



ENVISION

ICMA

FY 2023 BUDGET

ICMA

FY 2023 BUDGET

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Transmittal Letter

A MESSAGE FROM THE CEO/EXECUTIVE DIRECTOR

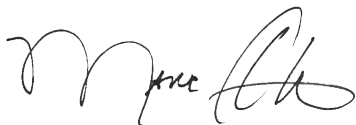
Dear President Brown and Members of the Executive Board,

It is my privilege to offer the proposed FY 2023 Budget recommendation for your consideration and approval.

This budget reflects our ongoing efforts to advance the priorities within Envision ICMA. It also reflects other priorities that have been established by the board and some by staff over the last two and a half years. Some of those include the globalization of ICMA, which entailed your approval of the new global strategy; establishment of the new dues structure; advancing our professional development capabilities; continuing our work regarding racial equity and social justice, and policing, to name a few. What has been really extraordinary is the fact that we've been able to focus on all of these priorities during what clearly has been an unprecedented period. Like other organizations, we have been challenged financially and in many other ways. Our ability to advance all of the work has caused considerable stress and strain on the ICMA employee family. That said, I couldn't be more proud of the ICMA staff because they have truly stepped up beyond all expectations.

In closing, I want to acknowledge ICMA's leadership team and the entire ICMA employee family for the work they have done on this budget recommendation, as well as the work they do every day to advance ICMA's mission. Finally, my sincere gratitude to President Brown and the entire Executive Board for your unwavering support and leadership during these challenging times.

Sincerely,

A handwritten signature in black ink, appearing to read "Marc A. Ott". The signature is fluid and cursive, with the first name "Marc" being more prominent than the last name "Ott".

Marc A. Ott

CEO/Executive Director

Budget Overview

Summary

As ICMA emerges from the challenges posed by the global COVID-19 pandemic and its resulting impact on finances and operations, the proposed FY 2023 budget continues to demonstrate ICMA's long-standing commitment as the leading provider of relevant and timely support, professional development, and resources to its members and their communities. This budget builds on the work accomplished to-date in the implementation of the *Envision ICMA* Strategic Plan as well as new priorities that have emerged as a result of the pandemic and other recent events. The proposed budget maintains operational capacity and effective use of available resources to enable ICMA to accomplish its goals and objectives in FY 2023.

The proposed FY 2023 budget includes projected revenues from programs and services of approximately \$31 million. Budgeted revenues are discussed in greater detail in the "Revenue Estimates" section of this document (p. 5). The proposed budget also includes an estimate of total operating expenses of approximately \$31.5 million — resources necessary for ICMA to deliver on its goals and priorities. FY 2023 budgeted operating expenses are allocated to various functions and business teams. The "Expense Estimates" section of this document (p. 10) provides additional details regarding the FY 2023 allocation of resources.

The budget proposes the use of net assets of less than half a million dollars to contribute to ICMA's operations in FY 2023. These funds will be used to pursue programs and activities that are expected to help position ICMA for a financially sustainable future by generating higher revenues beyond FY 2023. This investment in operations for FY 2023 is necessary to the implementation and support of several priorities, including modernization of ICMA's professional development function, implementation of the newly redesigned strategic partner and sponsorship program, and the advancement of ICMA's global engagement strategy.

In addition, the proposed budget contains \$320,000 in expenses that are not included in the operating budget and are proposed to be funded directly out of net assets. Additional details on the nature of these expenses are provided in the "Direct Uses from Net Assets" section of this document (p. 11).

Figure 1, FY 2023 budget summary, illustrates budgeted sources of revenue and allocation of resources to strategic outcome areas.

FIGURE 1 | FY 2023 budget summary

	<u>FY 2023 BUDGET</u>
REVENUE	
Membership dues	6,133,000
Professional development	2,030,140
Conferences, events, and sponsorships	5,561,699
Publications, subscriptions, and advertising	1,022,040
Management fees	182,000
Subtenant rental income	85,621
Royalty income	2,770,438
Investment income	605,000
Grants and contracts	12,619,817
Total revenue	<u>31,009,754</u>
OPERATING EXPENSES	
Member support	2,982,170
Professional development	1,413,975
Conferences, events, and sponsorships	4,200,324
Research and publications	892,360
Outreach	1,833,062
Global development and engagement	625,608
Other programs	715,592
Excess space	642,014
Grants and contracts	10,492,717
Transfer to Future of Professional Management Fund	5,000
Organizational support	7,701,339
Total operating expenses	<u>31,504,161</u>
Net from operations	<u>(494,407)</u>
DIRECT USES FROM NET ASSETS	
Dues model implementation	(20,000)
Code of Ethics review	(15,000)
Strategic Partner program redesign	(60,000)
Incremental cost of an international board meeting	(50,000)
ICMA Future of Work/office space	(75,000)
CEO/Executive Director's contingency reserve	(100,000)
Total direct uses from net assets	<u>(320,000)</u>
TOTAL CHANGE IN NET ASSETS	<u>(814,407)</u>

Comparative Budget

Figure 2 presents the FY 2023 proposed budget in comparison with the FY 2021 actual results and the FY 2022 approved budget.

FIGURE 2 | FY 2023 budget compared with FY 2021 actual and FY 2022 budget

	FY 2021 ACTUAL	FY 2022 BUDGET	FY 2023 BUDGET
NON-GRANTS AND CONTRACTS PROGRAMS			
REVENUE			
Membership dues	6,034,228	5,900,000	6,133,000
Professional development	1,392,696	1,302,393	2,030,140
Conferences, events, and sponsorships	2,367,429	3,848,447	5,561,699
Publications, subscriptions, and advertising	896,992	977,540	1,022,040
Management fees	643,261	184,230	182,000
Subtenant rental income	181,883	83,130	85,621
Royalty income	2,759,202	2,698,000	2,770,438
Investment income	381,396	504,000	605,000
Total revenue	14,657,086	15,497,740	18,389,937
EXPENSES			
Member support	2,478,680	2,760,677	2,982,170
Professional development	753,027	954,059	1,413,975
Conferences, events, and sponsorships	2,299,898	3,596,340	4,200,324
Research and publications	750,926	789,708	892,360
Outreach	1,193,153	1,743,270	1,833,062
Global development and engagement	203,792	700,000	625,608
Other programs	599,844	508,248	715,592
Excess space	672,434	620,222	642,014
Transfer to Future of Professional Management Fund	-	5,000	5,000
Total expenses	8,951,754	11,677,524	13,310,105
Net from non-grants and contracts programs	5,705,332	3,820,216	5,079,832
GRANTS AND CONTRACTS			
Revenue	8,742,977	10,569,388	12,619,817
Expenses	7,162,970	8,872,402	10,492,717
Net from grants and contracts	1,580,008	1,696,986	2,127,100
ORGANIZATIONAL SUPPORT EXPENSES			
Net from organizational support	(7,224,454)	(7,419,501)	(7,701,339)
Net from operations before PPP funding	60,885	(1,902,300)	(494,407)
PPP funding	1,842,900	1,902,300	-
Net from operations	1,903,785	-	(494,407)
Direct uses from net assets	(135,164)	(560,000)	(320,000)
TOTAL CHANGE IN NET ASSETS	1,768,621	(560,000)	(814,407)

Figure 3 illustrates full-time equivalent positions (FTEs) budgeted for FY 2021, FY 2022, and FY 2023.

