenue was budgeted conservatively, not assuming any wins on any proposals that will be submitted in FY 2017. In addition, an equivalent of 2.5 FTEs, or \$267,510, of current staff labor is budgeted as unfunded. This labor will become funded as new projects get awarded in the course of the year.

The chart below shows the history of unfunded amounts included in the budgets for both domestic and international grants and contracts. Actual G&C revenues have ranged from 68% to 113% of budgeted G&C revenues over the past 3 years.



Risk Mitigation

Although the FY 2017 budget assumes significant increases over FY 2016 budget in total revenues (\$37.3M vs. \$29.3M) and net contribution (\$750,000 vs. loss of \$75,000), a significant portion of these increases is dependent on revenues from a single high-risk award, SURGE. Any negative developments with SURGE would adversely impact our ability to realize budgeted G&C revenue and, consequently, to meet the budgeted net contribution. ICMA will mitigate against this risk by continuously monitoring the project performance and making adjustments as needed. In addition, in developing the FY 2017 budget, we continued to follow the principles of organizational sustainability and fiscal discipline committed to during the FY 2015 reorganization, which was undertaken with the goal of minimizing the impact of possible funding reductions on member services and on other business lines and gaining operational efficiencies. We are also focused on contract compliance to mitigate against the risk of future audit findings.

With respect to the risks associated with Insights, staff are reviewing all aspects of the business line and will present options for the board to consider at the November 2016 board meeting.

To address other risks, in FY 2017, each outcome team is tasked with developing key metrics of success and trigger points to measure progress. ICMA's leadership team tracks leading indicators on the various business lines looking for early warning signs, and if assumptions do not hold true, will implement corrective action.

Financial Goals

Net Assets

Net assets represent the accumulated earnings of an organization and are increased or decreased as a result of annual operating surpluses or deficits. It is a measure of an organization's long-term financial stability and capacity and is calculated as assets less liabilities. The median net assets balance of nonprofit organizations, as reported by the American Society of Association Executives, is approximately 50% of the average operating budget.

ICMA's net assets balance was \$1.3M at the end of FY 2003 when the board began setting net assets goals and interim targets in 5-year increments. During the 10-year period from FY 2004 to FY 2013, net contributions totaled approximately \$5M and the net assets balance at June 30, 2013, was \$6.3M, exceeding the target of \$5.3M by approximately \$1M.

As ICMA transitioned from G&C revenues of over \$19M in FY 2012 to approximately \$17.5M in FY 2014, with a further reduction to \$10.3M in FY 2015, the board in FY 2014 approved using FY 2014 and FY 2015 as transition and investment years to help us manage to the new level of revenues and to make the necessary investments to position us for the future. The net assets target for FY 2018 was set at \$6M to allow us to manage the transition thoughtfully. Besides responding to the impact of reduced G&C funding, ICMA at the same time had to reinvent itself and make necessary changes to several other business models, including performance measurement, publishing, and the Center for Public Safety Management, while continuing to invest in member benefits and services and raise awareness of the profession through the *Life, Well Run* campaign. To fund the transition, ICMA used \$491,635 from reserves in FY 2014 and FY 2015, with the net assets balance at June 30, 2015, of \$5.8M.

With reduced funding in hand at the beginning of FY 2016, the changes made in FY 2015 positioned us for a break-even year, even as we began funding board priorities related to enhancing member outreach and benefits, making changes in membership dues for department heads, funding expenses related to the Strategic Planning Task Force, implementing recommendations of other board-appointed task forces, and investing in ICMA Insights and in operational efficiencies, with the goal of returning to profitability in the out years. However, early in FY 2016, ICMA was awarded a five-year, \$47.8M USAID-funded SURGE contract for work in the Philippines, which changed our funding situation. This necessitated other actions, such as recruitment of additional program management and support staff, and review and enhancement of ICMA's compliance with federal contracting rules. Due primarily to the increases in G&C funding, the FY 2016 projected net contribution is \$800,000 compared to the budgeted loss of \$75,000.

It is important to note that despite the anticipated increase in grants and contracts revenue, starting with FY 2016 and over the next few years, ICMA remains committed to the goals and principles of the recently implemented reorganization, with an emphasis on fiscal discipline and a financial model that minimizes the effect of fluctuations in G&C funding on member services and other programs, and that emphasizes operational efficiencies. This is especially important given that almost all of the net contribution anticipated in FY 2016 and FY 2017 is a result of the excess of G&C funding over the "normal" levels of \$13M – \$15M and may even be viewed as a result of SURGE alone. This means that our ability to meet the net assets goal of \$7.75M in FY 2018, as presented in the chart below, largely depends on our ability to successfully implement SURGE. If any factors impacted the implementation of SURGE, we would still be in a position to exceed the original FY 2018 target of \$6M.

Fiscal Year/Description	Net addition to / (use of) reserves	Net Assets Balance
FY 2013 balance		\$6,291,566
FY 2014 use from reserves (includes write off of unsaleable print inventory, old CPM software, transition of CPSM)	(221,239)	\$6,070,327
FY 2015 use from reserves (includes termination costs of reductions in staffing and write off of remaining print inventory)	(270,396)	\$5,799,931
FY 2016 forecast (includes net contribution from SURGE, expenses related to Strategic Planning Task Force, executive director search, and other board priorities)	800,000	\$6,599,931
FY 2017 budget (includes net contribution from G&C funding in excess of \$15M, expenses related to Strategic Planning Task Force, executive director search, and other one-time expenses)	750,000	\$7,349,931
FY 2018 projected	400,069	\$7,750,000

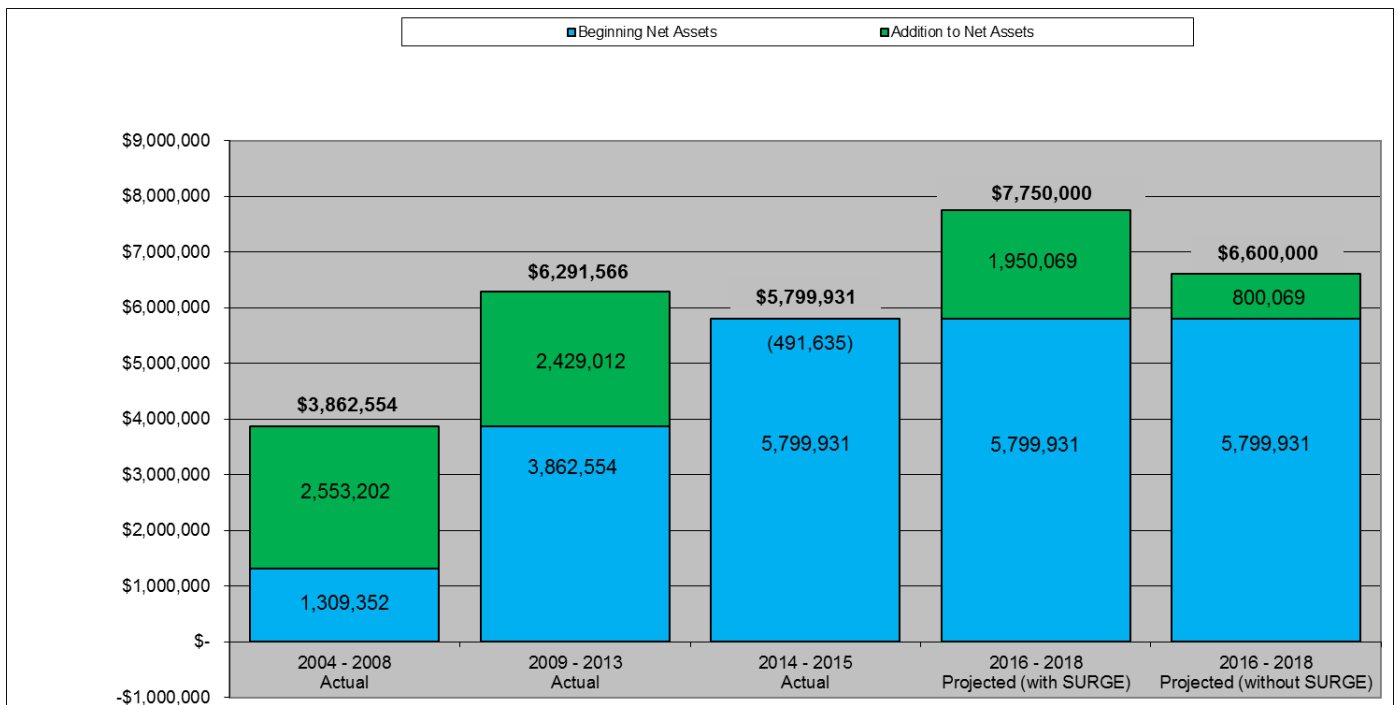
Net assets are being built to help manage transitions and to make investments in the future as necessary. The net assets target will be reviewed and adjusted annually based on actual performance. The overall net assets targets are further divided into separate “buckets” to ensure that reserves are set up for various kinds of risks.

