

ICMA EXECUTIVE BOARD

February 25-28, 2010

San Diego, California

INTERNATIONAL CITY/COUNTY MANAGEMENT ASSOCIATION

Executive Board Meeting Schedule

February 25-28, 2010

Manchester Grand Hyatt

One Market Place

San Diego, CA 92101

Tel: 619.232.1234

Fax: 619.233-6464

The sessions and meals for Friday and Saturday board meetings will be held on the 4th floor in the Harbor Tower of the Grand Hyatt. The Friday night reception/dinner will also be held on the 4th floor/Harbor Tower of the Grand Hyatt. Saturday's reception and dinner will be hosted offsite. The Partners Meetings will be held in Suite #3052 – Seaport Tower of the Grand Hyatt.

DATE	FUNCTION	LOCATION	ATTENDEES
THURSDAY, FEBRUARY 25			
8:30 – 9:30 pm	Hospitality (optional)	Earley's Suite #3052 – Seaport Tower of the Grand Hyatt	Board/Partners & Staff
FRIDAY, FEBRUARY 26			
8:00 - 8:30 am	Breakfast for Board	America's Cup Foyer – Seating in Cunningham B	Board/Staff
8:30 – 10:15 am	Finance and Business Operations Committee	America's Cup C/D	Muehlenbeck – Chair, Hilvert, Cortes, Fulton, Moore, Duff
9:00 am – Noon	Partners Breakfast Meeting	Earley's Suite #3052 – Seaport Tower of the Grand Hyatt	Board Partners/ Anderson-Ford
10:15 – 10:45 am	Joint Meeting of Finance and Membership Committees	America's Cup C/D	Members of Two Committees
10:30 am – Noon	Committee on Professional Conduct	Cunningham A	Walker – Chair, Baker, Penny, Arnold, Harper, Peregó
10:45 am – 12:30 pm	Membership Committee	Cunningham C	Farbrother – Chair, Hancock, Bennett (West), Bennett (NE), Pinkos, Martel
12:30 – 1:15 pm	Lunch	America's Cup Terrace	Board/Staff
1:15 – 1:45 pm	Audit and Evaluation Committee	Cunningham B	Limardi – Chair, Muehlenbeck, Hancock, Earley, Childs
2:00 - 5:00 pm	Full Board Meeting	America's Cup C/D	Board/Staff
6:30 – 7:15 pm	Executive Board Reception	America's Cup Foyer	Board/Partners, Invited Guests and Staff
7:15 – 8:45 pm	Executive Board Dinner	America's Cup A/B	

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DATE	FUNCTION	LOCATION	ATTENDEES
FRIDAY, FEBRUARY 26 (cont.)			
After Dinner (Optional)	Hospitality Reception	Earley's Suite #3052 – Seaport Tower of the Grand Hyatt	Board/Partners, Invited Guests and Staff
SATURDAY, FEBRUARY 27			
8:00 – 8:30 am	Breakfast	Cunningham B/C	Board & Staff
8:30 am – 12:00 pm	Full Board	Cunningham B/C	Board & Staff
9:30 - 11:00 am	Partners Breakfast Meeting	Earley's Suite #3052 – Seaport Tower of the Grand Hyatt	Board Partners
12:00 – 12:45 pm	Working Lunch	Cunningham B/C	Board & Staff
12:45 pm -	Full Board	Cunningham B/C	Board & Staff
6:30 pm	Meet in Grand Hyatt lobby to depart for restaurant	Grand Hyatt Lobby	Board/Partners & Staff
7:00 – 7:30 pm	Cocktail Reception	To Be Announced	Board/Partners & Staff
7:30 – 9:00 pm	Dinner	To Be Announced	Board/Partners & Staff
SUNDAY, FEBRUARY 28			
Travel Home			

ICMA EXECUTIVE BOARD AGENDA
February 25-28, 2010

A. MANAGEMENT REPORTS I

- I. Staff affirmative action report
- II. Voluntary Credentialing Program
- III. Next Generation Strategies
- IV. Advisory Board on Graduate Education
- V. Center for State and Local Government Excellence

B. MANAGEMENT REPORTS II

- VI. Alliance for Innovation
- VII. Performance Management Commission
- VIII. Sustainability activities
- IX. Update on state affiliation agreements
- X. Formation of limited liability company for International Programs

C. CONSENT CALENDAR

- 2850 November 6-7, 2009 Minutes
- 2851 Recognitions

FINANCE AND BUSINESS OPERATIONS COMMITTEE

- D. 2852 December 31, 2009 financials and semi-annual discussion of financial performance
- E. 2853 Registration fees and budget for 2010 conference
- F. 2854 Selection of Cities for 2018 Conference Site Visits
- G. 2855 Annual review of financial policies
- H. 2856 Salary cap on dues (joint meeting with Membership Committee)

MEMBERSHIP AND EXTERNAL OUTREACH COMMITTEE

- I. 2857 Progress on membership recruitment and retention
- J. 2858 Task Force on Organizational Structure and Governance Recommendations
- K. 2859 Process for soliciting nominations for Distinguished Service Awards
- 2860 Membership Objection (to come)

AUDIT AND EVALUATION COMMITTEE

- L. 2861 Presidential selection process

COMMITTEE ON PROFESSIONAL CONDUCT

2862 Public censure/membership bar (in back pocket)

M. VALUE OF THE PROFESSION CAMPAIGN

**N. UPDATE ON CAL-ICMA (including Encore Manager proposal and report from
MMASC - Municipal Management Association of Southern California)**