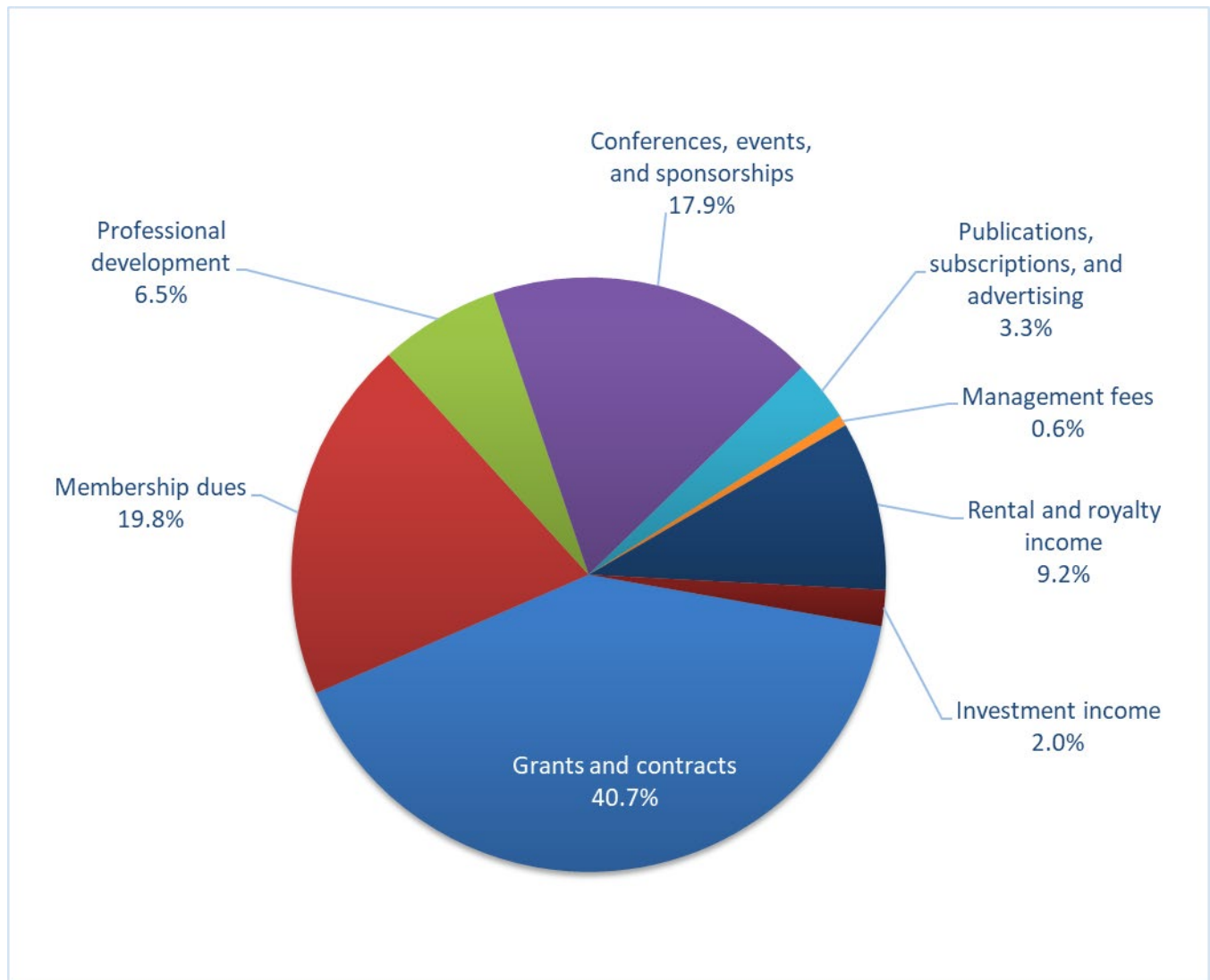
FIGURE 3 | Budgeted FTEs, FY 2021 - 2023

FTEs	FY 2021 budget	FY 2022 budget	FY 2023 budget
Non-grants and contracts programs			
Member support	13.65	13.90	14.09
Professional development	4.93	6.81	6.96
Conferences, events, and sponsorships	5.88	4.87	6.09
Research and publications	2.27	3.20	3.43
Outreach	8.06	9.86	9.49
Global development and engagement	1.40	2.05	2.18
Other programs	1.86	2.11	2.88
Management services	3.82	0.34	1.02
Total non-grants and contracts programs	41.88	43.14	46.13
Total grants and contracts	20.83	17.56	19.46
Organizational support	19.60	20.21	20.21
Total operations	82.30	80.91	85.80
Compensated absences	13.47	12.09	12.82
Total FTEs	95.77	93.00	98.62

Revenue Estimates

Figure 4 illustrates the FY 2023 budgeted sources of revenue.

FIGURE 4 | FY 2023 budgeted sources of revenue



Membership dues are expected to be approximately 2 percent lower than FY 2022 projections, given the October 1, 2022, launch of the new dues structure, which includes reduced dues rates and a discount for small communities.

Professional development consists of the credentialing program as well as various learning programs that are offered to local government professionals at various career stages, including leadership and other proprietary programs, workshops, and webinars. The implementation of the new learning management system (LMS), planned for the first quarter of FY 2023, is key to modernizing this business line by transforming it into a significant source of engaging and interactive learning experiences. This budget proposal assumes that for FY 2023, ICMA will continue offering some of the existing professional development and leadership programs while enhancing other learning experiences and designing new ones.

Conferences, events and sponsorships include the annual conference, regional conferences, the strategic partner program, and other partnerships and sponsor relationships.

Registration revenue for the annual conference in Columbus, Ohio, includes a 5 percent increase in registration rates and is budgeted with the assumption that paid attendance will reach approximately 75 percent of the attendance from the most recent pre-pandemic conference that was held in Nashville, Tennessee in October 2019. Budgeted sponsorships and exhibit hall revenues are based on prior years' results. In addition, a virtual conference is also being planned, which will include select content from the live event. In contrast with the previous two years when the annual conferences resulted in financial losses, the FY 2023 conference is expected to produce a net contribution of approximately \$749,000. Despite the significant improvement in the expected net contribution, it will not be sufficient to meet one of the board-approved recommendations from the Task Force on Financing ICMA. This recommendation mandates that the annual conference should generate a 10 to 20 percent profit after all direct and indirect expenses are paid. Considering the unique challenges of conducting in-person events in an environment impacted by a global pandemic, along with significant increases in expenses, this budget proposes an exception to this policy for the Columbus conference.

In addition to the annual conference, ICMA plans to hold five "reimagined" regional conferences around the country between January and June 2023. The FY 2023 budget assumes these events will result in a small net contribution resulting from growth in paid attendance and increased sponsorships.

The budget proposal assumes 40 percent growth in strategic partner and sponsorship revenues, as compared with the current year budget. This is the result of the redesigned strategic partner program. In addition, the FY 2023 budget anticipates \$100,000 in sponsorships for the Brownfields conference, slated to be held in Oklahoma City this coming August.

Publications, subscriptions, and advertising, which include sales of print and electronic publications and advertising revenues, are projected to remain at approximately the same levels as in prior years.

Management fees consist of revenues derived from management and administrative services provided to certain organizations and are expected to remain at the same levels as in prior years.

Subtenant rental income consists of rental revenue derived from subleasing a portion of the space leased by ICMA at the headquarters building. The significant reduction in revenue, compared with prior years is due to the fact that all subleases except one have expired and most of the excess space is now vacant. ICMA continues to be responsible for paying rent for the vacant space. While this space is being actively marketed, given the current subtenant market in the Washington, DC area, the budget assumes that most of this space will remain vacant through the end of FY 2023.

Royalty income includes licensing fees from ICMA-RC (dba MissionSquare Retirement¹) for the use of ICMA's name and brand. These are budgeted at the amount consistent with the agreement between ICMA and MissionSquare Retirement currently in place and are based on MissionSquare Retirement's gross revenue projections.

Investment income consists of the annual Real Estate Investment Trust (REIT) dividend distribution, interest, and other earnings from ICMA's investments. The REIT dividend is budgeted in alignment with the building's operating budget.

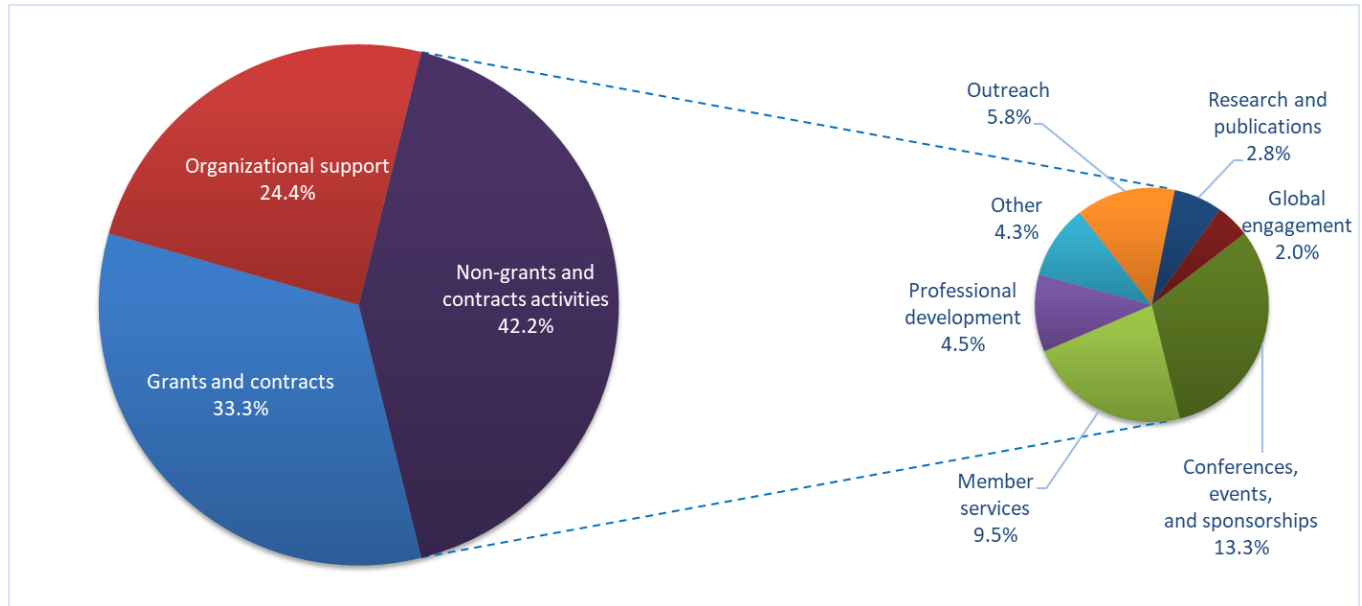
Grants and contracts revenue is budgeted at approximately \$12.6 million, or 40.7 percent of total ICMA revenue from all sources. The current grants and contracts portfolio consists of several geographically diverse awards of various sizes, both prime and subawards. Approximately 11.1 percent of total budgeted grants and contracts revenue is expected to come from new, yet-to-be awarded projects. This estimate is based on the number and size of proposals currently in development or under consideration by funders, combined with our expectation of the probability of new wins.