The table below shows the overall net assets goal and the incremental target for FY 2018:

Composition of Net Assets (NA)	NA Goal	FY 2015 NA Balance	FY 2018 NA Target (with SURGE)	FY 2018 NA Target (without SURGE)
Non-G&C expenses (6 months)	\$8,705,000	\$3,883,931	\$5,190,000	\$4,419,000
New investments	1,000,000	446,000	596,000	508,000
High risk award contingency (3% of award)	3,295,000	1,470,000	1,964,000	1,673,000
TOTAL	\$13,000,000	\$5,799,931	\$7,750,000	\$6,600,000
NA as a percentage of average annual expenses of \$29.7M	44%	20%	26%	22%
NA balance as a % of total NA goal		45%	60%	51%

The graph below shows the historical, current, and projected net assets balances based on the assumptions outlined above. **The ability to achieve the projected contribution is contingent on all of the uncertainties previously noted.**

NET ASSETS BALANCES 2003 - 2018



Cash and Investments

The cash reserves goal (different from the net assets goal), which includes operating cash and investment reserves, is to provide ICMA with the resources needed to continue delivery of its programs in the event of delayed payments from funders and to prevent ICMA from making expensive short-term crisis-based decisions and focus on sound long-term decision making. The minimum cash reserve suggested by the Nonprofit Operating Reserves Initiative Workgroup is 25%, or three months of the annual operating expense budget.

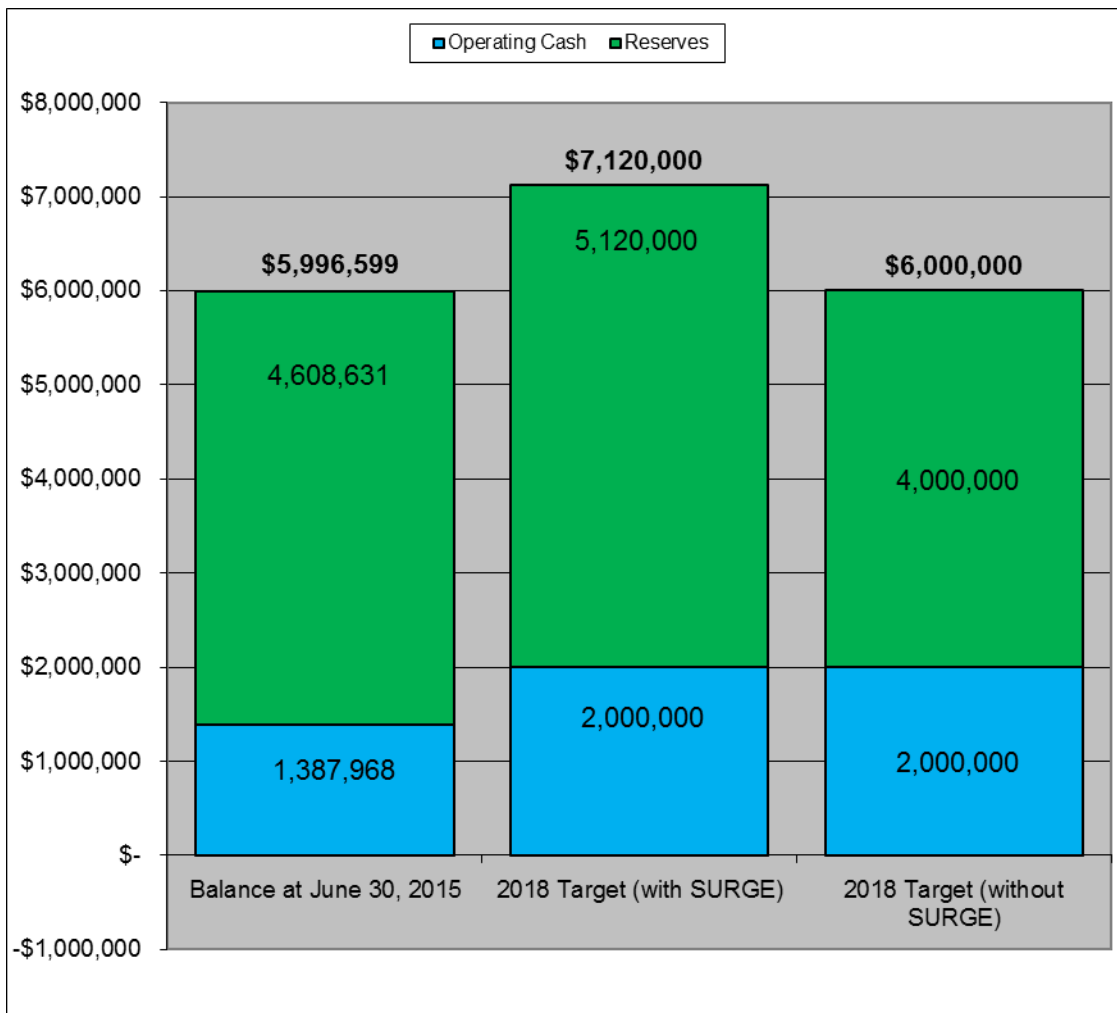
The table below shows the overall cash and investment reserves goal and the incremental target for the next five-year period of FY 2014 – FY 2018:

Composition of Cash and Investments (based on average of FY 2015, FY 2016, and FY 2017 budget)	Cash & Investments Goal	FY 2015 Cash Balances	FY 2018 Cash Target (with SURGE)	FY 2018 Cash Target (without SURGE)
Non G&C cash expenses (6 months)	\$8,485,000	\$3,981,599	\$4,727,000	\$3,984,000
High risk award contingency (3% of award)	3,295,000	1,546,000	1,836,000	1,547,000
Infrastructure Investments	1,000,000	469,000	557,000	469,000
Total cash and investments	\$12,780,000	\$5,996,599	\$7,120,000	\$6,000,000
Cash and investments balances as a percentage of average annual cash expenses of \$29M	44%	20.5%	24%	20.5%
Cash balances as a % of total cash goal		47%	56%	47%
Months covered	5.2	2.5	2.9	2.5

The interim cash goal set for ICMA to reach by FY 2013 was \$4,420,000 with the FY 2018 target set at \$7.1M. Actual cash and investment balance was \$6,439,702 at June 30, 2013, and \$5,996,599 at June 30, 2015, reflecting higher than usual use of cash in FY 2015 due to the investment in the new association management software, netFORUM. In addition, progress toward cash goals fluctuates based on the kinds of G&C awards and the timing of receipts and payments. Because ICMA operates on a reimbursement basis for funded projects, invoicing funders after expenses have been incurred, the cash flow fluctuates depending on timing of payments on outstanding invoices, which could take up to 90 days.

If G&C revenue assumptions hold true, cash balances are projected to increase through FY 2018 even as we continue to fund capital investments in netFORUM and other priorities.

The graph below shows the current and projected operating cash and reserve balances. Operating cash also includes balances in foreign bank accounts, where we need cash to operate field offices.



Capital Investments and Depreciation

As part of the annual budgeting process, capital investments are reviewed to determine the equipment and software that need to be replaced over the next three years. The useful life of the asset is estimated, and the capital investment is depreciated over that period. Depreciation expense of \$462,562 is included in the FY 2017 operating budget. This includes approximately \$225,000 of depreciation of the new association management software, netFORUM, which was placed in operation in FY 2015. Decisions on financing capital investments are based on available and required operating cash and reserves. Currently, ICMA has no investments that are financed, and it has used its working capital to fund existing capital investments.

The table below shows the capital investments made to date that still have a book value, and investments projected in FY 2017 – FY 2019 with the related depreciation costs.