Leaders at the Core of Better Communities

ICMA Executive Board Code of Conduct - We Commit to:

1. Act in an honest, open and ethical manner.
2. Always respect others – encourage diverse viewpoints, and if we disagree, we will do so in an agreeable manner.
3. Communicate in an open, direct manner and encourage members to ask questions.
4. Listen carefully to each other before judging or deciding.
5. Decide based upon “What is best for ICMA and its members.”
6. Focus our thinking on the “Why” and “What” of each agenda item and respect and trust our staff’s contribution on the “How” details.
7. Make our precious time together as effective as possible by being prepared, starting on time, moving to the next issue once a decision is made, and being fully engaged during meetings (ex. Turn off cell phones and not check e-mails)
8. Support the decisions, directions and policies that are arrived at by the Executive Board
9. Give our personal best and take individual responsibility for enforcing our ground rules and creating a good work relationship with each Board Member.
10. Have fun, but never at the expense of others, and make this a fantastic, memorable year for all of us!

ICMA Executive Board – Measures of Success:

1. Open communications among President, Board Members, Executive Director and Staff
2. Each Board Member has a voice and contributes
3. Openness to new ideas and creative thinking
4. Respect for each others' perspectives and styles
5. Positive, enthusiastic behavior by all Board Members
6. Acting in a professional manner with ethics and integrity
7. Demonstrate respect and sensitivity to member needs
8. Work as a Team
9. Decisions based on organizational benefit, not individual advantage or agenda
10. Agree to disagree over differences and maintain the overall direction of the organization as a priority
11. Clear goals and direction that are well defined and consistent
12. Making decision and supporting it, no carryover from issue to issue
13. Staff producing results consistent with Executive Board vision, goals and direction
14. Explaining ICMA Executive Board actions and decisions to Members
- 15. Members who feel the Executive Board is effective and take pride and trust in the Board, Staff, and Mission**

ICMA BOARD GOVERNANCE PRINCIPLES

Adopted September 2003; Reaffirmed September 2009

The following principles form an outline of the process that the ICMA Executive Board will use to govern ICMA:

ICMA Executive Board Responsibility is to Govern the Association

Principle 1: The Board serves as the Trustee on behalf of ICMA members.

The ICMA Executive Board is the governing body of the Association on behalf of the members of the Association. The Board will establish sufficient processes to maintain oversight of the finances and operations of the Association. In addition, the Board will develop methods of accountability for both the Board and the Executive Director.

Principle 2: The ICMA Executive Board will establish the strategic direction of the Association and focus its work on policy decisions.

The ICMA Executive Board will establish a framework for setting the strategic direction of the Association. The Board's focus will be on policy decisions and on the results/outcomes to be achieved.

Principle 3: The ICMA Executive Board has a responsibility to represent the members of the Association.

The Executive Board represents all members of the Association and is uniquely positioned to connect the priorities and issues of members to the policies of the Association. Further, the Board has the responsibility to encourage membership, to represent the priorities and strategies of the Association, and to solicit member feedback.

ICMA Staff Responsibility is to Support the Executive Board

Principle 1: The ICMA Staff will provide complete and accurate information and analysis.

The ICMA Staff has the responsibility to ensure that the information provided to the Executive Board is complete, accurate, timely and sufficiently comprehensive to support the decision requirements of the Board.

Principle 2: The ICMA Staff will provide analysis of alternatives and recommendations.

When appropriate, the Executive Director and ICMA Staff will develop alternatives for the Board's consideration along with analysis sufficient to support the Board's policy-making responsibility. An important responsibility of the Executive Director and Staff is to provide a recommendation for consideration by the Board.

Principle 3: The Executive Director and Staff will provide the same timely information to all members of the Executive Board.

While recognizing different learning styles and specific needs of the individual Board members, the Executive Director and staff will ensure that all Board members receive the same information to support the Board's decision-making responsibilities.

ICMA Executive Board/Staff Relationship

Principle 1: The Board will focus on policy and outcomes.

The Board will focus on what results or outcomes need to be addressed on behalf of our members and stakeholders. The Board's unique value is to ensure that the strategic direction leads the Association to the desired outcome.

Principle 2: The Board will focus on oversight without micromanaging.

The Board has an important oversight and fiduciary responsibility and must develop processes to ensure accountability. However, the Board should resist the temptation to micro-manage or tell staff how to do their job.

Principle 3: The Board will develop an evaluation and accountability system for the Executive Director.

The Board will establish, in partnership with the Executive Director, an evaluation system that ensures accountability, performance and alignment with priorities and strategies. The Board and Executive Director will mutually develop criteria for evaluation and should ensure that an evaluation of the Executive Director is conducted on an annual basis.

Principle 4: The Board will evaluate its own performance.

The Board will develop a system to evaluate its own performance on an annual basis. In addition to soliciting feedback from each Board member, the Board will also ask the Executive Director for feedback on the Board's results and relationship to the staff.

2008 Strategic Plan

The demand for leadership, the rapid and unceasing expansion of technology into everyday life, and the growing need to work collaboratively across boundaries compel local government professionals to move beyond traditional assumptions and solutions and to do so within an international context. These themes crosscut every aspect of the ICMA Strategic Plan.