¹ In the spring of 2021, as a result of a rebranding effort, ICMA-RC began doing business as MissionSquare Retirement.

Expense Estimates

Figure 5 illustrates the allocation of resources to three major outcome areas of ICMA's operations: non-grants and contracts activities, grants and contracts, and organizational support. In addition, non-grants and contracts activities are further broken down into member support; professional development; conferences, events and sponsorships; research and publications; outreach; global engagement, and other activities.

FIGURE 5 | FY 2023 allocation of resources to outcomes



The FY 2023 budget includes resources to maintain minimal organizational capacity sufficient to deliver on ICMA's major priorities. At the same time, this budget proposal includes strategic uses of resources for areas deemed critical to achieving ICMA's goals, such as global engagement; implementation of the new dues model; modernization of ICMA's professional development function; and positioning ICMA as a thought leader and a provider of resources and tools on important topics such as post-pandemic economic and community recovery and restoration, local government management and policing, and racial equity and social justice, to name just a few. The use of these resources is aimed at accomplishing these and many other priorities as well as better positioning ICMA to generate additional revenue in the future. Finally, the FY 2023 budget includes funds for periodic compensation increases for staff in alignment with the labor market.

Direct Uses from Net Assets

In addition to maintaining ongoing operations and services, the FY 2023 proposed budget identifies resources needed to fund several items that are to be funded directly out of net assets rather than from operations. Figure 6 provides details of these items.

FIGURE 6 | Direct uses from net assets

Direct uses from net assets	Revenues	Expenses	Net
Dues model implementation	-	20,000	(20,000)
Code of Ethics review	-	15,000	(15,000)
Strategic Partner program redesign	-	60,000	(60,000)
Incremental cost of an international board meeting	-	50,000	(50,000)
ICMA Future of Work/office space	-	75,000	(75,000)
CEO/Executive Director's contingency reserve	-	100,000	(100,000)
Total direct uses from net assets	-	320,000	(320,000)

Dues model implementation: as part of the Executive Board's strategic planning process conducted from October to December 2019, the board identified ICMA's dues structure and related value of membership as a key strategic priority for the organization. At its February 2020 meeting, the board authorized the use of \$75,000 of net assets to engage a consultant with experience in assisting associations with such initiatives. In FY 2021, ICMA hired McKinley Advisors for this purpose. The new dues model, developed with McKinley's assistance, was approved by the board at their December 2021 meeting. This budget proposes continued engagement with McKinley Advisors in FY 2023 for the purpose of developing an effective marketing strategy for the new model, which is scheduled to launch on October 1, 2022.

Code of Ethics review: following the Executive Board's statement on systemic racism, the board committed to revisiting the Code of Ethics to better integrate ICMA's ethical commitment to racial justice and equity into each of the 12 tenets of the Code. The board then assigned the Committee on Professional Conduct (CPC) the task of developing a plan to engage ICMA's membership in conducting a review of the Code to ensure it reflects the profession's commitment to racial justice and equity. At their December 2020 meeting, the board authorized the use of up to \$100,000 of net assets to engage a consultant to assist with this work. In FY 2022, ICMA engaged the University of North Carolina at Chapel Hill School of Government, whose scope of work included a robust member engagement component. The budget includes funds for the continued engagement with the consultants, whose work is scheduled to be completed in FY 2023.

Strategic partner program redesign: ICMA has been working with a consulting firm, JSB Partners, to revamp and reimagine ICMA's strategic partner program to increase opportunities for sponsorships, partnerships, and year-round engagement with a variety of current and prospective partners. The redesigned program aims to create an effective strategy that provides value to members, sponsors, and all stakeholders, while maximizing revenue and ensuring long-term success for ICMA. The FY 2023 budget assumes continued engagement with JSB Partners, who will be providing expert assistance in the implementation of the redesigned program during the first year.

Incremental cost of an international board meeting: as part of ICMA's globalization efforts, one of the Executive Board meetings in FY 2023 may be held in a location outside of the U.S. The budget proposes use of net assets for the incremental cost of an international board meeting over and above the average cost of board meetings in the U.S.

ICMA Future of Work/office space: this line item includes potential expenses associated with modifying ICMA's future operating model, in line with the Future of Work project conducted in FY 2022.

CEO/Executive Director's contingency reserve: based on the board's Governance Subcommittee's recommendation regarding establishing a reserve as part of the annual budget to be used at the CEO/executive director's discretion, the FY 2023 budget proposal includes funds available for use by the CEO/executive director for expenditures not otherwise included in the operating budget. Updates regarding usage of this reserve will be provided to the board quarterly.

Risks and Opportunities

The risk level with respect to most of ICMA's sources of revenue has been increasing, both as a result of the adverse economic impact from the pandemic and other factors. While the FY 2023 budget is based on the best assumptions that can be made at the time of budget development, actual results may turn out materially different. The following paragraphs offer a brief analysis of the risk factors affecting major activities and revenue sources in FY 2023 as well as significant opportunities.

- **Dues:** we anticipate a 2 percent reduction in dues revenue, as compared with FY 2022 projections, due to the implementation of the new dues model starting with the January 2023 membership cycle. The new model includes reduced rates and a discount for small communities. Dues revenue is budgeted based on the assumption that, while individual dues rates will be lower than in the past for many of ICMA's existing members, new member recruitment will increase because of greater affordability, particularly for managers and assistants from smaller jurisdictions. Resources have been allocated in the FY 2023 budget for a vigorous marketing campaign to promote the new dues model, with the goal of increasing new member recruitment. While there is a risk associated with the recruitment assumptions, this is also a potential growth opportunity for ICMA.
- **Annual conference:** for the first time since the beginning of the pandemic, the annual conference is projected to generate a significant net contribution. However, given the challenges of conducting in-person events at this time due to rising prices for labor, food and beverage, technology, as well as a higher level of uncertainty than we have experienced in the past relative to the number of paid attendees and sponsors, we believe the risk level with respect to the budgeted net contribution will be higher than in pre-pandemic years. Also, as noted earlier, the budgeted contribution falls short of the long-standing policy that the event produce a net contribution of at least 10 to 20 percent after all expenses are paid. Under normal circumstances, compliance with this policy would likely require a reduction in conference programming and events, which could adversely impact attendee registration and the overall conference experience that members have come to expect. For these reasons, this budget proposal assumes that an exception to the policy is warranted.
- **Regional conferences:** the FY 2023 budget includes a plan to hold five events throughout the country between January and June 2023. These "reimagined" conferences will incorporate new and innovative programming that will attract more attendees and sponsorships, and thus greater revenue streams, all with the goal of covering all meeting expenses. However, there is a risk that, despite our best efforts, breaking even may prove to be financially hard to achieve.
- **Professional development:** professional development is an area of significant opportunity with respect to enhancing ICMA's value to members at all career stages and in all geographic locations while advancing the goal of positioning ICMA for long-term financial success. Key to this success is the deployment of a new learning management system, which is planned for FY 2023. While resources have been included in the budget for this implementation, this project carries a certain amount of risk, due to the complexity of deploying a major software solution such as this. Nevertheless, given our investments

in this business line, budgeted revenues reflect significant growth compared with previous years, particularly from ICMA's leadership and other proprietary programs. Our ability to realize budgeted revenues will depend on staff capacity as well as the exact timing of the LMS implementation.

- **Strategic partner and sponsorship program:** FY 2023 will be the transition year to the redesigned strategic partner and sponsorship program that will promote year-round engagement with companies around thought leadership and other sponsorship opportunities. This is an area of significant opportunity to drive additional revenue. Early results of negotiations with some of our existing partners have been encouraging. In addition, this budget includes \$100,000 in sponsorships for the National Brownfields Training Conference, which is slated for August 2022 in Oklahoma City. ICMA's ability to generate this revenue will depend on the conference taking place as scheduled.
- **Global engagement:** ICMA's global strategy development process, which included a robust stakeholder engagement element, is now complete, with the overall strategy pending review and adoption by the Executive Board. Assuming board approval, the implementation of this strategy will be a long-term process, which will begin in FY 2023. Meanwhile, the budget includes an assumption that ICMA will hold two professional development events outside of the US in FY 2023, as well as begin offering other professional development and learning opportunities to local government audiences internationally. These activities carry a certain amount of risk, given that ICMA will be engaged in them for the first time.
- **Royalty revenue:** revenue is budgeted based on the licensing agreement with ICMA-RC (now MissionSquare Retirement) that is currently in place. Because ICMA's royalty income is based on a formula applied to MissionSquare Retirement's gross revenue, the financial risk with respect to this revenue source is tied to the accuracy of their revenue estimates as well as equity and bond market fluctuations.
- **Grants and contracts:** risks related to grants and contracts revenue, which accounts for 40.7 percent of total budgeted revenues from all sources, include continued reliance on one primary source, the U.S. Agency for International Development (or USAID), for the vast majority of funding; our ability to win contracts in a highly competitive environment; and various risks associated with working in developing countries. Additional details are provided in the "Risk Analysis of Federal and Non-Federal Grants and Contracts (G&C) Support" document prepared in conjunction with the FY 2023 budget.