Capital Asset	Acquisition Year	Cost	Life in yrs.			
				FY 2016	FY 2017	FY 2018
Existing Furniture	FY 2002-2016	117,278	10	11,583	9,724	7,897
SUBTOTAL Furniture				11,583	9,724	7,897
Shredder, hot water heater, misc.	FY 2011-2016	17,594	5	1,077	1,450	2,000
SUBTOTAL Office Equipment				1,077	1,450	2,000
IT Hardware & Copiers existing	through FY 2016	523,606	3-5	87,000	58,871	31,641
IT Hardware	FY 2017	125,000	3	-	9,167	25,333
IT Hardware	FY 2018	55,000	3	-	-	9,167
IT Hardware	FY 2019	55,000	3	-	-	-
VOIP	FY 2014	355,542	7	50,792	50,792	50,792
Stutz conference room audio upgrade	FY 2016	30,000	7	2,143	4,286	4,286
SUBTOTAL IT Hardware				139,935	123,115	121,218
KN/website	through FY 2015	163,051	2-5	17,329	-	-
Website redesign	FY 2017	450,000	7	-	32,143	64,286
Sharepoint	FY 2015-FY 2017	105,000	7	7,500	15,000	15,000
Software upgrades	FY 2016	27,221	3	8,345	9,074	5,266
Software enhancements	FY 2017	203,600	3-7	-	19,648	39,295
Software enhancements	FY 2018	100,000	7	-	-	7,143
Document management software	FY 2018	150,000	7	-	-	10,714
Association management software	through FY 2016	2,101,415	10	176,450	218,564	218,564
Association management software	FY 2017	100,000	10	-	6,250	12,500
SUBTOTAL Software				209,624	300,679	372,768
Office space maintenance	through FY 2016	410,327	10	21,065	23,845	17,750
Office space maintenance	FY 2017	105,000	10	-	3,750	7,500
Office space maintenance	FY 2018	200,000	10	-	-	10,000
SUBTOTAL Leasehold Improvements				21,065	27,595	35,250
TOTAL				383,283	462,562	539,134

Summary Comparative Budget FY 2017

The following tables show the revenues, expenses, and net contributions for each of the major programs within each business line for the FY 2015 actual results, FY 2016 budget, FY 2016 forecast, and the FY 2017 proposed budget. The last table shows the full-time equivalent positions budgeted for FY 2015, FY 2016, and FY 2017.

FY 2016 revenues are budgeted at \$37.3M, compared to FY 2016 projected revenues of \$33.1M. The increase is primarily in the area of funded grants and contracts, with most of the funding for FY 2017 already in hand. The revenue assumptions for FY 2017 compared to prior years have been discussed in previous sections of this document.

FY 2017 expenses are budgeted at approximately \$36.5M, compared to FY 2016 projected expenses of \$32.3M. The FY 2017 budget includes expenses to accomplish the priorities discussed in the previous sections of this document and to deliver on funded projects.

Net addition to reserves for FY 2017, projected to be at \$750,000, consists of a net contribution from base operations of \$25,000, with an additional net contribution of \$1,100,000 from G&C funding in excess of the \$15M included in base operations, continued investment in ICMA Insights of \$250,000, and expenses related to the executive director search (\$45,000) and other one-time expenses (\$80,000).

FY 2017 full-time equivalent positions (FTEs) are budgeted at 110, up from 100 positions budgeted in FY 2016, which was a reduction from 107 FTEs budgeted in FY 2015. The increase to 110 FTEs is primarily due to the recruitment of additional program management and support staff to manage the increased G&C portfolio, as well as the addition of a part-time regional director for the Mountain Plains region to help reach membership recruitment and retention goals in that region; the addition of the NACA intern, whose labor and related fringe benefits are reimbursed by NACA; and the addition of two general administrative positions to manage the day-to-day operations of ICMA and administrative tasks related to the conference and other professional development programs, netFORUM data integrity, and general office management.

REVENUES	Actual FY 2015	Budget FY 2016	Forecast FY 2016	Budget FY 2017
MEMBER DUES	\$ 5,080,245	5,050,000	5,250,000	5,200,000
Member Recruitment, Retention, and Services	228,955	168,800	184,090	230,504
Career Services	515,319	503,150	655,150	699,000
Executive Board	-	-	-	-
TOTAL MEMBER SERVICES	744,274	671,950	839,240	929,504
Annual Conference	3,020,929	3,154,816	3,233,975	3,049,239
Training, Education, and Leadership Development	1,073,890	1,271,084	1,399,584	1,398,485
TOTAL PROFESSIONAL DEVELOPMENT	4,094,820	4,425,900	4,633,559	4,447,724
Public Policy	-	-	-	-
Research and Content	663,965	496,325	570,000	691,000
TOTAL RESEARCH AND POLICY	663,965	496,325	570,000	691,000
PM Magazine	205,792	206,500	195,764	233,075
Communications, Advocacy, and Outreach	163,267	128,500	80,000	96,572
TOTAL OUTREACH	369,058	335,000	275,764	329,647
CMS Partnerships	276,465	395,000	161,105	140,000
Strategic Partners	245,000	500,000	560,000	350,000
Business Development	-	-	-	-
TOTAL STRATEGIC DEVELOPMENT	521,465	895,000	721,105	490,000
TOTAL PERFORMANCE MANAGEMENT AND ANALYTICS	646,296	1,377,296	740,120	713,000
Team Management and Support	-	-	-	-
Funded Projects	10,139,303	12,996,329	16,782,831	21,201,269
ICMA Latin America	107,403	142,418	142,418	78,747
ICMA China	39,917	100,000	127,000	100,000
Bids and Proposals	-	-	-	-
TOTAL GLOBAL PROGRAM MANAGEMENT	10,286,624	13,238,747	17,052,249	21,380,016
Executive Office	(2,500)	-	-	-
Facilities and Administration	132,000	132,000	132,000	132,000
Human Resources	-	-	-	-
Information Technology	-	-	-	-
Finance	113	-	115	-
Contingency/Other	-	-	-	-
TOTAL ORGANIZATIONAL SUPPORT	129,613	132,000	132,115	132,000
CSLGE Management	789,962	800,805	800,805	848,971
ICMA-RC Royalty	420,162	405,000	423,769	414,000
Subtenant Space	1,020,470	1,093,781	1,093,781	1,125,084
Investment Income	559,070	422,196	575,000	577,000
TOTAL OTHER	2,789,664	2,721,782	2,893,355	2,965,055
ASSOCIATION TOTALS - REVENUES	\$ 25,326,022	29,344,000	33,107,508	37,277,947

EXPENSES		Actual FY 2015	Budget FY 2016	Forecast FY 2016	Budget FY 2017
MEMBER DUES	\$	-	-	-	-
Member Recruitment, Retention, and Services		2,075,874	2,308,152	2,146,923	2,509,364
Career Services		213,693	261,208	322,317	412,084
Executive Board		368,023	322,278	370,000	327,295
TOTAL MEMBER SERVICES		2,657,590	2,891,638	2,839,240	3,248,743
Annual Conference		1,686,486	1,842,601	1,959,262	1,916,060
Training, Education, and Leadership Development		839,095	1,172,731	1,071,637	1,155,897
TOTAL PROFESSIONAL DEVELOPMENT		2,525,581	3,015,333	3,030,899	3,071,956
Public Policy		113,958	111,359	111,359	100,557
Research and Content		829,217	847,091	676,122	908,563
TOTAL RESEARCH AND POLICY		943,175	958,449	787,481	1,009,120
PM Magazine		331,082	331,807	336,807	342,180
Communications, Advocacy, and Outreach		861,346	798,681	704,240	784,045
TOTAL OUTREACH		1,192,427	1,130,488	1,041,047	1,126,225
CMS Partnerships		190,016	-	54,338	22,318
Strategic Partners		142,630	191,724	160,000	158,345
Business Development		371,004	386,724	345,800	329,369
TOTAL STRATEGIC DEVELOPMENT		703,650	578,448	560,138	510,031
TOTAL PERFORMANCE MANAGEMENT AND ANALYTICS		1,155,984	1,630,296	1,071,000	963,000
Team Management and Support		746,980	789,150	869,161	1,143,171
Funded Projects		7,290,880	10,204,836	13,362,108	16,821,740
ICMA Latin America		96,514	142,418	142,418	78,747
ICMA China		87,147	100,008	150,000	98,949
Bids and Proposals		452,155	422,340	350,000	428,696
TOTAL GLOBAL PROGRAM MANAGEMENT		8,673,676	11,658,753	14,873,687	18,571,304
Executive Office		952,796	952,973	952,974	954,367
Facilities and Administration		1,638,607	1,734,327	1,824,192	1,738,202
Human Resources		542,067	549,557	549,557	562,061
Information Technology		1,483,199	1,808,111	1,880,760	1,998,205
Finance		639,729	916,770	975,570	951,739
Contingency/Other		985,719	-	238,745	64,800
TOTAL ORGANIZATIONAL SUPPORT		6,242,118	5,961,737	6,421,798	6,269,374
CSLGE Management		549,729	597,218	597,218	633,109
ICMA-RC Royalty		-	-	-	-
Subtenant Space		952,489	996,640	1,085,000	1,125,084
Investment Income		-	-	-	-
TOTAL OTHER		1,502,218	1,593,858	1,682,218	1,758,193
ASSOCIATION TOTALS - EXPENSES	\$	25,596,419	29,419,000	32,307,508	36,527,947