Leadership

Environmental challenges, fiscal pressures, expanded threats to homeland security, and the changing sense and definition of community present local governments with both challenges and opportunities. This environment requires managers to exercise skills and abilities as community builders. Now more than ever, local government managers must provide sound, professional, and ethical leadership to their communities as well as guidance and support to their elected officials; they must bring innovation and efficiency to the task of building sustainable communities. This Strategic Plan places this call to leadership at the forefront of everything ICMA and its members will do to bring a legacy of professional success into a new century.

Technology

Rapidly evolving technologies make possible the collection, analysis, packaging, and dissemination of massive quantities of information at ever-increasing speeds, and access to this information has moved from the desktop to the pocket. As more people are able to instantaneously communicate with one another individually and through social networks, they develop expectations of greater responsiveness, customization of service, and transparency. Just as local governments are challenged by these expectations, so is ICMA. This Strategic Plan calls on ICMA to harness and employ the most appropriate, best available, and most financially viable technological resources to meet the demands of members and provide value to them.

Collaboration

ICMA's mission is most effectively achieved through strong, strategic partnerships. This Strategic Plan requires ICMA to seek and nurture mutually beneficial connections with like-minded state, national, and international associations, the academic community, elected officials, and the private sector.

Going beyond our core membership

The legacy of professional local government management will extend beyond its current borders as ICMA expands and diversifies its membership. This Strategic Plan intends to engage and serve local government professionals at all levels and to introduce professional local government management as a career and membership in ICMA as a valuable resource to individuals beyond the organization's traditional audience.

International

The world continues to shrink, and the lives of its citizens and the actions of its governments grow increasingly intertwined. Issues and opportunities in one locality can give rise to issues and opportunities in communities on the other side of the globe. ICMA must capitalize on and expand its international dimension as a catalyst for fostering networks and exchanging information and best practices among local governments worldwide. This Strategic Plan requires ICMA to consider the international dimension in everything it does.

Vision Statement

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

Mission Statement

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

ICMA 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

1. 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.

Strategies

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

- 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.
- Promote, enforce, and celebrate the highest ethical standards of professional behavior.
- Initiate, strengthen, and leverage relationships with international, national, state, and local organizations to create excellence in local governance.
- Become more engaged in contributing to the public policy arena as it relates to local government

2. Professional Development

Professional local government managers seek continually 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.

Strategies

- Establish a broad network of partners to develop and promote leading practices in professional and personal development.
- Ensure that ICMA serves as a vehicle for personal development and renewal.
- Create opportunities for participants with diverse backgrounds to engage in ICMA training and development activities and programs.
- Position ICMA at the forefront of local government leadership and professional development through the ICMA University.
- Develop a formal path to credentialing that spans the career stages of a member.

3. 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.

Strategies

- Create a model of collaboration with other local government professional associations, affiliate organizations, members, and nonmembers that facilitates access to ICMA expertise and leadership development around professional management, ethical practices, and sustainability.
- 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.
- Create innovative, worldwide opportunities connecting members to increase knowledge transfer and experience sharing around good local government management values and practices.
- Promote ICMA as the premier clearinghouse for information on local government management practices, community engagement, and service delivery.

4. 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.

Strategies

- Enhance communication and dialogue to develop synergistic relationships with state and affiliate organizations and other professional associations.
- Foster inclusion, engagement, and support throughout a member's life of public service.
- Create opportunities to gain entry into the profession and into the association and its leadership.
- Be the leader in offering career services to local government professionals throughout their lives.
- Promote work/life balance as part of attracting and retaining members and achieving organizational sustainability.

MANAGEMENT REPORT

NO. I

**FEBRUARY 25-28, 2010
SAN DIEGO, CALIFORNIA**

- SUBJECT:** Staff Affirmative Action Report
- INTRODUCTION:** This report outlines ICMA's affirmative action policy and goals
- BACKGROUND:** ICMA's minimum affirmative action goal is to achieve the same balance in our work force among minorities and females as is reflected in the latest statistics for the Washington, DC metropolitan area labor market. The Association's preferred goal is to achieve a minority complement of 25% of all exempt-level (management and executive / professional and technical) positions. At present, ICMA is achieving its preferred goals.
- POLICY:** ICMA's Affirmative Action Plan and Equal Opportunity Policy were adopted by the board in July 1989.
- ICMA's policy is to provide equality of opportunity in employment for all persons; to prohibit discrimination because of race, color, religion, sex, national origin, political affiliation, non-disabling physical appearance, sexual orientation, familial status, family responsibilities, status as a veteran, physical disabilities, age or marital status in all aspects of its personnel policies, programs, practices and operations; and to promote the full realization of equal opportunity in employment throughout the organization through a continuing plan of affirmative action. The Executive Director may modify the plan subject to the approval of the Executive Board.
- PAST PRACTICE:** The executive board reviews this report annually every February
- STAFF CONTACT:** Please contact Carla Mazique (202-962-3684, cmazique@icma.org) with any questions.

AFFIRMATIVE ACTION RESULTS

January 29, 2010

A. Management and Executive / Professional and Technical Positions

ICMA hired 15 employees for these positions in the last 12 months, 6 women, (40%) and 6 minorities (40%). Of the 112 employees in this category, 35 are minorities (31%) and 61 are women (54%).

B. Non Classified Professional and Technical Positions

ICMA had four (4) new hires in this category. Of the 13 employees in this category, there are no women (0%) and 4 are minorities (31%).