ICMA will utilize multiple strategies to mitigate against the risks and to take advantage of the opportunities described above, including:

- Continuous monitoring of progress against key financial and programmatic metrics and making course adjustments as needed. This strategy is even more important now, given the high level of uncertainty relative to most of our business activities during and after the pandemic.

- Focus on deploying resources strategically, and finding new, more efficient ways of delivering value to members and other stakeholders by various means, including technology.
- Enhanced marketing of our products and events, both in-person and digital, to attract returning and new participants, partners, and customers.
- Continued investment in business development, including bids and proposals, to ensure a pipeline of new, funded projects in order to meet grants and contracts revenue targets.
- Continued focus on pursuing revenues from non-dues and non-grants and contracts sources.

Financial Goals

Net Assets

Net assets represent accumulated earnings of an organization. Net assets increase or decrease 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 minus liabilities. The purpose of net assets is to help organizations manage transitions, deal with economic uncertainty, and fund investments and initiatives as necessary. It is considered a best practice for nonprofit organizations to maintain a net assets balance of approximately 50 percent of their average operating budget.

ICMA's Executive Board establishes an overall net assets goal as well as interim net assets targets in five-year increments. These targets are reviewed and adjusted annually based on the organization's actual and expected financial performance. The overall net assets are further divided into reserves for specific purposes, to ensure availability of funds for various kinds of risks and opportunities.

The interim net assets target established by the board for FY 2023 is \$10.3 million. This target was established with the understanding that while better-than-budgeted financial results achieved over the past several years helped to grow ICMA's net assets, it was likely that in the future the organization would need funds from net assets to invest in new initiatives and opportunities. Given the number of priorities and initiatives ICMA is currently implementing, including those with a high revenue generating potential in future years, ICMA is not in a position to generate a contribution to net assets in FY 2023. Rather, this proposal assumes the use of approximately \$494,000 of net assets for operations as well as \$320,000 for one-time items. With these assumptions, the net assets balance at the end of FY 2023 is expected to be approximately \$13.4 million, or \$3.1 million higher than the \$10.3 million interim target, as illustrated in Figure 7.

FIGURE 7 | Net assets: actual vs. target, FY 2003-2023

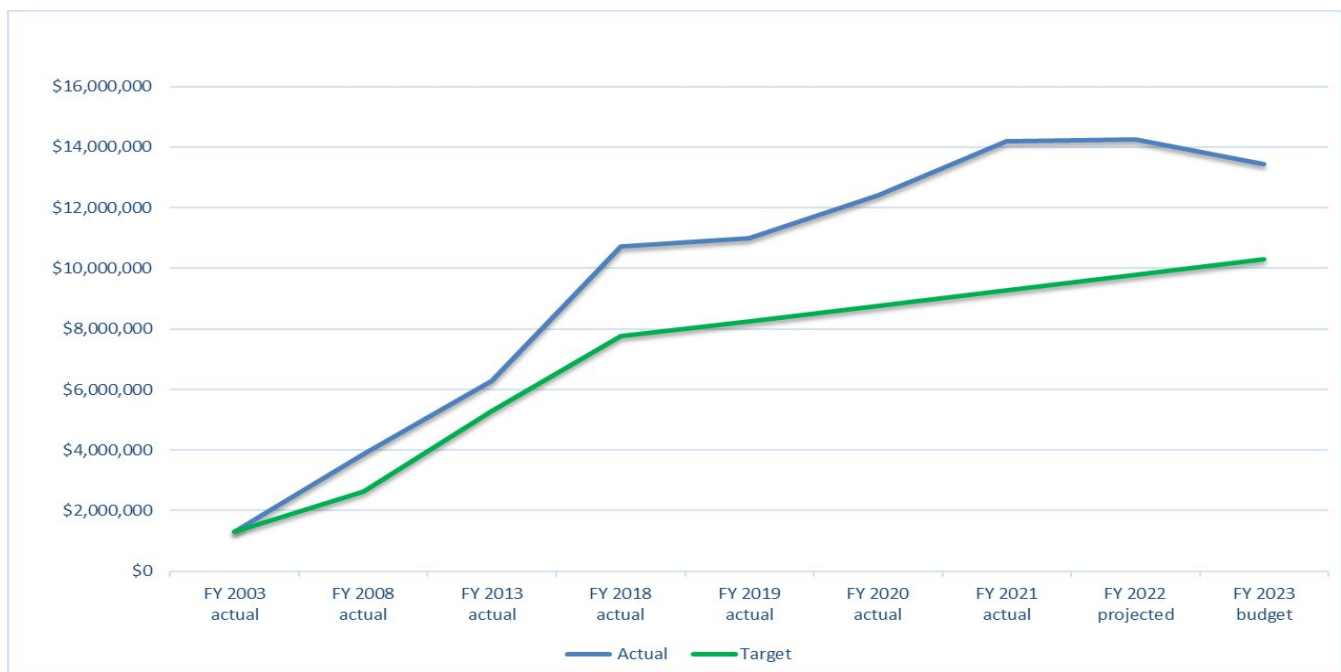


Figure 8 illustrates the overall long-term net assets goal, the board-approved target for FY 2023, and the projected net assets balance for FY 2023, with allocations to various purposes.

FIGURE 8 | Net assets goals, balances, and targets

Composition of net assets	Net assets goal (long-term)	FY 2023 net assets target	FY 2023 net assets balance (projected)
Reserve for non-G&C operating expenses (6 months)	\$9,500,000	\$5,900,000	\$7,900,000
Reserve for investments and initiatives	3,000,000	1,930,000	2,500,000
G&C reserve (3.5% of total awards)	1,500,000	1,180,000	1,300,000
Reserve for other one-time items	2,000,000	1,290,000	1,700,000
Total	\$16,000,000	\$10,300,000	\$13,400,000

Cash and Investments

The cash reserves goal, which is different from the net assets goal, includes operating cash and investments reserves to provide ICMA with the resources needed to continue delivery of its programs in the event of delayed payments from funders; to prevent ICMA from making expensive short-term crisis-based decisions; and to enable ICMA to focus on sound long-term decision making. The minimum cash reserve suggested by the Nonprofit Operating Reserves Initiative Workgroup is 25 percent, or three months of the annual operating expense budget. ICMA's cash and investments balance is projected to be at 64 percent of average annual operating expenses at the end of FY 2023.

FY 2023 Team Priorities and Budgets

With membership at its core, ICMA is organized into business teams focused on delivering resources, products, and services worldwide in support of ICMA’s mission. The directors of these teams form ICMA’s Leadership Team.



This section describes the FY 2023 priorities and budgeted revenues, expenses, net contribution, and full-time equivalent positions for each team. A detailed workplan with linkages to the *Envision ICMA* Strategic Plan can be found in Appendix 1.

Member Services and Support

Mission

To attract individuals to the local government management profession, recruit local government professionals in all positions and career stages to join ICMA, and provide excellent services and benefits throughout their career in public service.

FY 2023 priorities

- Launch the new membership dues model.
- Implement a robust marketing campaign for the new dues model to promote new member growth.
- Retain existing members and recruit new members through a variety of strategies.
- Assist talented individuals in gaining entry into the profession.
- Improve and sustain collaborative relationships with state and affiliate organizations.
- Promote equity and inclusion in the profession.
- Promote a global commitment to ethics and enhance ethics awareness.

FY 2023 budget – membership dues revenue

	FTEs	Revenues	Expenses	Net
Membership dues revenue	-	\$ 6,133,000	-	6,133,000

Dues revenue is used to fund a variety of programs related to member services and support, outreach, research, and global engagement. Dues revenue is budgeted at two percent reduction as compared with FY 2022 projections, as a result of the implementation of the new dues model beginning with the January 2023 cycle.

FY 2023 budget – member services and support

	FTEs	Revenues	Expenses	Net
Member recruitment, retention, and support	4.77	\$ 22,000	1,012,993	(990,993)
Ethics	1.51	12,000	284,478	(272,478)
Career services	4.41	820,500	696,075	124,425
Relationship management	4.43	60,350	988,623	(928,273)
	15.11	\$ 914,850	2,982,170	(2,067,320)

This budget includes allocation of resources related to member recruitment, retention, and support, as well as member committees, ethics programs, affiliate relationships, and next generation activities. As in prior years, these programs are projected to generate some revenues, such as sponsorships for events and fees for certain services.

Professional Development

Mission

To develop and enhance the leadership and management capacity of members and local government professionals worldwide through a comprehensive array of high-quality programs delivered in a variety of formats that will meet their needs at each career stage.

FY 2023 priorities

- Implement the new LMS to establish ICMA's capabilities to scale programs for the global markets.
- Continue the transformation of ICMA University, with the goal of offering learning experiences that connect with the learner across multiple modalities.
- Revamp and retool existing content to enhance its relevancy in the post-pandemic era.
- Build new programs to help local government professionals sharpen key competencies.