NET CONTRIBUTION		Actual FY 2015	Budget FY 2016	Forecast FY 2016	Budget FY 2017
MEMBER DUES	\$	5,080,245	5,050,000	5,250,000	5,200,000
Member Recruitment, Retention, and Services		(1,846,919)	(2,139,352)	(1,962,833)	(2,278,859)
Career Services		301,626	241,942	332,833	286,916
Executive Board		(368,023)	(322,278)	(370,000)	(327,295)
TOTAL MEMBER SERVICES		(1,913,316)	(2,219,688)	(2,000,000)	(2,319,238)
Annual Conference		1,334,443	1,312,215	1,274,713	1,133,179
Training, Education, and Leadership Development		234,796	98,353	327,947	242,588
TOTAL PROFESSIONAL DEVELOPMENT		1,569,239	1,410,567	1,602,660	1,375,768
Public Policy		(113,958)	(111,359)	(111,359)	(100,557)
Research and Content		(165,252)	(350,766)	(106,122)	(217,563)
TOTAL RESEARCH AND POLICY		(279,210)	(462,124)	(217,481)	(318,120)
PM Magazine		(125,290)	(125,307)	(141,043)	(109,105)
Communications, Advocacy, and Outreach		(698,079)	(670,181)	(624,240)	(687,473)
TOTAL OUTREACH		(823,369)	(795,488)	(765,283)	(796,578)
CMS Partnerships		86,449	395,000	106,767	117,682
Strategic Partners		102,370	308,276	400,000	191,655
Business Development		(371,004)	(386,724)	(345,800)	(329,369)
TOTAL STRATEGIC DEVELOPMENT		(182,185)	316,552	160,967	(20,031)
TOTAL PERFORMANCE MANAGEMENT AND ANALYTICS		(509,688)	(253,000)	(330,880)	(250,000)
Team Management and Support		(746,980)	(789,150)	(869,161)	(1,143,171)
Funded Projects		2,848,423	2,791,492	3,420,723	4,379,529
ICMA Latin America		10,889	-	-	-
ICMA China		(47,229)	(8)	(23,000)	1,051
Bids and Proposals		(452,155)	(422,340)	(350,000)	(428,696)
TOTAL GLOBAL PROGRAM MANAGEMENT		1,612,948	1,579,994	2,178,562	2,808,712
Executive Office		(955,296)	(952,973)	(952,974)	(954,367)
Facilities and Administration		(1,506,607)	(1,602,327)	(1,692,192)	(1,606,202)
Human Resources		(542,067)	(549,557)	(549,557)	(562,061)
Information Technology		(1,483,199)	(1,808,111)	(1,880,760)	(1,998,205)
Finance		(639,617)	(916,770)	(975,455)	(951,739)
Contingency/Other		(985,719)	-	(238,745)	(64,800)
TOTAL ORGANIZATIONAL SUPPORT		(6,112,505)	(5,829,737)	(6,289,683)	(6,137,374)
CSLGE Management		240,233	203,587	203,587	215,862
ICMA-RC Royalty		420,162	405,000	423,769	414,000
Subtenant Space		67,981	97,141	8,781	-
Investment Income		559,070	422,196	575,000	577,000
TOTAL OTHER		1,287,446	1,127,924	1,211,137	1,206,862
ASSOCIATION TOTALS - NET CONTRIBUTION	\$	(270,397)	(75,000)	800,000	750,000

FTEs	Budget FY 2015	Budget FY 2016	Budget FY 2017
Member Recruitment, Retention, and Services	11.81	12.70	14.16
Career Services	1.34	1.30	1.21
Executive Board	0.57	0.38	0.46
TOTAL MEMBER SERVICES	13.72	14.38	15.83
Annual Conference	4.11	4.00	4.25
Training, Education, and Leadership Development	5.43	5.04	5.62
TOTAL PROFESSIONAL DEVELOPMENT	9.54	9.04	9.87
Public Policy	0.66	0.41	0.25
Research and Content	3.42	3.57	3.33
TOTAL RESEARCH AND POLICY	4.08	3.98	3.58
PM Magazine	0.84	0.86	0.92
Communications, Advocacy, and Outreach	8.21	7.46	6.01
TOTAL OUTREACH	9.05	8.32	6.92
CMS Partnerships	1.43	-	0.09
Strategic Partners	1.46	1.13	0.87
Business Development	1.88	2.10	1.99
TOTAL STRATEGIC DEVELOPMENT	4.76	3.23	2.95
TOTAL PERFORMANCE MANAGEMENT AND ANALYTICS	3.16	3.24	2.90
Team Management and Support	7.02	5.20	6.87
Funded Projects	17.85	16.68	21.55
ICMA Latin America	0.45	0.87	0.48
ICMA China	-	0.50	0.60
Bids and Proposals	3.75	2.28	2.23
TOTAL GLOBAL PROGRAM MANAGEMENT	29.07	25.53	31.73
Executive Office	2.59	2.59	2.61
Facilities and Administration	1.59	1.30	2.52
Human Resources	2.11	1.74	2.07
Information Technology	6.45	5.96	6.47
Finance	4.63	4.86	5.16
TOTAL ORGANIZATIONAL SUPPORT	17.37	16.45	18.82
CSLGE Management	2.81	2.94	3.32
Compensated Absences (Holidays, Sick leave, Annual leave)	13.75	12.36	14.01
TOTAL OTHER	16.56	15.30	17.33
ASSOCIATION TOTALS - FTEs	107.30	99.48	109.92

FY 2017 Program Priorities and Budget

Oversight of ICMA is provided by a 21-member executive board, which appoints the executive director, who is supported by a chief operating officer who leads ICMA’s Leadership Team. With membership at its core, ICMA is organized around delivering key resources, products, and services worldwide in support of its mission. The directors of each of these teams form ICMA’s Leadership Team.



The following section shows the FY 2017 budgeted revenues, expenses, net contribution, number of full-time equivalent positions, and the priorities for each of these units.

Membership

	FTEs	Revenues	Expenses	Net
Membership Dues Revenue		\$ 5,200,000	-	5,200,000
Member Recruitment, Retention, and Services	8.78	85,000	1,323,335	(1,238,335)
Ethics	0.93	10,000	151,634	(141,634)
Career Services	1.21	699,000	412,084	286,916
Relationship Management	4.46	135,504	1,034,394	(898,890)
Executive Board	0.46	-	327,295	(327,295)
	<u>15.83</u>	<u>\$ 929,504</u>	<u>3,248,743</u>	<u>(2,319,238)</u>

Purpose and Mission

The mission of Membership is to serve the members and to make ICMA the indispensable association for those who demonstrate a commitment to the highest standards of honesty and integrity, while seeking the best solutions in local government leadership and management worldwide. Through a variety of programs, this team also provides outreach beyond members to support professionalism in local government and provide partnerships that support our members.

FY 2017 Priorities

- Grow membership through tailored national, international, and state strategies to a total of 10,853 from the FY 2016 target of 9,501. Recruit 400 new full members, 200 department directors (affiliate) and 300 entry to mid-career affiliate members while keeping retention rates at 95% for full in-service members and increasing the retention rate for affiliate members from 75% to 80%. Implement new member onboarding process.
- Enhance and articulate the value proposition of membership in ICMA in order to recruit and retain a diverse membership base.
- Expand the ICMA Student Chapter program from 50 to 75 to connect students to the profession and to ICMA.
- Expand the Local Government Management Fellows Program to 35 hosts and 50 fellows to create a meaningful and successful entry into local government for recent MPA/MPP graduates
- Expand participation in the ICMA National Coaching Program beyond the 5,700 who participated in 2015 with 100% of state associations as participants and 30 state partners, and expand the program to support a diverse pool of professionals serving local governments.
- Promote the profession and support members in career advancement by enhancing the Job Center platform and profile with members, local government employees, and advertisers.
- Improve support for members and connection with state associations at a regional level through regional directors and senior advisors. Recruit a new Mountain Plains regional director. Expand the senior advisor program beyond 22 states.
- Continue efforts to increase ICMA's visibility and connection with international affiliates by exchanging leading practices, expanding organizational knowledge bases, and facilitating interaction with and among international affiliate organizations.
- Support the Committee on Professional Conduct in the ongoing review of the ICMA Code of Ethics.
- Implement the board-approved recommendations from the women's and inclusiveness task forces.
- Maintain member satisfaction as measured by annual membership survey.
- Enhance processes through effective use of the new association software, netFORUM.