C. Office and Clerical Positions

There was one new hire in this category in the last twelve months. Of the 6 employees in this category, one is female (33%) and one is a minority (33%).

D. Summary

Both ICMA's minimum and preferred affirmative action goals have been achieved.

E. Turnover Rate

ICMA's turnover rate in 2009 was 15%.

MANAGEMENT REPORT
NO. II
FEBRUARY 25-28, 2010
SAN DIEGO, CALIFORNIA

- SUBJECT:** Voluntary Credentialing Program
- INTRODUCTION:** Staff has been asked to provide a status report with every board agenda.
- BACKGROUND:** The Voluntary Credentialing Program was launched in January 2002. Members can download an application from the Web site or complete the application process online. The first credentials were approved by the ICMA Executive Board in May 2002.
- POLICY:** The 2000 Strategic Plan included the following Strategy: Establish a voluntary credentialing program to define and recognize professional local government managers and to promote lifelong learning.
- After extensive discussion with the members, the ICMA Executive Board adopted the policy outline of a voluntary credentialing program at its July 19-21, 2001 board meeting. The first credentials were approved in May 2002.
- 2008 Strategic Plan, Professional Development Strategy: Develop a formal path to credentialing that spans the career stages of a member.
- PAST PRACTICE:** The Credentialing Advisory Board continues to refine implementation practices and brings recommended policies as needed to the executive board.
- STAFF CONTACT:** Please contact Betsy Sherman (202-962-3612; bsherman@icma.org) with any questions.

VOLUNTARY CREDENTIALING PROGRAM
September 1, 2009-February 1, 2010

Applications

- ICMA currently has 1,175 credentialing participants:
 - 1,052 ICMA Credentialed Managers
 - 87 Retired Credentialed Managers
 - 36 ICMA Credentialed Manager Candidates
- The last application deadline was January 1, 2010 for final approval via e-mail in early April.
- The next application deadline is April 1, 2010 for final approval via e-mail in early July.

Annual Updates

- The last annual update deadline was February 1, 2010
- The next annual update deadline is March 1, 2010

Marketing

- Held the first annual Learning for Senior Managers session and offered a reception for Credentialed Managers and Candidates at the ICMA Annual Conference
- Listed the names of ICMA Credentialed Managers and Candidates on an exhibit hall kiosk in the ICMA Pavilion
- Promoted Credentialed Manager-preferred programs (ICMA Gettysburg and SEI Leadership Institutes) at the ICMA Annual Conference and via e-mail, newsletter articles, Web site articles, news briefing blurbs, and personal outreach
- Posted list of recommended ICMA Credentialed Managers and Candidates in the *ICMA Newsletter* and at icma.org in November
- Sent highlights of annual Credentialing Advisory Board meeting to program participants
- Included list of new ICMA Credentialed Managers, Candidates, and Retired Credentialed Managers in the January issue of *PM Magazine*
- Thanked the Credentialing Advisory Board in an *icma.org* home page news article and in the ICMA Newsletter (see attachment)
- Continued to send lists, lapel pins, and ribbons for use at state association meetings

Meetings

The Credentialing Advisory Board (CAB) held two conference calls and gathered for its annual meeting.

September 30, 2009 conference call

- Discussed September annual updates
- Agreed that reading *PM Magazine* counts toward the 40-hour requirement as long as the member relates specific learning

November 12-13, 2009 annual meeting

- Reviewed and clarified policies and procedures and agreed to post them online as a resource for members
- Agreed that job shadowing in other communities can count if the member demonstrates learning, but job shadowing in the member's own community cannot count
- Agreed to survey participants who have been in the program since the beginning to find out what would be helpful to them and what their most useful professional development experience has been
- Agreed to officially recognize members who routinely submit excellent annual updates
- Agreed to hold a second annual Learning for Senior Managers session at the 2010 ICMA Annual Conference
- Decided to offer an ICMA University forum on how the brain learns at the 2010 annual conference; this is in response to member requests made at the 2009 conference
- Discussed October applications and annual updates

January 27, 2010 conference call

- Discussed January applications and annual updates
- Decided to write an article for members on how to get more value out of the Credentialing Program, especially after you have been credentialed for a long time

Thank You to Credentialing Advisory Board

As 2009 ends and ICMA prepares to enter the ninth year of the Voluntary Credentialing Program, join staff as we extend our sincere appreciation to the Credentialing Advisory Board (CAB). This volunteer group of members not only spends an extraordinary amount of time reviewing credentialing applications and annual updates, but also sets aside time for very thoughtful policy discussions and conversations about how to continue to add value to the program for participants. During 2009, the CAB:

- Reviewed approximately 1,100 applications and annual updates
- Streamlined the policy that allows half credit for local government department head experience
- Hosted a learning session for senior managers at the ICMA Annual Conference
- Participated in a 10-hour annual meeting dedicated to
 - Addressing member questions and concerns
 - Clarifying policy
 - Generating ideas on how to help members find the most value from their professional development experiences.

We encourage you to reach out and thank a CAB member from your region today.