FY 2023 budget

	<u>FTEs</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Net</u>
Leadership programs	0.87	\$ 266,650	227,144	39,506
Proprietary training programs	1.71	297,883	239,947	57,935
Program development and management	4.38	421,207	946,884	(525,677)
	<u>6.96</u>	<u>\$ 985,740</u>	<u>1,413,975</u>	<u>(428,236)</u>

Included in this budget are revenues and expenses related to workshops, the ICMA Credentialing Program, webinars, assessments, as well as leadership and proprietary programs for all career stages. This budget also includes expenses related to new product development.

Conferences, Events, and Sponsorships

Mission

To generate business opportunities and innovations that boost membership value and foster professional local government management by delivering world-class conferences and events and by identifying and partnering with organizations whose missions align with ICMA's strategic goals.

FY 2023 priorities

- Hold an energizing and engaging annual conference in an effective and efficient manner.
- Hold five events in various regions around the country focused around timely and relevant topics and issues.
- Begin implementation of the newly redesigned strategic partner program.
- Continue pursuing partnerships to promote products and services that are beneficial to ICMA members and their communities while generating revenues for ICMA.

FY 2023 budget

	<u>FTEs</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Net</u>
Annual conference	2.77	\$ 3,832,574	3,083,712	748,862
Regional conferences	1.54	819,125	786,779	32,346
Partnerships and sponsorships	1.78	910,000	329,833	580,167
	<u>6.09</u>	<u>\$ 5,561,699</u>	<u>4,200,324</u>	<u>1,361,375</u>

This budget includes annual and regional conferences as well as various partnerships and sponsorships.

Research and Publications

Mission

To position ICMA as a thought leader with respect to trends and issues affecting local governments and to conduct research and develop information resources important to local government professionals and government leaders.

FY 2023 priorities

- Conduct surveys and other research on local government policies and programs and produce useful and relevant research-based content.
- Lead the implementation of ICMA's Local Government Reimagined strategy, including the development of a variety of resources on post-pandemic economic and community recovery and restoration.
- Lead the implementation of the Local Government Management of Policing and Law Enforcement project.
- Continue to produce research-based content on diversity, equity, and inclusion topics.
- Manage ICMA's digital and print publications business line.
- Manage the Local Government Research Fellowship program.

FY 2023 budget

	FTEs	Revenues	Expenses	Net
Publications	0.71	\$ 400,000	271,147	128,853
Research and content	2.72	150,000	621,213	(471,213)
	3.43	\$ 550,000	892,360	(342,360)

This budget includes activities related to managing ICMA's publications, conducting research and producing content on local government policies and practices. Some of the research is sponsored by external sources.

Global Development and Engagement

Mission

To transform ICMA to a global business model, with worldwide programs, products, and services.

FY 2023 priorities

- Begin implementation of ICMA’s global strategy.

FY 2023 budget

	<u>FTEs</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Net</u>
Global engagement	<u>2.18</u>	<u>\$ 124,950</u>	<u>625,608</u>	<u>(500,658)</u>

This budget includes an allocation of resources for the implementation of ICMA’s new global strategy. These resources will be used in support of various activities, including ICMA Europe, other global affiliate relationships, and any other priorities and initiatives that will be identified as part of the new strategy.

Outreach

Mission

To build brand 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.

FY 2023 priorities

- Grow and manage ICMA's outreach channels to generate maximum exposure for the organization's brand, products, and services.
- Partner with internal business teams to develop and implement marketing plans that will help them achieve their revenue and business objectives.
- Drive additional revenue opportunities by leveraging ICMA outreach channels and brand.
- Promote member collaboration and networking through ICMA Connect.
- Ensure an effective online presence for ICMA through the website, mobile apps, and social media channels.
- Promote ICMA thought leadership through media and content partners.

FY 2023 budget

	<u>FTEs</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Net</u>
<i>PM</i> Magazine	0.87	\$ 95,000	355,978	(260,978)
Outreach, marketing, and communications	8.62	377,040	1,477,085	(1,100,045)
	<u>9.49</u>	<u>\$ 472,040</u>	<u>1,833,062</u>	<u>(1,361,022)</u>

Outreach includes activities related to raising awareness of ICMA's brand and content. As in the past, the FY 2023 budget includes revenues expected to be generated from advertisements and content sponsorships in ICMA's communications channels, such as the website and *PM* magazine.

Global Program Management

Mission

To deliver high-quality technical assistance to local governments globally and to encourage sharing and replicating leading practices through peer exchanges and hands-on, practical training.

FY 2023 priorities

- Continue to identify opportunities to grow ICMA's funded programs portfolio and to produce prime and subcontracting proposals for federal agencies, foundations, and other donors.
- Continue creating engagement opportunities for members that will contribute to ICMA's funded programs.
- Implement funded programs efficiently and effectively, in compliance with regulations, on budget, and on-time.
- Identify ways to contribute to the implementation of ICMA's new global engagement strategy.

FY 2023 budget

	<u>FTEs</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Net</u>
Grants and contracts	13.21	\$ 12,619,817	9,212,466	3,407,351
Team management and contract administration	2.58	-	492,543	(492,543)
Business development, bids, and proposals	3.68	-	787,707	(787,707)
	<u>19.46</u>	<u>\$ 12,619,817</u>	<u>10,492,717</u>	<u>2,127,100</u>

Global program management includes international and domestic grants and contracts as well as related support costs, such as team management, contract administration, and business development expenses aimed at securing future funding.

Organizational Support

Mission

The organizational support teams assist other business teams by providing the human capital, technology, space, and resources needed to achieve their priorities and meet their respective performance objectives. The support teams are charged with ensuring organizational sustainability and an integrated commitment to the organization's mission and vision.

FY 2023 priorities

- Ensure achievement of FY 2023 programmatic and financial goals.
- Design and implement ICMA's Future of Work model.
- Pursue an information technology vision and strategy to ensure that ICMA's flexible operations are fully supported and secure.
- Continue to build ICMA's employer brand.
- Continue to seek opportunities to enhance revenue sources to ensure ICMA's financial resiliency.

FY 2023 budget

	FTEs	Revenues	Expenses	Net
Executive Board	0.84	\$ -	466,679	(466,679)
Executive office	2.38	-	1,067,052	(1,067,052)
Facilities and administration	1.07	132,000	1,865,263	(1,733,263)
Finance	6.35	-	1,255,902	(1,255,902)
Information technology	6.09	-	2,182,648	(2,182,648)
Human resources	3.48	-	863,796	(863,796)
	<u>20.21</u>	<u>\$ 132,000</u>	<u>7,701,339</u>	<u>(7,569,339)</u>

In addition, the Executive office provides oversight of the diversity, equity, and inclusion programs, the focus of which is to effectively drive ICMA's engagement and to support members, local governments, and partners on issues related to systemic racism and social justice. The following budget reflects revenues to be generated from and resources allocated to these activities.

	FTEs	Revenues	Expenses	Net
Diversity, equity, and inclusion programs	<u>0.74</u>	<u>\$ 54,600</u>	<u>219,975</u>	<u>(165,375)</u>

Finally, the Executive office manages the External Affairs team, which focuses on public policy, advocacy for the profession, communications, and fundraising, as follows.

	FTEs	Revenues	Expenses	Net
Advocacy and public policy	1.74	\$ -	338,675	(338,675)
Communications and fundraising	0.40	-	156,943	(156,943)
	<u>2.14</u>	<u>\$ -</u>	<u>495,618</u>	<u>(495,618)</u>

Other

ICMA-RC (MissionSquare Retirement) royalty

In accordance with the licensing agreement with ICMA-RC (dba MissionSquare Retirement), ICMA is paid a royalty for the use of the association's name and brand. Currently, the annual payment is calculated as 1.15 percent of MissionSquare's consolidated gross revenues up to \$200 million, plus .75 percent of such revenues in excess of \$200 million. The FY 2023 budget includes an estimate of royalty revenue based on MissionSquare's estimates of their gross revenues for FY 2023. ICMA-RC's rebranding to MissionSquare Retirement will not impact the royalty while the licensing agreement is in effect. The agreement expires on December 31, 2036.

REIT dividend and other investment income

Real Estate Investment Trust (REIT) dividend is the income expected from ICMA's one-third ownership of its headquarters building located at 777 N. Capitol Street, NE, Washington, DC 20002. The FY 2023 budget includes an estimate of the REIT dividend based on the REIT net income projections for the calendar year 2022.

Excess space

ICMA leases approximately 42,000 square feet of space at its headquarters building, of which 1,736 square feet are subleased to another organization. While ICMA is currently marketing all of its excess space for sublease, given the challenging market conditions, it is not anticipated that ICMA will realize any additional rental revenue through the end of FY 2023. In the event ICMA is successful in securing a subtenant, additional investment in the space may be necessary to meet the requirements of the subtenant. Meanwhile, the budget assumes continued rent expense for all of the leased space, based on the lease agreement in place through December 31, 2026.

Investment income

Investment income consists of estimated earnings on operating cash reserves.

Transfer to the Future of Professional Management Fund

Beginning with FY 2022, ICMA established a practice of making an annual contribution from its general fund to the Future of Professional Management Fund for the purpose of adding to the resources available for council-manager form of government advocacy activities. Given the expectations of total general fund revenues and expenses in FY 2023, this year's budgeted contribution is \$5,000.