Professional Development

	FTEs	Revenues	Expenses	Net
Annual Conference	4.25	\$ 3,049,239	1,916,060	1,133,179
Training, Education, and Leadership Development	5.62	1,398,485	1,155,897	242,588
	<u>9.87</u>	<u>\$ 4,447,724</u>	<u>3,071,956</u>	<u>1,375,768</u>

Purpose and Mission

The mission of Professional Development is to develop and enhance the leadership and management capacity of members and local government professionals through a comprehensive array of high-quality programs delivered in a variety of formats to address needs of various career stages.

FY 2017 Priorities

- Plan and deliver a successful and educational annual conference in Kansas City, aggressively marketing the event to members and nonmembers.
- Launch a four-session “Local Government 201” at the annual conference with a target of 100 people per session.
- Continue “Local Government 101” and develop and launch “Local Government 201” online certificate program.
- Work with other teams in offering the certification programs to an international audience.
- Implement board-approved work plan to implement ICMA Task Force on Leadership recommendations.
- Implement board-approved professional development recommendations from the 2015 women’s and inclusiveness task forces.
- Maintain all other current professional development programs and continue to improve as needed.
- Raise satisfaction with online credentialing system.
- Work with the membership team on recruitment by exposing nonmembers and emerging leaders to ICMA’s benefits, services, and programs.

Research and Policy

	<u>FTEs</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Net</u>
Public Policy	0.25	\$ -	100,557	(100,557)
Research and Content	3.33	691,000	908,563	(217,563)
	<u>3.58</u>	<u>\$ 691,000</u>	<u>1,009,120</u>	<u>(318,120)</u>

Purpose and Mission

The mission of the Research and Content team is to identify trends and issues affecting local governments, and conduct research and develop information resources important to local government professionals and government leaders.

FY 2017 Priorities

- Conduct research on local government management and public policy issues. Develop and implement an annual research agenda and an international research agenda. Conduct or commission research projects focused on local government management and policy issues. Implement annual local government innovation survey and national surveys focused on local government practices, policies, and programs.
- Manage ICMA’s digital and print publications business line. Develop two new publications and make them available online.
- Advance new products in collaboration with other teams, particularly Professional Development and International.
- Oversee and coordinate ICMA’s public policy outreach, engagement, advocacy, and content; publish at least 1 white paper, 12 policy articles, 12 legal center blogs and articles; and speak at 2 conferences on policy issues.
- Support the research and development of content needs of ICMA’s core business lines.
- Manage existing relationships and generate new ones with third-party organizations that can produce content appropriate for the ICMA audience.

Outreach

	FTEs	Revenues	Expenses	Net
Form of Government/Advocacy	0.19	\$ -	28,523	(28,523)
PM Magazine	0.92	233,075	342,180	(109,105)
Outreach and Communications	5.82	96,572	755,521	(658,949)
	<u>6.92</u>	<u>\$ 329,647</u>	<u>1,126,225</u>	<u>(796,578)</u>

Purpose and Mission

The mission of the Outreach team is to build awareness and the reputation of ICMA and the profession globally through effective packaging and dissemination of local government thought leadership content leading to increased demand for membership, partnerships, and resources.

2017 Priorities

- Optimize the ICMA outreach channels, external media dissemination, and partnerships.
- Distribute regular and valued content through all outreach channels.
- Deploy the new brand architecture and create cohesive approach to outreach materials.
- Launch a redesigned website using open source content management system.
- Generate engagement and content sharing through social media.
- Generate high-profile media placements and continue developing media partnerships.
- Continue to build awareness of the importance of the chief administrative officer to meet *Life, Well Run* objectives.
- Test new engagement tactics including podcasts, free webcasts, and TED-type talks.
- Grow the opt-in database using lead generation tactics.
- Responsible for revenue targets for Membership, Professional Development, and ICMA Insights.

Strategic Development

	FTEs	Revenues	Expenses	Net
Strategic Partners	0.96	\$ 490,000	180,662	309,338
Business Development	1.99	-	329,369	(329,369)
	<u>2.95</u>	<u>\$ 490,000</u>	<u>510,031</u>	<u>(20,031)</u>

Purpose and Mission

The mission of the Strategic Development team is to generate business opportunities/innovations that boost membership value and foster professional local government management by identifying and aligning resources with the association’s strategic goals and to help ICMA business lines achieve their business capture and revenue targets.

FY 2017 Priorities

- Manage ICMA’s coordinated approach for business development activities.
- Capture new business from international, federal, state, and local funders. Coordinate bid and proposal activities for federal agency and other major donor-funded RFPs, as well as proposals for local government and governance opportunities.
- Generate foundation funding for ICMA's Research and Policy, Professional Development, and GPM teams.
- Capture private sector funding and sponsorships for ICMA's Research and Policy, Professional Development, and GPM teams.
- Oversee and manage the implementation of an ICMA-wide impact assessment and resulting output (e.g., annual impact statement or report).
- Identify and manage relationships with strategic, provider, project, and other organizational partners of ICMA.
- Oversee ICMA’s fundraising and development activities in the association’s ongoing and future campaigns.

Global Program Management

	FTEs	Revenues	Expenses	Net
Team Management and Support	6.87	\$ -	1,143,171	(1,143,171)
Domestic Programs	1.87	760,454	608,363	152,091
International Programs	12.44	19,478,695	15,195,413	4,283,282
Anticipated Funding	7.24	962,120	1,017,964	(55,844)
ICMA Latin America	0.48	78,747	78,747	-
ICMA China	0.60	100,000	98,949	1,051
Bid and Proposal	2.23	-	428,696	(428,696)
Subtotal	31.73	\$ 21,380,016	18,571,304	2,808,712

Purpose and Mission

The mission of the Global Program Management team is to deliver on all projects with high client satisfaction, on time, and within budget, and to ensure effective utilization and allocation of staffing resources.

FY 2017 Priorities

- Promote ICMA's core competencies, including city partnerships, peer-to-peer learning, sustainability, as well as several more focused technical areas.
- Promote member interest and maintain member engagement in funded programs and activities.
- Increase efficiency, effectiveness, and compliance of program operations and financial and administrative processes by working on current and redefined process improvement priorities.
- Establish a monitoring and evaluation (M&E) system that promotes a culture of continuous learning and improvement.

Center for Performance Analytics

	FTEs	Revenues	Expenses	Net
Performance Management & Analytics	2.90	713,000	963,000	(250,000)

Purpose and Mission

The mission of the Center for Performance Analytics is to demonstrate the performance dividend of professional local government by providing the next generation with analytical tools, training, and technical assistance to help communities achieve higher levels of performance. The Center for Performance Analytics accomplishes its mission by providing an affordable, top-quality performance management and analytics solution (ICMA Insights) in partnership with SAS, and offering training and support of the product.

2017 Priorities

- Advance the practice of performance management and data analytics in local government through education, professional development and training.
- Provide communities with networking opportunities to collaborate on strategies related to performance management, data analytics, and performance intelligence using the Insights platform.

FY 2017 will be a critical year in the launch of the ICMA Insights program. Staff are currently examining every aspect of the program while looking at ways to enhance product viability. SAS will soon be conducting “user labs” of a sample of current participants to obtain formal feedback from end users on difficulties with the product. SAS will then decide if they want to make enhancements to address these issues or see if their existing Visual Analytics product will help address the issues. Based on the results:

- ICMA and SAS will agree on product pricing and revenue share.
- Market the enhanced solution in time for the Kansas conference.

While we work through these issues, SAS has agreed to a reduced license fee of \$750/jurisdiction for the period of July 2016 through December 2016, when the current agreement with SAS expires, with the option to extend this pricing to June 2017 if the agreement is extended. This will allow us to operate at a break even during those months.