Credentialing Advisory Board 2009-2010

- Curtis Branscome, CEO, Stone Mountain Memorial Association, GA (Chair)
- Mark Achen, Senior Advisor & Range Rider, CO
- Pam Brangaccio, FL
- Daryl Delabbio, Kent County Administrator, MI
- Dan Fitzpatrick, City Manager, Englewood, NJ
- Kevin Frazell, Director of Member Services, League of Minnesota Cities
- George Goodman, Retired Executive Director, Michigan Municipal League
- Carol Granfield, Town Manager, Hooksett, NH
- Jim Hough, City Manager, Banks, OR
- Tom Lundy, Catawba County Manager, NC
- Bob McEvoy, Executive Director, New York State City/County Management Association
- Charldean Newell, Regents Professor Emerita, University of North Texas
- Chet Newland, Duggan Distinguished Professor, University of Southern California
- Jim Oliver, Retired City Manager, Norfolk, VA
- Greg Sund, SD

MANAGEMENT REPORT

NO. III

FEBRUARY 25-28, 2010

SAN DIEGO, CALIFORNIA

SUBJECT: Update on ICMA's Next Generation Strategies

INTRODUCTION: To ensure continuation of a strong profession that is grounded in public service values and well prepared to serve local governments, ICMA has implemented a series of multifaceted, comprehensive strategies designed to harness our member's energy and commitment to "building the leadership pipeline" of the future.

BACKGROUND: ICMA's Next Generation initiatives were established to attract and develop a wide and diverse group of people into the local government management profession, including students, early and mid-career professionals, and individuals from other fields, to compete for vacating positions at all levels of the profession.

The activities are organized by the Outcomes and Strategies in the 2008 Strategic Plan. The strategies below are those that most closely relate to the original Next Generation strategies.

- POLICY:**
- 2008 Strategic Plan:**
- **Leadership**
 - 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.
 - Raise awareness of the value that professional management brings to local governance and advocate council-manager government.
 - **Member Engagement and Support:**
 - Create opportunities to gain entry into the profession and into the association and its leadership.
 - Foster inclusion, engagement, and support throughout a member's life of public service.

- Be the leader in offering career services to local government professionals throughout their lives.
- Professional Development
 - Position ICMA at the forefront of local government leadership and professional development through the ICMA University.
 - Develop a formal path to credentialing that spans the career stages of a member.

PAST PRACTICE: The organization's next generation activities were designed with board input to address the following four related strategies, and adopted by the board in 2006. The old strategies have their origins in the 2000 Strategic Plan, Advocacy, Strategy B: Develop targeted programs to raise awareness of the value that professional management brings to local governance.

1. Promote awareness of the local government management profession and encourage individuals to consider careers in the field,
2. Help new and early careerists land their first jobs in local government,
3. Engage local government management professionals in ICMA early in their careers, and
4. Build the leadership pipeline by engaging and developing promising individuals so that they are prepared to step into leadership roles, both in their local governments and ICMA.

**FINANCIAL
IMPLICATIONS:**

Staff time has been committed to ensuring a next generation focus across the organization. This effort will continue through the FY2010-2012 Financial Plan, though the current financial difficulty faced by local governments is stalling efforts.

**RISK
ASSESSMENT:**

Attracting, engaging, and developing new talent to local government management and to ICMA membership is critical to the future of ICMA and the profession. Much is dependent on the ability of local institutions to create opportunities for new career entrants, and identify, foster, and develop these candidates into tomorrow's professionals.

STAFF CONTACT: Please contact Rob Carty (202/962-3560; rcarty@icma.org) with any questions or comments concerning the initiatives.

2008 Strategic Plan Strategies	
LEADERSHIP	
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.	
Tactic: Grow job advertisements and resumes on file at all levels, but particularly those in non-CAO and early management positions that lead to careers in management. Finalize merger of ICMA and Alliance job boards.	<u>Job Center</u> <ul style="list-style-type: none"> ▪ Preparing to launch a new marketing effort to attract lower-level jobs, pending some IT improvements.
Tactic: Improve and enhance the ICMA Web site to communicate effectively to members and potential members	<ul style="list-style-type: none"> ▪ New web design complete and being implemented; launch has been delayed to later in FY10 but Beta site is available.
Tactic: Continue to promote the newly launched Affiliate flat-rate dues.	<ul style="list-style-type: none"> ▪ Ongoing. Initial efforts have been met with some success.
Tactic: Reach out through surveys to members who did not follow the traditional path into the profession and learn what might attract similar candidates to the profession and membership.	<ul style="list-style-type: none"> ▪ In process. Planned implementation in FY11-12.
Raise awareness of the value that professional management brings to local governance and advocate council-manager government.	
Tactic: Create a marketing strategy—including an image campaign—to raise awareness of the importance of the profession and ICMA funded by strategic partners, state associations, and the Fund for Professional Management	<ul style="list-style-type: none"> ▪ Firm hired to design and execute this campaign; fundraising ongoing. Some efforts continue to raise the awareness of ICMA via new media outlets.
Tactic: Develop and disseminate materials that members can use to support community and other public outreach activities	<u>Civics Education and Outreach</u> <ul style="list-style-type: none"> ▪ Developing a generic version of the NCCMA local government curriculum still in FY10 work plan; however, recent staffing changes have pushed anticipated completion date back to early FY11.

MEMBER ENGAGEMENT & SUPPORT

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

Tactic: Continue educating the membership that the next generation initiatives are multifaceted and not solely focused on young and entry-level professionals.