FY 2023 budget

	FTEs	Revenues	Expenses	Net
ICMA-RC (MissionSquare Retirement) royalty	-	\$ 2,770,438	-	2,770,438
REIT dividend	-	525,000	-	525,000
Excess space	-	85,621	642,014	(556,393)
Investment income	-	80,000	-	80,000
Transfer to Future of Professional Management Fund	-	-	5,000	(5,000)
	-	\$ 3,461,059	647,014	2,814,045

Capital Investments and Depreciation

As part of the annual budgeting process, capital investments are reviewed to determine the equipment, software, and other capital assets that must be placed in service or replaced over the next three years. Capital expenditures are depreciated over the useful life of the asset. Decisions about financing capital investments are based on the availability of cash and other economic factors. Currently, ICMA has no investments that are financed through debt arrangements, as it has used its available cash to fund existing capital investments.

ICMA is in the process of developing a Future of Work model that would reflect emerging best practices and support new and flexible ways of working. Part of this process is exploring the most economically advantageous ways to optimize the office space and technology in support of the new model. Depending on the outcome of this process, a capital investment related to the office space may be needed in the future. No such investment has been included in the FY 2023 capital budget as the nature and size of this potential investment is unknown at this time.

Figure 9 illustrates existing capital assets and investments projected to be made in FY 2022–FY 2024, with related depreciation expenses.

FIGURE 9 | Capital assets acquisition and depreciation

Capital assets	Acquisition year	Cost	Useful life	Depreciation expense		
				FY 2022	FY 2023	FY 2024
Furniture	FY 2004-2016	74,512	10	5,169	2,180	1,019
SUBTOTAL Furniture				5,169	2,180	1,019
IT hardware	FY 2017-2023	447,312	3-5	61,228	48,258	55,472
IT infrastructure upgrade	FY 2018	246,533	5	49,307	24,653	-
Stutz conference room audio upgrade	FY 2016-2017	35,501	7	5,288	2,644	-
Conference room smartboards	FY 2020	12,561	5	2,512	2,512	2,512
SUBTOTAL IT Hardware				118,335	78,068	57,984
Website	FY 2016-2023	375,009	2-5	54,429	54,429	31,851
Sharepoint	FY 2015-2013	87,540	7	10,091	7,677	3,838
Association management software (netFORUM)	FY 2013-2023	2,875,774	10	347,302	388,528	423,028
Other software	FY 2017-2023	257,203	3-7	16,131	22,068	31,354
SUBTOTAL Software				427,954	472,702	490,072
Leasehold improvements	FY 2016-2023	206,864	10	22,553	23,770	18,888
SUBTOTAL Leasehold Improvements				22,553	23,770	18,888
TOTAL				574,011	576,719	567,963

Appendix 1: Envision ICMA Implementation Plan, FY 2023

Vision:

To be the leading association of local government professionals dedicated to creating and sustaining thriving communities throughout the world.

Mission:

To advance professional local government through leadership, management, innovation, and ethics.

Core Beliefs – We Believe In:

1. **Public Service:** including the stewardship of democratic principles and the efficient and transparent use of public resources.
2. **Ethics:** as the core of professionalism in local government leadership and management as outlined in the ICMA Code of Ethics.
3. **Council-Manager Form of Government and Professional Management:** as the preferred local government structure.
4. **Equity and Inclusion:** ensuring that local governments are inclusive and mirror the diversity in communities.
5. **The Continuous Pursuit of Excellence:** including professional development, life-long learning, networking, capacity building, knowledge sharing, and engagement.
6. **Stewardship:** balancing resources including people, financial, social capital, and environmental so that communities are better than we found them.
7. **Leadership:** developing leadership capacity and attracting and developing future generations of leaders.

PRIORITY I: Membership Benefits and Growth

Strategic Initiative A: Diversify and expand the membership.

Strategy Number	Strategies	FY 2023 initiatives
A.1	Maintain an organizational priority to grow and retain the membership in order to support local government's ability to attract and retain talented professionals.	• Implement the new board-approved dues model. • Redesign the Member Center on ICMA's website to follow functional titles. • Promote the new member benefit, Equilibrium. Equilibrium is a new executive assistance program designed to assist members in promoting and maintaining mental health. • Promote the new guidebook for members in transition (MIT). • Implement recommendations of the MIT Task Force, including leveraging members to produce content for <i>PM</i> magazine and conferences and events. • Onboard a new Senior Advisor coordinator; enhance promotion of this member benefit and expand where feasible. • Establish membership-related goals in alignment with ICMA's global strategy (assuming approval of the strategy by the board). • Continue to support the VLGMF and Veterans Advisory Board by engaging and supporting career changers as they move into the local government profession.
A.2	Implement board approved recommendations of the Task Forces on Diversity & Inclusion and Women in the Profession.	• Continue to engage student chapters in promoting the importance of diversity and inclusion within the profession through content dissemination and programming. Share more student stories with the entire membership, including chapter annual reports, best event contest winners, and graduate honors recipients. • Execute partner work plans and focus on capturing value in our relationships with the League of Women in Government, NFBPA, LGHN, I-NAPA, CivicPRIDE, and GARE. • Ensure continued alignment with ICMA's professional development programs on content development and representation by membership and speakers for all training programs.
A.3	Develop strategies to assist talented individuals in gaining	• Continue to recruit city and county managers and assistants to partner with student chapters to mentor students.

Strategy Number	Strategies	FY 2023 initiatives
	entry into the profession.	• Continue to develop and grow veterans' programs, like the Veterans Local Government Management Fellows (VLGMF). • Leverage the member Veterans Advisory Board to increase veteran representation in the profession and expand veteran membership. • Continue to provide members and their organizations with qualified applicants, while creating opportunities for students and early career professionals by helping them build their career-starting and advancing skills. • Promote curriculum, teaching resources, speaker resources, and more for the K-12 market. • Continue to enhance Job Center capabilities and marketing to reach new audiences, develop new products, and promote job ads to a wider audience, including nonmembers. • Begin the implementation of the Bob Turner Scholars program.
A.4	Define and promote the value of belonging to ICMA in addition to State Associations, International and other Affiliates, and related professional organizations.	• Position ICMA's 14 Core Practices as a framework for the local government profession. • Continue joint membership campaigns to promote the value of belonging to ICMA and other affiliate organizations.
A.5	Support the professional and personal needs of members at all life and career stages.	• If approved by the Executive Board, begin the implementation of the expanded ICMA Credentialing Program to include all stages of the local government career, emphasizing the recognition of local government professionals around the world. • Enhance ethics awareness through the following initiatives: ○ Publish and promote a second e-book on ethics in the series focused on the ICMA Code of Ethics and building public trust, reaching members and others who are seeking more in-depth understanding of ethics. ○ Facilitate member virtual roundtable conversations.

Strategy Number	Strategies	FY 2023 initiatives
		○ Continue contributing content through the ICMA blog and <i>PM</i> magazine. • Develop a series of ethics courses by position to build capacity of members to apply the ICMA Code of Ethics to their work. • Enhance the MIT program by implementing the MIT Taskforce recommendations. • Continue to support members by expanding and promoting the Senior Advisor program. • Continue to offer content and support to first-time administrators. • Continue to support student members with student chapter engagement activities, networking event support, and, if feasible based on economic conditions and budgetary constraints, travel scholarships. • Continue to recruit and place Local Government Management Fellows. Focus on more aggressive student recruiting. • Begin the implementation of the Bob Turner Scholars Program.
A.6	Continue to expand the relevance of Student Chapters and their respective universities to highlight career opportunities in local government management.	• Continue the expansion of student chapters globally. • Build and enhance relationships with the global academic community to make deeper connections to professional local government management internationally. • Continue financial support for developing events that engage students through networking, professional development, and career events. • Continue engagement with student chapters for content development and connection through the monthly chapter newsletter; consider republishing some of this content in <i>PM</i> magazine and <i>Leadership Matters</i>. • Continue such chapter engagement activities as regional leadership calls, the new form of government challenge, and best event contest.
A.7	Work with elected official organizations to develop and implement training to facilitate the increase of a more diverse pool of executives.	• Develop a training program for elected officials on hiring managers, to be hosted at NLC and NACo conferences.

Strategy Number	Strategies	FY 2023 initiatives
A.8	Identify and promote member services that are relevant to the international community.	• Design and begin development of the ICMA global professional development portfolio, based on the 14 Core Practices and career stages. • Promote a global commitment to ethical conduct by expanding ethics training to make it relevant on the global stage, recognizing cultural and regional differences. • Explore offering ethics training opportunities to international affiliates.

PRIORITY I: Membership Benefits and Growth

Strategic Initiative B: Improve and sustain collaborative relationships with international and state associations and affiliates to support, align, and advance common goals.

Strategy Number	Strategies	FY 2023 initiatives
B.1	Strengthen and formalize relationships with organizations that have similar missions to leverage resources for the benefit of the profession.	• Review the international affiliates model to ensure its alignment with ICMA's global strategy. • Continue to support ICMA's state and other affiliates through secretariat services and/or partnership agreements.
B.2	Expand the Regional Directors so that at least one director covers each region to foster relationships with international and state associations and the general membership.	• The implementation of this strategy has been completed, with regional directors now in all regions.
B.3	Establish deeper relationships with international, state associations and affiliate membership organizations to develop a leadership pipeline to serve on the ICMA Executive Board.	• Review the international affiliates model to ensure its alignment with ICMA's global strategy. • Develop and implement tailored workplans with state and affiliate organizations, leveraging content, speakers, and cross promotional efforts to support mutual missions.