Based on the results of the discussions with SAS and the market interest of the enhanced product, staff will provide the board at the November 2016 board meeting with analysis on various options including the following:

1. Discontinue the product if it is not financially sustainable with a plan to exit the market.
2. Continue sustaining the existing participants without actively promoting the product. This relies on SAS’s ability and willingness to continue supporting the product.
3. Continue marketing the product actively with the original goal of expanding participation and building the national comparative database.

Organizational Support

	FTEs	Revenues	Expenses	Net
Executive Office	2.61	\$ -	954,367	(954,367)
Facilities and Administration	2.52	132,000	1,738,202	(1,606,202)
Finance	5.16	-	951,739	(951,739)
Information Technology	6.47	-	1,998,205	(1,998,205)
Human Resources	2.07	-	626,861	(626,861)
	<u>18.82</u>	<u>\$ 132,000</u>	<u>6,269,374</u>	<u>(6,137,374)</u>

Purpose and Mission

The organizational support teams provide the program teams with the right people, technology, and resources needed to achieve their priorities and meet their performance objectives. The support teams are charged with ensuring organizational sustainability and an integrated commitment to the mission, vision, and core beliefs of the association.

FY 2017 Priorities

- Provide necessary support to the Strategic Planning Task Force.
- Ensure effective use of the association management software, netFORUM, with documentation and training of all processes. Review and implement additional modules as necessary to address process efficiencies.
- Integrate netFORUM with new website.
- Ensure SharePoint is effectively used for all internal communications.
- Review and enhance as needed IT security controls for secure access to employee and customer information.
- Continue focusing on process efficiencies by streamlining the payment request process, improving financial reporting, implementing a helpdesk-type system for grants and contracts requests, and decentralizing signing authority while managing organizational risk.
- Ensure no material financial audit findings.
- Continue improving compliance with applicable laws, rules, regulations, and contract terms by maintaining effective policies and procedures and regular training of staff.
- Provide necessary professional development offerings to staff to increase skill sets and productivity.
- Develop succession plan for key staff and long-term developmental plans for top performers.
- Review and update employee handbook and all processes related to recruitment and onboarding.
- Conduct staff engagement survey, analyze results, and implement action plans.
- Ensure compliance with all HR-related regulations.
- Communicate all policies and procedures to staff related to code of conduct, safety and security, facilities, finance, HR, and IT.
- Work with the audit and evaluation committee of the executive board on the executive director search.

Other

	FTEs	Revenues	Expenses	Net
CSLGE Management	3.32	\$ 848,971	633,109	215,862
ICMA-RC Royalty	-	414,000	-	414,000
Subtenant Space	-	1,125,084	1,125,084	-
REIT Dividend	-	550,000	-	550,000
Investment Income	-	27,000	-	27,000
	<u>3.32</u>	<u>\$ 2,965,055</u>	<u>1,758,193</u>	<u>1,206,862</u>

CSLGE Management

ICMA provides staffing to the Center for State and Local Government Excellence (CSLGE) for management of the center. The center reimburses ICMA for all direct and related indirect costs incurred by ICMA in providing this support.

ICMA-RC Royalty Payment

In accordance with an agreement dated July 1981, the ICMA Retirement Corporation (ICMA-RC) pays a royalty to ICMA for use of the association's name. This agreement is effective through 2090. The annual payment is calculated as \$200,000 plus .1% of gross adjusted annual revenues of the prior calendar year.

Subtenant Space

ICMA leases 49,856 square feet in the headquarters building, of which ICMA occupies 26,825 square feet and subleases 23,031 square feet. All available space is currently fully subleased with all subleases expiring December 31, 2016. ICMA is in the process of renewing subleases with existing subtenants or finding new subtenants.

REIT Dividend and Other Investment Income

REIT dividend is the dividend income expected from the REIT investment in the building. Investment income is the earnings estimated on General Fund cash reserves.

Appendix A: FY 2016 – FY 2017 update to the ICMA Strategic Plan (adopted 2008)

ICMA's Vision

We are the premier association of professional local government leaders building sustainable communities to improve lives worldwide.

ICMA's Mission

To create excellence in local governance by developing and fostering professional local government management.

ICMA's Core Beliefs

We believe in

- Serving as stewards of representative democracy.
- Practicing the highest standards of honesty and integrity in local governance, as expressed through ICMA's Code of Ethics.
- Advocating for professional management as an integral component of effective local governance and community building with council-manager government as the preferred local government structure.
- Building sustainable communities as a core responsibility of local government.
- Networking and exchanging knowledge and skills across international boundaries.
- Ensuring that local governments and the association reflect the diversity of the communities we serve.
- Committing to lifelong learning and professional development.
- Building up the quality of the profession and the association through an engaged network of members personally committed to that end.

Outcomes and Strategies

Note: The following highlights strategies and tactics targeted in FY 2016 and FY 2017 and is not intended to capture all that ICMA will do as part of its ongoing operations. The outcomes (introductory paragraph to each section) and the strategies are as stated in the originally adopted strategic plan, unless otherwise noted. Tactics for FY 2016 and FY 2017 are in *italics*.

Leadership

Local government management is a profession of innovative, competent, principled leaders committed to promoting the integrity of local governance, meaningful community participation, and representative democracy. Managers work with elected officials, and in concert with citizens and partners, to facilitate community building and engage around issues that cross boundaries and borders. Professional local government managers are dedicated to sustainability; stewardship of public resources; and sound, results-based management principles to help create communities that improve the quality of life for everyone.

Professional local government management attracts and cultivates a diverse and talented group of individuals dedicated to these high ideals. Professional local government managers are the standard-

bearers for ethical conduct and the advocates for professional management and principles of sound local governance. ICMA is the association of choice for members of the professional local government management community and a model of effective outreach and collaboration with other associations, institutions, and stakeholders.

1. Raise awareness of the value that professional management brings to local governance and advocate council-manager government.

To achieve the board objective of matching expenses to funding in hand, in FY 2016 Life, Well Run focused on developing a website that would attract more visitors and support the objectives of our new funding source ICMA-RC. The redesigned website launched in February 2016, and in addition to the resources and success stories developed to create awareness for the work of the professional manager, a section was added that features “community heroes” selected by managers. These stories focus on the behind-the-scenes staff members who work with managers to deliver “Life, Well Run.” The campaign continues to leverage social media: Facebook has grown to 2,280 followers and Twitter has grown to 1,440 followers, and both channels continue to drive visitors to the Life, Well Run website, which has had over 280,000 views. Corporate contributions have come from Siemens and ICMA-RC. For FY 2016-18, ICMA-RC has provided \$225,000 per year in funding. Members continue to make modest contributions and state associations continue to fulfill their pledges, which will close out this year. Requests from members and state associations for materials and other support for local campaigns contributed to the nearly 4,000 materials downloads.

ICMA staff have provided high-level form-of-government advocacy support to two groups interested in introducing professional local government management to the Hawaiian counties of Kauai and Maui. Activities range from developing and reviewing educational materials, to a meeting coordinated by ICMA State Liaison/Senior Advisor Dave Mora, to providing real-time support during special county council meetings focused on form-of-government issues.

2. FY 2012 new strategy: Undertake a review of the leadership philosophy for professional management, exploring the drivers of local government and the leadership characteristics necessary to excel in the current environment.

The ICMA Task Force on Leadership presented its recommendations to the executive board in September 2014 and staff proposed a plan of action, which was approved by the board in June 2015. The board appointed an inaugural Leadership Advisory Board (LAB) in January 2016 to guide staff on implementing the recommendations and carrying out the plan of action. The LAB is forming in FY 2016 by working on their charter and rules of engagement and electing a chair and vice chair. The LAB will meet in person at the 2016 annual conference in Kansas City. FY 2017 plans include starting to develop core educational expectations for current and potential ICMA Credentialed Managers, continuing the Local Government 101 online certificate program, launching Local Government 201, and clearly packaging leadership development offerings for members as ICMA moves toward the goal of a clear and updated leadership and skill development path with core competencies, and a complete training portfolio that touches on all of the topics deemed important by the 2014 ICMA Task Force on Leadership.

3. Promote, enforce, and celebrate the highest ethical standards of professional behavior.

Using the board-approved process for conducting a formal review of the Code of Ethics, the Committee on Professional Conduct launched the review of Tenet 3 in January 2016. The

committee gathered member feedback at the five U.S. regional summits and through an online engagement process. Using that feedback, the committee will make recommendations to the board regarding appropriate changes to the tenet and guidelines in September 2016.