Annual Conference Programs

- Executed events for Montreal, including Speed Coaching, a Networking Lounge and Mixer (for all levels of manager/member), Fellows Orientation, and one-on-one coaching panels. The Advisory Board on Graduate Education also met in Montreal, as did the LGMF Advisory Board. ICMAtv covered the speed coaching event, and that video is available online.

Conference Scholarships

- Provided financial assistance to 14 women and minorities and individuals beginning or considering careers in local government to attend the conference in Montreal, comprising 5 Workplace Diversity, 8 Young Professional, and 1 Stene Scholarship.

Other Activities

- Recently passed issue nine of the monthly Career Compass column which appears online and in the ICMA and JOB newsletters. This column has been picked up by several state and municipal assistant associations.
- See Professional Development below.

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

Tactic: Create a personal online network to engage members with the association and each other through the new Knowledge Network platform, while also developing a Web 2.0 strategy to engage members who participate in the world of external networks.

Knowledge Network

- In design with a planned launch in FY10.

Web2 Strategy

- Launched a Web2 strategy in coordination with ICMA's Marketing and Communications Team to take the Job Center into a new and alternative market resulting in a coordinated ICMA presence on YouTube, Flickr, Twitter, Facebook, and LinkedIn. Efforts continue to promote these vehicles.
- Conducted second ICMA Video Contest with 7 entries and awarded two conference

	scholarships. Both winners attended the ICMA conference for the first time.
<p>Be the leader in offering career services to local government professionals throughout their lives.</p>	
<p>Tactic: Design and implement an integrated Job Center into the new Web content system and Knowledge Network; continue improvements to current system.</p>	<p><u>Job Center</u></p> <ul style="list-style-type: none"> ▪ Planning meetings scheduled for October were postponed given other IT priorities related to the new Web site and Knowledge Network. ▪ Developed an alternative revenue model and initiated a partnership with the Alliance for Innovation for a unified job board. Waiting for resources to execute.
<p>Tactic: Maintain current level of support and development for the Local Government Management Fellowship and Internship programs given the economic situation for FY 2010.</p>	<ul style="list-style-type: none"> ▪ <u>Local Government Management Fellowship</u> Recruited five local governments to host six new Local Government Management Fellowship program (LGMF) fellows beginning in late summer-early fall 2010. Launching the 2011 LGMF Program in September to recruit students and hosts. ▪ <u>Local Government Management Internship</u> Signed up River Falls, Wisconsin to host the 2010 LGMI program; seeking hosts for the 2011 program.
<p>Tactic: Develop a plan for an organized coaching initiative (state model, ICMA-centric, or some combination of both).</p>	<p><u>Student Programs</u></p> <ul style="list-style-type: none"> ▪ Piloted a high school student chapter in Kelly, ID in fall 2009. Exploring a pilot program in 2010 for undergraduate and graduate programs. <p><u>Annual Conference Programs</u></p> <ul style="list-style-type: none"> ▪ Held a meeting with state representatives to start building a baseline of interested parties; will utilize group functions in the new Knowledge Network to facilitate information sharing.
<p>Tactic: Develop a sustainable plan to create and maintain existing career resources, including using member task forces to update three career resources, and to identify the career resources that members value most.</p>	<ul style="list-style-type: none"> ▪ Launched three member task forces to review the career publications: <i>Recruitment Guidelines Handbook</i>, <i>First-Time Administrator’s Handbook</i>, and <i>Local Government Management: It’s the Career for You</i> for release by the 2010 ICMA Annual Conference in San Jose. All task forces are on

	track, though to preserve resources the documents will be available as digital files only with printing postponed to FY11 or 12.
PROFESSIONAL DEVELOPMENT	
Position ICMA at the forefront of local government leadership and professional development through the ICMA University.	
<p>Tactic: Continue and enhance leadership development programs</p>	<p><u>Leadership ICMA</u></p> <ul style="list-style-type: none"> ▪ 12 members of Leadership ICMA 2011 class attended an orientation session at ICMA in December. The Leadership ICMA Class of 2010 completed capstone training and selected projects with Benecia, CA; Brentwood, TN; Livermore, CA and Montgomery, OH when they met at ASU in January. <p><u>Emerging Leaders Development Program</u></p> <ul style="list-style-type: none"> ▪ The fall 2011 class began in October 2009 with 24 participants for an approximate total of 105 participants at this time.
Develop a formal path to credentialing that spans the career stages of a member.	
<p>Tactic: Conduct meetings and focus groups with representative member managers from nontraditional career paths and those who do not yet qualify for credentialing. This will lead to the development in FY 2011 of a certificate program targeted to this group.</p>	<ul style="list-style-type: none"> ▪ Identified member managers for meetings and focus groups to initiate this process. Work has started on a mid-career professional credential, as well as an e-learning platform.

Note: the Tactics in the left column were outlined by staff for the 2010-2012 Financial Plan, and do not map exactly to existing projects and programs in the right column. We are maintaining the existing programmatic efforts, in addition to making efforts to advance the tactics in the left column.