Strategy Number	Strategies	FY 2023 initiatives
B.4	Enhance communication and dialogue to develop synergistic relationships with international, state, and affiliate organizations and other professional associations.	• Review the international affiliates model to ensure its alignment with ICMA's global strategy. • Expand the reach of the <i>International Digest</i> newsletter as a global platform for communication and learning between affiliates, partners and members worldwide. • Build the ICMA Community of Practice, a member- and staff-comprised workgroup dedicated to global professional development based on ICMA's 14 Core Practices. • Identify and enhance external content relationships to grow audiences and capitalize on external SMEs (affiliates and other partners).
B.5	Explore and establish relationships with non-traditional organizations that could serve as partners in achieving ICMA's diversity goals.	• Continue working with national equity partners (NACo, NLC, GARE, Policy Link, Living Cities) to share information and resources. • Provide support (sponsorships or complimentary registrations) to underrepresented groups to attend ICMA's leadership development programs. • Identify, develop and support cohorts to advance diversity.
B.6	Advance work with IHN, NFBPA, and NACA and other organizations on establishing joint recruitment goals and recruitment opportunities and amend the national affiliate agreements as appropriate to further our shared goals.	• Implement the annual work plans to advance mutual interests. • Develop formal agreements with local government associations such as American Planning Association (APA). • Partner with affiliate organizations on ICMA programs to build membership and the profession. • Contribute and share content on websites, at conferences and events, and through other communication channels.

PRIORITY II: Learning Community

Strategic Initiative C: Create a worldwide learning community of local government professionals and provide training programs for all career stages.

Strategy Number	Strategies	FY 2023 initiatives
C.1	Expand learning opportunities and professional development for members at every career stage.	• Launch new LMS and begin offering learning experiences across various modalities—from asynchronous e-courses to live-online training. • Develop a series of ethics courses by position to increase awareness of ICMA Code of Ethics. • Develop a new Effective Supervisory Practices (ESP) course to coincide with a new edition of the ESP book. • Continue monthly online workshops to impart leadership training across a variety of timely topics. • Continue work to improve credentialing technology and increase program awareness. • Launch a new ICMA pre-conference micro-certificate program. • Develop a library of asynchronous e-courses designed for jurisdictions to deploy as part of staff training in the fundamentals of local government. • Design and begin development of the ICMA global professional development portfolio, based on the 14 Core Practices and career stages. • If approved by the Executive Board, begin the implementation of the expanded ICMA Credentialing Program to include all stages of the local government career, emphasizing the recognition of local government professionals around the world. • Conduct two international professional development symposiums designed to provide training, recognition, and networking to local government professionals outside of the US. • Offer at least two mini-certification programs to early- and mid-career local government professionals outside of the US. • Scale up Fundamentals of Local Government (F12) training outside of the US to both organizations and individuals. • Conduct 2nd Leadership Institute on Race and Equity.

Strategy Number	Strategies	FY 2023 initiatives
		• Establish the 3rd Equity Officer cohort. • Complete Equity & Inclusion Toolkit update. • Hold 2nd Annual Equity Summit.
C.2	Create opportunities for individuals with diverse career backgrounds to engage in training and professional development on local government.	• Implement National Brownfields Conference 2022 in Oklahoma City in August 2022. • Continue to support the VLGMF and Veterans Advisory Board by engaging and supporting career changers as they move into the local government profession.
C.3	Create learning opportunities for members to share experiences from countries around the world.	• Implement new learning opportunities identified as part of ICMA's new global strategy. • Design and begin development of the ICMA global professional development portfolio, based on the 14 Core Practices and career stages. • Expand the reach and diversity of the new <i>International Digest</i> newsletter as a learning and communication platform for effective practices, news, and learning opportunities across the global local government community. • Continue to identify opportunities for members to be involved in other ICMA grant- and contract-funded activities.
C.4	Create a mechanism for mutual exchange of best practices	• Restart Tranter-Leong International Fellowship program.
C.5	Further expand the ICMA coaching program and Local Government Management Fellowship program.	• Continue to support the LGMF program with more placements and applicants. • Continue to increase the number of coaches and members who are registered and using the system. • Continue to produce high-quality, complimentary coaching webinars for the benefit of the profession and to engage nonmembers in the association. • Implement speed coaching at annual and regional conferences.
C.6	Continue to create professional development content	• Continue to produce professional development programs – from webinars to monthly workshops – that are informed by the management practices.

Strategy Number	Strategies	FY 2023 initiatives
	on management practices.	
C.7	Consider ways to market ICMA's professional development programs to local government professionals who are not ICMA members.	Develop and execute nonmember outreach campaign aligned with the recommendation of the membership marketing consultant.
C.8	Develop mechanisms to evaluate the effectiveness and impact of professional development programs.	Continue evaluation and reporting process for all professional development programs.

PRIORITY II: Learning Community

Strategic Initiative D: Think globally, act globally.

Strategy Number	Strategies	FY 2023 initiatives
D.1	Develop coordinated strategy to increase brand awareness of ICMA and its benefits to international affiliates.	- Review the international affiliates model to ensure its alignment with ICMA's global strategy. - Expand the reach of the <i>International Digest</i> newsletter as a global platform for communication and learning between affiliates, partners and members worldwide. - Build the ICMA Community of Practice, a member and staff workgroup dedicated to global professional development based on ICMA's 14 Core Practices.
D.2	Promote international awareness and perspective of the local impact of globalization.	- Review the international affiliates model to ensure its alignment with ICMA's global strategy. - Expand the reach of the <i>International Digest</i> newsletter as a global platform for communication and learning between affiliates, partners and members worldwide. - Build the ICMA Community of Practice, a member and staff workgroup dedicated to

Strategy Number	Strategies	FY 2023 initiatives
		global professional development based on ICMA's 14 Core Practices.
D.3	Develop a more robust learning network of US and International members.	• Launch a new LMS as the learning platform for US and international members. • Design and begin development of the ICMA global professional development portfolio, based on the 14 Core Practices and career stages.
D.4	Sustain ICMA's technical assistance globally to foster professional management and create sustainable communities.	• Capture new grant and contract funding.

PRIORITY III: Thought Leadership and Resource Network

Strategic Initiative E: Ensure future-ready leaders by providing thought leadership for the emerging and enduring challenges facing local governments.

Strategy Number	Strategies	FY 2023 initiatives
E.1	Continue to support and highlight academic and practitioner research identifying the most significant issues facing local governments.	• Implement ICMA's Local Government Reimagined strategy, which includes development of knowledge resources, training, peer engagement, events, and technical assistance on post-pandemic economic and community recovery and restoration. • Continue implementation of the Local Government Management of Policing and Law Enforcement project. • Continue to support members with content on ARPA, the infrastructure law, and other major public policy initiatives. • Continue research and program development on the first generation of African American city and county managers. • Produce new book-length content on managing local government services, effective local government management, and effective supervisory practices. • Continue to support the academic symposium at the ICMA Annual Conference, curating research presentations from faculty and sharing with the membership. • Engage with faculty to share/promote practitioner-related research with membership.
E.2	Partner with the other Big 7 and other related organizations to collectively respond to public policy issues impacting local governments.	• Actively participate in monthly meetings hosted by the Big 7 CEOs to discuss policy and legal issues. • Participate as a party with the Big 7 in select amicus briefs, as proposed by the State and Local Legal Center.

PRIORITY III: Thought Leadership and Resource Network

Strategic Initiative F: Be the principal resource for leadership and management in local government.

Strategy Number	Strategies	FY 2023 initiatives
F.1	Design and deliver programming to address the important trends, drivers, and issues affecting local government professionals.	• Continue monthly online workshops to impart training across a variety of practice areas. • Continue to partner with New York University to deliver information about the new City Health Dashboard tool and resources for local governments. • Begin managing U.S. Department of Energy (DOE)-funded SolSmart 2.0 program for designating communities as "solar ready" for their work in streamlining local policies for solar projects. • Continue to support local governments with information for larger scale ground mounted solar projects through DOE-funded Solar@Scale. • In partnership with the U.S. Environmental Protection Agency (EPA), deliver the National Brownfields Conference for up to 2,000 participants in August 2022. • Implement the EPA-funded Technical Assistance to Brownfields (TAB) initiative to support different stakeholder groups to use brownfields to address economic development, environmental justice, and quality and public health issues in their communities. • Re-start U.S. Department of State-funded fellows programs that enable young professionals from around the world to contribute to their communities' sustainability and democratic governance. The implementation of the three ongoing programs will depend on post-COVID conditions. • As part of a USAID-funded project, support municipalities in the Philippines, Indonesia, Vietnam, Sri Lanka, Maldives, and Peru to implement solid waste management plans that reduce the amount of plastics that make their way to the ocean. Implement the ICMA-developed Solid Waste Capacity Index for Local Governments (SCIL) in select municipalities. • Continue implementation of the USAID funded ERAT local governance program in Indonesia.