ICMA presented ethics content at 17 state and affiliate associations, local governments, and other training venues. Along with the monthly PM column, Ethics Matter, those efforts are designed to promote and reinforce the profession's standards. The priority will be to continue the review of the Code of Ethics and to expand ICMA training opportunities with members.

4. Lead efforts to build sustainable communities by developing a recognized body of knowledge and expertise that focuses on balancing environmental stewardship, economic development, social equity, and financial and organizational viability.

In FY 2016, the ICMA Center for Sustainable Communities leads two U.S. Department of Energy-funded projects. The SolarOPs project will close in FY 2016; the SolSmart project launches in FY 2016, and will continue beyond FY 2017. SolSmart (www.solsmart.org) is a designation program to recognize communities that have reduced the costs associated with solar. ICMA continues to work on efforts funded by the U.S. Department of Housing and Urban Development (HUD). ICMA is part of a consortium that works with some of America's most economically distressed cities. ICMA's role includes coordinating peer networking activities and managing the outreach and communications provided through the program's website (www.nationalresourcenetwork.org). Additionally, ICMA completed the HUD-funded report, "Evaluating the Role of Local Government and Project Stakeholder Engagement in Choice Neighborhoods Transformation Planning and Implementation." Summary results of the 2015 Local Government Sustainability Practices Survey Report and the 2015 Food Policy and Program Survey for Local Governments were released in FY 2016. The Center for Sustainable Communities continued to lead several technology-oriented projects in collaboration with ESRI and other firms. For the upcoming fiscal year, ICMA will continue work on issues at the intersection of local government management and sustainability that support the long-term effort to create more sustainable communities worldwide. Focus areas for FY 2016 and FY 2017 include public health, renewable energy, economic development, sustainability planning, water, and data and technology.

5. Expand the current membership with an emphasis on attracting young people, women, and minorities, entrants from other careers, and other local government management professionals who are not members of ICMA.

Formal recruitment plans tailored to the individual needs of state and affiliate organizations are in implementation in three of the five U.S. regions and Canada. The focus is to develop mutually beneficial long-term strategies that will help both the states/affiliates and ICMA to attract CAOs, assistant/deputy CAOs, department directors, and early- to mid-career professionals. The board-approved flat dues rate for department directors was implemented in FY 2016. The focus for FY 2017 will be to develop and implement new campaigns to attract early-career professionals and department directors to ICMA while expanding the state strategies in the Mountain Plains region and internationally.

6. Become more engaged in contributing to the public policy arena as it relates to local government. ICMA continues to play a significant role as a member of the Big 7 policy activities, including meeting with Administration and Congressional officials, municipal leagues, and others on a

range of issues. ICMA's public policy activities are now closely aligned with other research and content activities as part of ICMA's Research and Policy team. During FY 2016, policy activities included meetings of the GAPC, as well as a question-and-answer session and webinar with the GASB chairman. An ICMA policy white paper on the value of municipal bonds was published and a second complimentary paper on infrastructure financing was selected.

Professional Development

Professional local government managers continually seek to improve their capabilities. Renewing themselves through lifelong learning, managers acquire new expertise and develop their leadership skills to build better communities. ICMA serves as a source of professional development for its members throughout their careers in public service.

1. Position ICMA at the forefront of local government leadership and professional development through the ICMA University.

The new Leadership Advisory Board will be guiding staff in this area as they work in FY 2017 and FY 2018 to implement the recommendations of the ICMA Task Force on Leadership and position ICMA at the forefront through programs, content, and curricula. Additionally, ICMA distributed a new career stage guide and leadership and professional development calendar at the 2015 annual conference in Seattle and at FY 2016 state and affiliate association meetings. This guide is continually being updated and pushed out through e-mail and online and will be printed for distribution at the 2016 annual conference in Kansas City. Other FY 2017 plans include a campaign to individually target nonmembers in each individual career stage and an 'Emerge to Success' content marketing campaign for the emerging leaders' audience.

2. Establish a broad network of partners to develop and promote leading practices in professional and personal development.

A broad network of partners, including universities, other nonprofits, and strategic partners, continues to expand across a number of content areas. As a small set of examples, the Center for Priority Based Budgeting teaches a course for the new Local Government 101 online certificate program, the Aspen Institute provides content for webinars, and ICMA and the International Town-Gown Association continue to actively fulfill a renewed affiliation agreement by offering sessions at each other's annual conferences. Other examples include partnerships with the University of Virginia for the ICMA SEI Leadership Institute, with the Gettysburg Foundation for the Gettysburg Leadership Institute, and with the Colonial Williamsburg Foundation for the Williamsburg Leadership Institute. ICMA is continually entering into discussions with potential professional development partners, including partners who might assist with the new Local Government 201 online certificate program scheduled for FY 2017 or the implementation of the ICMA Task Force on Leadership recommendations. ICMA will also be focused in FY 2017 on offering its webinars and certificate programs to an international audience by working with our affiliates globally.

3. Create opportunities for participants with diverse backgrounds to engage in ICMA training and development activities and programs.

Continue outreach to a diverse pool of participants, including non CAOs, individuals on nontraditional career paths, and other audiences. Some examples include the Emerging Professionals Leadership Institutes that precede the five regional summits and the annual, one-year Mid-Career Managers Institute both draw members and nonmembers, several of whom join

ICMA as a result of participating in professional development. ICMA also offered Effective Supervisory Practices (ESP) as a webinar series to new supervisors in 2014, 2015, and 2016 and launched the Local Government 101 online certificate program in FY 2016. In addition to a fourth run of ESP, plans for FY 2017 include working to implement the board-approved recommendations from the women's, inclusiveness, and leadership task forces, as well as on-demand distribution of Local Government 101 and launch of a new Local Government 201 online certificate program. Webinar and online program modules will also be offered to international and domestic affiliates that want to customize these programs for their audiences.

4. Develop a formal path to credentialing that spans the career stages of a member.

The Credentialing Advisory Board (CAB) included a response to the ICMA Task Force on Leadership recommendations as an appendix to the staff implementation plan that the executive board approved in June 2015. The CAB will be working with the new Leadership Advisory Board to carry out these plans starting in FY 2017. ICMA has also started work on a professional graphic that clarifies the current path; the graphic will be completed in FY 2016 and updated as the path is further developed and improved. Effective March 2014, graduates of ICMA and other approved leadership development programs may receive additional experience credit toward the credential. Also, after the new credentialing software is launched in FY 2016 and program participants have gotten comfortable with it, ICMA will launch the new, board-approved optional credentialing designation for members who want more structure (the software has already been built).

5. Ensure that ICMA serves as a vehicle for personal development and renewal.

The Mid-Career Managers Institute was created in FY 2012 to fill the gap for nontraditional managers or aspiring managers who are not eligible for Leadership ICMA or the Credentialing Program. Class sizes range from 10 to 20 people. ICMA also offers two highly rated leadership opportunities—the third annual Williamsburg Leadership Institute was held in 2015 and registrations are being accepted for the 2016 session, and the tenth annual Gettysburg Leadership Institute is scheduled for May 2016. Class sizes range from 25 to 35 people. ICMA also continues to offer annual conference sessions and workshops on personal development and renewal, and members and nonmembers can bring ICMA University workshops on these topics to their local governments, state or affiliate association meetings, or other settings.

Knowledge Sharing

ICMA is the preeminent source for information about leadership and management of local government. ICMA promotes, supports, and engages in sharing member experiences and enthusiasm to create understanding and appreciation of national and global perspectives that can enhance local government, community building, and the effectiveness of public services.

1. Promote ICMA as the premier clearinghouse for information on local government management practices.

In FY16, ICMA continued to disseminate a core roster of digital and print publications. In 2016, several books were considered for reprints and a new version of Council-Manager Relations is nearing completion. A decision was also made to revamp the Municipal Year Book, providing a fresh approach, title, and distribution channel.

ICMA continues to carry out an ambitious survey research portfolio that advances the knowledge base of local government leadership and management practice, as well as funded research conducted in conjunction with federal or corporate partners, and that addresses matters of importance to local governments. In 2016 research projects included funded surveys on sustainability (with Cornell University) and local food systems (with Michigan State University), which were finalized and completed. New survey efforts started in 2016 and slated for completion by the first quarter of FY 2017 include libraries and local governments (with Aspen Institute); smart cities policies and programs (with Smart Cities Council); cybersecurity (with University of Maryland). Additionally, with the Alliance for Innovation and Arizona State University, we are inaugurating an annual survey of local governments to better understand the innovative policies and programs being applied to overcome local challenges.