MANAGEMENT REPORT

NO. IV FEBRUARY 25-28, 2010 SAN DIEGO, CALIFORNIA

- SUBJECT:** Update on Advisory Board on Graduate Education
- INTRODUCTION:** Following is a status report on activities of the Advisory Board on Graduate Education, first appointed by the executive director in August 2001 and reappointed yearly to maintain liaison with the academic community.
- BACKGROUND:** ICMA has a long history of dialogue with the academic community through various member committees and task forces, each of which has worked cooperatively with a task force of professors appointed by NASPAA (the National Association of Schools of Public Affairs and Administration). The purpose of this dialogue and liaison is to improve the educational preparation of the next generation of local government managers.
- POLICY:** The value of a strong relationship with the academic world touches several levels of the 2008 Strategic Plan.
- **Leadership**
 - Initiate, strengthen, and leverage relationships with international, national, state, and local organizations to create excellence in local governance.
 - **Professional Development**
 - Establish a broad network of partners to develop and promote leading practices in professional and personal development.
 - **Knowledge Sharing**
 - 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.

- **Member Engagement and Support**
 - **Enhance communication and dialogue to develop synergistic relationships with state and affiliate organizations and other professional associations.**

PAST PRACTICE: ICMA has had a committee or task force assigned to maintain liaison with the academic community at least since the 1980s.

**FINANCIAL
IMPLICATIONS:** Negligible.

**RISK
ASSESSMENT:** Failure to maintain dialogue with the academic community increases the risk that graduate education will not be fully relevant to the needs of the profession.

STAFF CONTACT: Please contact Rob Carty (202/962-3560; rcarty@icma.org) with any questions or comments concerning the ABGE.

ICMA Advisory Board on Graduate Education Activity Update, February 2010

Members of the Advisory Board on Graduate Education are appointed by the Executive Director. The current chair is Mark Levin, City Administrator, Maryland Heights, Missouri.

Subcommittees conduct much of their work via e-mail and conference calls, and have one meeting at the ICMA Annual Conference. Members of the NASPAA Local Government Management Education Committee, chaired by Ray Cox, University of Akron, participate actively in subcommittee activities.

Filling the Pipeline

Chair: Theodore Voorhees

- State Survey: A survey was drafted and mailed to state officers to determine what level, if any, states have relationships with area universities as well as a pathway to help states build those relationships.
- How-To Guide: The subcommittee also drafted a HOW-TO GUIDE for Establishing and Expanding a Local Government State/Province Association – School of Public Administration Liaison Program.

Managers as Faculty

Chair: Karl Nollenberger

- Forums: ICMA still supports this forum for ICMA members to share information, ideas, and materials for teaching. We will explore moving this group to the Knowledge Network when that platform launches.
- Managers as Faculty: The popular special session offered at past ICMA annual conferences was repeated in Montreal, led by Ray Cox and Mark Levin, with 26 attendees.
- Marketing: “I Teach” stickers were again distributed at the Montreal conference.
- Publications: The article “Go Teach a Course” was posted online with a variety of new resources for managers who teach.

Upon completion of his term at the Montreal conference, Karl Nollenberger stepped down as chair of the Managers as Faculty subcommittee, and Mark Levin appointed Scott Lazenby as the new chair. Ted Vorhees agreed to continue as chair of the subcommittee on Filling the Pipeline..

ICMA Advisory Board on Graduate Education 2009-2010

Mark Levin (Chair)

City Administrator
City of Maryland Heights
11911 Dorsett Road
Maryland Heights, MO 63043
Work Phone: (314) 738-2201
Fax: (314) 738-2401
Email: mlevin@marylandheights.com

Jim Blagg (Pipeline)

Ass't City Manager/Director of Public Safety
City of Southlake
405 Sommerville Ct.
Arlington, TX 76013
Work Phone: (817) 478-8601
Fax: (817) 478-8010
Email: jcblagg@sbcglobal.net

Norton Bonaparte (Faculty)

City Manager & CEO
City of Topeka
215 SE 7th Street
Topeka, KS 66603-3914
Work Phone: (785) 368-3725
Fax: (785) 368-3909
Email: nbonaparte@topeka.org

Alexander Briseno (Alex) (Faculty)

Professor of Public Services In Residence
St Mary's University, Dept. of Political
Science
15306 Pebble Dew
San Antonio, TX 78232-4112
Work Phone: (210) 431-8092
Fax: (210) 402-3786
Email: alex@briseno.net

Mark Christensen (Faculty)

City Manager
City of Washington Terrace
5249 S South Pointe Dr
Washington Terrace, UT 84405
Work Phone: (801) 395-8282
Fax: (801) 393-1921
Email: markc@washingtonterracecity.org

James Gleason (Jim) (Pipeline)

City Manager
City of Chamblee
5468 Peachtree Rd
Chamblee, GA 30341-2330
Work Phone: (770) 986-5010
Fax: (770) 986-5014
Email: jgleason@chambleega.com

James Hough (Jim) (Faculty)

City Manager
City of Banks
120 South Main Street
Banks, OR 97106
Work Phone: (503) 324-5112
Fax: (503) 324-6674
Email: jimhough@minetfiber.com

Scott Lazenby (Faculty Chair)

City Manager
City of Sandy
39250 Pioneer Blvd
Sandy, OR 97055-8016
Work Phone: (503) 668-6927
Fax: (503) 668-8714
Email: slazenby@cityofsandy.com

Samuel Mamet (Sam) (Faculty)

Executive Director
Colorado Municipal League
1144 Sherman St
Denver, CO 80203-2207
Work Phone: (303) 831-6411
Fax: (303) 860-8175
Email: smamet@cml.org

Mark Nagel (Pipeline)

Business Professor
Normandale Community College
1469 Arden Oaks Dr
Saint Paul, MN 55112-6956
Work Phone: (952) 487-8272
Email: mnagel@ci.enm.mn.us