Strategy Number	Strategies	FY 2023 initiatives
		- Continue implementation of the USAID funded CHANGE local governance program in the Philippines. - Continue implementation of the USAID funded Central Tibetan Administration project in India.
F.2	Assess, develop and promote professional management competencies and disciplines.	Continue to offer the ICMA Management and Leadership Assessments and promote these assessments as entry points to new and existing programs, where appropriate.
F.3	Incorporate the concept of leadership in professional development offerings.	- Conduct 2nd Athenian Program, a premier leadership development opportunity for senior level public sector executives. - Redesign Leadership ICMA, a flagship leadership development program. - Redesign Emerging Leaders Development Program, a flagship leadership development program for early career professionals. - Continue offering the Gettysburg program, with adjustment aimed at enhancing participant experience. - Continue offering leadership programs in partnership with the Professional Development Academy (PDA).
F.4	Promote leading practices to ensure local government's ability to attract and retain a talented and diverse workforce.	- Begin sales of new editions of Managing Local Government Services and the Effective Local Government Manager. - Implement and support educational efforts aimed at providing members with information on how to maintain a healthy and safe work environment. - Work with external groups to promote educational campaigns to "normalize" the conversation on the importance of employee mental health.
F. 5	Promote ICMA globally as the resource for leading practices in local government management.	- Share results of ICMA's global technical assistance programming. - Develop brand resource hub for internal and external assets and messaging. - Expand the reach of the <i>International Digest</i> newsletter as a global platform for communication and learning between affiliates, partners and members worldwide.

Strategy Number	Strategies	FY 2023 initiatives
F.6	Organize and deliver content so it is easily accessible and fresh.	• Launch a new LMS that will offer programming in multiple modalities and organize learning in an intuitive manner. • Refresh ICMA website's UX/UI framework – simplify user engagement, provide clear pathways based on job functionality, update content access by user, drive conversions.

PRIORITY IV: Advocacy and Outreach

Strategic Initiative G: Promote the value of professional management and ICMA membership.

Strategy Number	Strategies	FY 2023 initiatives
G.1	Focus prioritization on ethics, leadership, professional development, and member connection.	• Develop and implement content strategy that focuses on priority topics and initiatives.
G.2	Find new ways to articulate the value of ICMA membership.	• Develop member benefits campaign using written and video content. • Continue Member Spotlights (videos) • Feature Members spotlighted monthly in <i>PM</i> magazine. • Showcase offerings/benefits at the annual conference and other conferences and events.
G.3	Educate elected officials on the value of professional local government management.	• Continue Council Orientation six-part webinar series designed to help local government managers orient elected officials for local government service. • Work to produce microsite with advocacy content that is printable online, moving away from hard print publications and PDF content. • Ensure that website content reflects equity, community engagement, and voter representation language aligned with the recently updated Model City Charter 9th edition.
G.4	Expand programs in schools to explain local government and encourage careers in local government management.	• Implement K-to-12 strategy to promote careers in local government. Continue exploring external funders for this program.
G.5	Educate the public on the council-manager form of government.	• Develop a sustainable financial strategy for supporting ICMA's long-term advocacy efforts. • Increase fundraising efforts for the Future of Professional Management Fund to ensure ICMA's capacity to assist in form-of-government challenges. • Produce new web-based content to present the case for the council-manager form of government.

Strategy Number	Strategies	FY 2023 initiatives
G.6	Expand the outreach to community members presenting value of professional management.	Produce new web-based content to present the case for the council-manager form of government.
G.7	Connect the profession's commitment to ethics to building public trust.	- Continue supporting and implementing the findings of the review of the Code of Ethics to ensure that it reflects the profession's commitment to racial and social justice. - Develop a series of ethics courses by position to increase awareness of the ICMA Code of Ethics. - Continue developing and delivering scenario-based ethics training for members at all career stages. - Continue conducting an ethics orientation for state association boards and ethics committees to strengthen the joint and mutual commitment to ethics. - Incorporate ethics considerations into ICMA's new global strategy. - Explore approaches, including funding, to develop globally shared ethical principles of local government. - Explore offering ethics training to global affiliates.
G.8	Enhance the Job Center platform to support member career advancement.	Implement new marketing strategy; enhance features and support the platform.

PRIORITY IV: Advocacy and Outreach

Strategic Initiative H: Reach members and other important stakeholders through expanded use of technology and emerging media.

Strategy Number	Strategies	FY 2023 initiatives
H.1	Identify ways to support distance learning for members.	- Launch a new learning management system to support distance learning. - Develop a new Effective Supervisory Practices (ESP) course to coincide with a new edition of the ESP book.

Strategy Number	Strategies	FY 2023 initiatives
		Continue online programming, such as webinars, hybrid courses and monthly live-online workshops.
H.2	Use new technology, digital/video media, and graphic design to engage members and deliver content.	- Continue to create e-learning assets, such as short videos and infographics to present content in new and engaging ways. - Launch new group offerings in ICMA Connect, offering discussion, resources, engagement by topic, issue, career stage, and region. - Launch member and nonmember content submission request process/campaign to build pipeline of SMEs and increase engagement - Enhance development of the podcast Voices in Local Government – expanding format and host/guest offerings. - Relaunch PM Alert with new design and possible new frequency.
H.3	Continue to invest in developing a platform to share content and encourage peer learning and discussions.	- Launch the new learning management system. - Launch new group offerings in ICMA Connect, offering discussion, resources, engagement by topic, issue, career stage, and region.
H.4	Identify business partners to help leverage technology and media capability.	Launch the re-imagined Strategic Partner Program.
H.5	Expand the way ICMA delivers its message and content.	- Incorporate <i>PM</i> magazine subscriptions into ICMA's new e-commerce bookstore. - Launch automated and curated e-newsletters focused on ICMA's priorities, demographics, and interests. - Expand the reach of the <i>International Digest</i> newsletter as a global platform for communication and learning between affiliates, partners and members worldwide.

PRIORITY V: Governance and Operations

Strategic Initiative I: Support the continued growth and development of ICMA's business enterprises and operational resources.

Strategy Number	Strategies	FY 2023 initiatives
I.1	Maintain strong financial and operational policies and practices to ensure the vitality of the Association.	• Continue to transform ICMA and position it as a best-in-class organization that is financially resilient, forward-looking, agile, and entrepreneurial. • Continue efforts to grow revenues from non-dues sources. • Implement the new dues model. • Establish a coordinated pricing strategy for all ICMA's offerings. • Determine and implement ICMA's Future of Work model. • Continue implementation of the IT strategy that reflects ICMA's commitment to innovation, creativity, and collaboration, ensures strong IT security, and supports a flexible work environment.
I.2	Develop strategies to attract and retain outstanding and diverse staff for ICMA.	• Continue to position ICMA as an employer of choice by: ○ Improving and streamlining recruiting and onboarding procedures. ○ Evaluating and revising ICMA's policies to ensure they are modernized and aligned with the competitive marketplace, responsive to the organization's needs, and adaptable to changing economic circumstances. ○ Creating a culture that embraces organization-wide conversations on crucial and sensitive social and economic topics. ○ Utilizing the new learning management system, expanding the development of opportunities and learning experiences for staff through a variety of online and instructor-led training platforms. ○ Developing required ethics and local government 101 courses for ICMA staff to ensure they understand the structure,

Strategy Number	Strategies	FY 2023 initiatives
		standards, and principles that guide the local government profession. ○ Identifying critical skills and competencies necessary to maintain an agile and progressive organization through the completion of a comprehensive job evaluation review. ○ Redesigning the performance management process and implementing an online platform.
I.3	Support a range of viable business lines to diversify the Association's revenue stream.	• Continue to produce prime and subcontracting proposals and concept papers for federal agencies, foundations, and other donors in support of ICMA's technical assistance and other business lines where grant funding is a possibility. • Continue efforts to establish new and enhance existing programs with revenue-generating potential. Examples include: ○ Modernized professional development ○ Newly redesigned Strategic Partner/Sponsorship program ○ Other partnerships
I.4	Periodically review the dues policy to ensure that ICMA can attract, retain, and grow membership.	• Implement the new board-approved dues model, with the new dues rates becoming effective October 1, 2022.
I.5	Maintain the strong relationship with ICMA-RC to support ICMA's members and their role in building great communities.	• Continue supporting ICMA-RC (dba MissionSquare Retirement) in their rebranding efforts.

PRIORITY V: Governance and Operations

Strategic Initiative J: Evaluate the governance of the Association to enhance alignment with ICMA's strategic goals and core beliefs.

Strategy Number	Strategies	FY 2023 initiatives
J.1	Expand efforts to inform members about the role of the Executive Board and its election process.	Implement a member engagement strategy for affiliate members to better position them for Executive Board service.
J.2	Evaluate the Executive Board selection process, including regional protocols and geographic assignment of states so that it aligns with ICMA's Core Beliefs and goals.	Reimagine the governance structure for ICMA as a global association and achieve balanced U.S. regions.
J.3	Review voting eligibility so that it is consistent with the core beliefs and goals of the Association	The implementation of this strategy has been completed.