New in FY 2016, ICMA is preparing several research reports that will be made available to the ICMA membership, including one on public health and the local government manager and one on economic development and local government leadership.

The ICMA website continues to be the knowledge hub for local government leadership and management. Through articles, blogs, Q&A, and documents, users access leadership and management content specifically focused on local government. The website garners more than 400,000 page views per month and a million users per year. More than 2,200 pieces of content have been added to the Knowledge Network, ranging from best practices to sample local government policies.

2. Create innovative, worldwide opportunities connecting members to increase knowledge transfer and experience sharing around good local government management values and practices.

ICMA continues to facilitate knowledge sharing internationally through funded projects; centers in Mexico, India, and China; an active international committee; the ICMA international affiliates; and new international student chapters. U.S. Department of State-funded Professional Fellows Programs in the Asia/Pacific Region have been providing knowledge-sharing opportunities for ICMA members, their communities, and ICMA's international affiliates in climate change and legislative process/governance-related exchanges. USAID-funded programs ongoing in some 20 countries and our signature CityLinks program will continue to serve as a model for international knowledge-sharing platforms for members. Facilitated by our Mexico center and ICMA staff, members will continue engaging in Mexico and Latin America to share information on community policing and collaborative violence prevention programs and on urban climate adaptation. The ICMA China Center will continue to build on the success of the "guest lecturer" program at Chinese universities. In FY16, ICMA staff traveled to China to participate in knowledge-sharing opportunities. ICMA members and their communities continue to benefit from member engagements. Of note is a two-year commitment from a member providing services in India.

3. Engage academics and subject matter experts (including the private sector and other research partners) in efforts to enhance the body of knowledge around preferred and best practices in local government management worldwide.

ICMA, AFI, and ASU agreed to revamp the enhanced research partnership with ICMA taking the lead on a national survey on local government innovation, with ASU providing the initial analysis of the data and AFI providing input into and resources on any follow-up case study or

other research. Partnering with ICMA continues to be highly valued by academic partners. In 2016 we worked with faculty, staff, students, and others from Cornell University, Binghamton University, University of Maryland, University of Nebraska, Rider University, New York University, and Georgia State University; and the Smart Cities Council, the Aspen Institute, and others.

Member Engagement and Support

ICMA fosters an active and engaged membership dedicated to contributing to and improving the association. The association promotes and embraces diversity among its members, including a governing board that reflects ICMA's membership and the communities served. ICMA is a source of personal support and renewal for its members throughout their life in public service. The association is committed to strengthening strategic partnerships on behalf of members and providing the highest quality products and services to its members.

1. Ensure that ICMA remains the association of choice for professional managers (new strategy for 2012).

Recruitment along with developing and maintaining the personal connection with members is the key approach to ensure that ICMA remains the association of choice for professional managers. The personal connection not only builds the relationship but enables ICMA to learn what benefits and services are desired by members at each career stage. ICMA set a benchmark for membership in September surpassing 10,000 members. As of April, ICMA had 10,556 total members: 10,173 U.S. members and 383 international members representing 25 countries. Of the total membership, 6,987 members were in direct service to local government (6,694 in the United States; 293 international). Exceeded all the metrics for new members by attracting 912 new in-service members, including 368 full in-service members, 297 entry- to mid-management affiliate in-service members and 62 interns. With the new reduced dues rate, attracted 185 department directors, which supports the efforts to attract and support professional managers at all career stages. Dues revenue is expected to generate \$200,000 more than budgeted. All stats will be updated to reflect final FY 2016 achievements.

In FY 2016, the membership team continued the direct member outreach strategy: mailed 1,068 new member packets with a flash drive containing key membership information and resources; recognized 46 Life members with a pin and personalized letter; and called 499 members in November and 357 members in April to encourage them to renew during the dues billing cycle. As part of the ongoing effort to reinforce the value of membership, developed a series of videos where members across careers stages and boundaries express their viewpoint about why the profession and membership is important.

Efforts to implement the recommendations from the women and inclusiveness task forces are ongoing to achieve the goal of building a diverse profession and membership that reflects the diversity of the community served. ICMA, in partnership with its affiliate Women Leading Government, convened six sessions at regional summits on resiliency. The Effective Management Practices were update to reflect a focus on diversity and leadership. A comprehensive portfolio of new sessions at the ICMA conference are focused on advancing women in the profession and tools for promoting diversity in local government organizations. The board committee on Membership and External Outreach is providing oversight and guidance on efforts.

2. Create opportunities to gain entry into the profession and into the association and its leadership.

The ICMA 2008 Strategic Plan outlines the profession's commitment to diversity as a Core Belief: "Ensuring that local governments and the association reflect the diversity of the communities we serve." This is a cross organizational effort by ICMA that focuses on attracting people to the profession (ICMA Student Chapters and Life, Well Run); providing access to the first professional position (ICMA's Local Government Management Fellows); providing professional development to support career advancement for early- and mid-career individuals (ICMA Coaching and ICMA University programs); providing an array of ways that members engage and contribute to the profession; and encouraging members to serve in a leadership capacity on ICMA's board.

Board service: 2016 was year four of the new regional nominating process, which saw increased interest from members to serve on the board in each region, as well as increased participation by affiliate partners and resulted in the selection of a vice-presidential nominee to appear on the election ballot.

3. Enhance communication and dialogue to develop synergistic relationships with state and affiliate organizations and other professional associations.

ICMA strives to be physically present and/or engaged at least once a year in every state and country with whom we have an affiliation agreement. In the United States, ICMA had a staff or a regional vice-president representative present at a total of 26 events throughout the year. In addition, ICMA delivered content through an educational session or workshop at 14 events.

The three regional directors, supplemented with three senior staff team leaders, are essential to developing and maintaining effective working relationships with the state and international affiliate organizations. In addition to maintaining formal agreements outlining shared goals with existing state associations and key affiliates—NFBPA, IHN, NACA, and Women Leading Government—ICMA continues to develop formal agreements outlining shared goals in all countries with professional associations. In FY 2016, ICMA provided complimentary membership to the lead staff member from every association with whom we have an agreement. This step was taken to further solidify the relationship with these associations.

Every U.S. region now holds quarterly calls with leadership to enhance communication. Each of the six regions holds a summit for the purpose of networking, professional development, and building connectivity with other ICMA affiliated associations. The FY 2017 budget proposes the addition of a regional director in the Mountain Plains region.

4. Foster inclusion, engagement, and support throughout a member's life of public service.

New members were matched with Welcome Ambassadors. Continue to support members in transition by enhancing benefits with more access to travel scholarships to attend the ICMA Annual Conference and by providing complimentary registration to the regional summits. As part of the conference scholarship program, ICMA provided support to 175 members in transition. Of the members who responded to the ICMA annual survey, 85 percent rated the value of membership as "excellent" or "good." Customer service was rated as "excellent" or "good" by 87 percent of members who responded to the survey.

5. Be the leader in offering career services to local government professionals throughout their lives.

The ICMA Student Chapter Program continues to expand with 59 chapters in the United States and internationally. Emphasis remains to engage and deliver content through webinars on Taking Advantage of the ICMA Annual Conference, Advancing Women and Minorities within the Profession, Ethics, and Using LinkedIn to Master Your Personal Brand; the blog; articles in Leadership Matters promoting awareness of the program and on topics such as diversity; and networking with members at regional summits.

Since its launch in 2004, helping new graduates land their first professional experience is the goal of the ICMA Local Government Management Fellows program. For the 2015 cycle, 46 fellows were placed in a competitive process in 30 host organizations. The 2016 cycle has launched with 34 hosts.

ICMA launched the national ICMA Coaching Program with support and cooperation from the CAL-ICMA Coaching Program to provide professional development and one-on-one coaching for professionals at any career stage. Twenty-five state associations are partners in the effort.

Partnered with Women Leading Government, an ICMA affiliate, to offer a special session on resiliency for women at each of the six regional summits. ICMA was a Platinum-level sponsor for the 2015 Inspiring Women in Public Administration Conference at the University of Kansas. Partnered with the Emerging Local Government Leaders (ELGL) program to sponsor its conference to connect emerging leaders to ICMA and to have ELGL support for ICMA's conference.

6. Promote work/life balance as part of attracting and retaining members and achieving organizational sustainability.

Continue to offer annual conference sessions, as well as events sponsored by the Partners' Program, that deal with issues facing local government managers and their families, including work/life balance.