Karl Nollenberger (Faculty)

Assistant Professor
University of Wisconsin Oshkosh
734 Frederick St
Oshkosh, WI 54901
Work Phone: (920) 424-3456
Email: karl.nollenberger@sbcglobal.net

P. Paules (Mike) (Pipeline)

436 N Primrose Ave
Monrovia, CA 91016-1609
Email: michaelpaules@gmail.com

Theodore Voorhees (Ted) (Pipeline Chair)

Deputy City Manager
City of Durham
101 City Hall Plaza
Durham, NC 27701-3329
Work Phone: (919) 560-4222 x231
Fax: (919) 560-4949
Email: theodore.Voorhees@durhamnc.gov

Michael Walker (Mike) (ICMA Bd. Liaison)

City Manager
City of Brentwood
PO Box 788
Brentwood, TN 37024-0788
Work Phone: (615) 371-0060
Fax: (615) 371-2215
Email: walkerm@brentwood-tn.org

Local Government Management Education Committee

Chairperson: Raymond W. Cox III

rcox@uakron.edu

Bob Blair

rblair@unomaha.edu

Coll of Pub Affrs & Comm Service
University of Nebraska at Omaha

Douglas Ihrke

dihrke@uwm.edu

Dept of Political Science
University of Wisconsin, Milwaukee

Bob Bland

bbland@unt.edu, bbland@pacs.unt.edu

Dept. of Public Administration
University of North Texas

David Y. Miller

redsox@pitt.edu, dymiller@pitt.edu

GSPIA
University of Pittsburgh

Brian Cherry

bcherry@nmu.edu

Dept. of Political Science and Public
Administration
Northern Michigan University

John Nalbandian

nalband@ku.edu

Dept of Public Administration
The University of Kansas

Rex Facer

rfacer@byu.edu

Romney Institute of Public Mgmt
Brigham Young University

Mike Pagano

mapagano@uic.edu

Graduate Program in Public Adm
University of Illinois, Chicago

Gerald Gabris

TP0GTG1@wpo.cso.niu.edu

Department of Political Science
Northern Illinois University

James H. Svara

james.svara@asu.edu

Dept of Pol Sci & Pub Adm
North Carolina State University

Andrew Glassberg

glassberg@umsl.edu

Public Policy Administration Program
University of Missouri, St. Louis

Carl Stenberg

stenberg@sog.unc.edu

MPA Director
UNC-Chapel Hill

Charles W. Gossett

cwgossett@csupomona.edu

Political Science Department
California Polytechnic State U, Pomona



Leaders at the Core of Better Communities

Advisory Board on Graduate Education

Sunday, September 13, 2009
8:30 – 11:30 a.m.

Participants

Mike Baker	Jim Hough (MAF)	Bob O’Neill (ED)
Jim Banovetz	Jessica Kemp (Staff)	Michael Paules (FTP)
Bob Blair	Scott Lazenby (MAF)	Gary Sears (Copra Board)
Rob Carty (Staff)	Mark Levin (Chair)	Jim Svava
Mark Christensen	Laurel McFarland (NASPAA)	Kurt Thurmaier
Raymond Cox	John Nalbandian	Ted Voorhees (FTP)
Samantha Fisher	Karl Nollenberger (MAF)	Michael Walker (ICMA Board)

Subcommittees

Managers as Faculty (MAF); Karl Nollenberger, Chair
Filling the Pipeline (FTP); Ted Voorhees, Chair

Meeting Highlights

New NASPAA Standards Unveiled

Laurel McFarland, the executive director of NASPAA, unveiled the new standards and mission-specific competencies. Why ICMA members should be interested:

1. The new NASPAA accreditation standards and ICMA-NASPAA local government competencies will positively affect the skills and competencies that future MPA graduates will bring to their local government positions.
2. NASPAA is grateful for all the ICMA members who have served as practitioners on accreditation site visits over the years. Many of them will want to retrain under the new standards (at a future ICMA conference or at other regional training sessions) so that they can participate confidently in future site visits.

The new standards were adopted at NASPAA’s October meeting. View the full standards at:
<http://www.naspaa.org/accreditation/standard2009/docs/NS2009FinalVote10.16.2009.pdf>

ICMA was asked to participate in a process of identifying specific competencies for schools of public administration that had voluntarily identified local government as a focus or specialization; Mark Levin chaired the working group which presented final recommendations to NASPAA on these competencies. NASPAA has a committee working on performance measures. The competencies are intended for local government at the county level and below, but not to interfere with the mission of each school. There are approximately 43 programs in the NASPAA database that have a local government focus, but that is expected to grow.

Implementing and operationalizing the standards is the next step, and is key to their success. NASPAA is training people for new site visits and preparing schools for outcome based processes. Laurel thanked ICMA for its history of providing practitioner-members for NASPAA's accreditation site visit teams. NASPAA will be training people under the new standards at NASPAA conferences, as well as at ICMA at the 2010 Annual Conference in San Jose.

The ABGE should discuss with members who teach what it means to operationalize the standards as NASPAA rolls the training and standards out. Where do the standards and skill-sets students need meet in the classroom, especially for schools that do not have courses dedicated to all of the standards. Caution is necessary, however, as it is easy to raise expectations too high. Most city managers today did not go through programs with these requirements and measures; we should focus on the level of knowledge that a graduate needs in order to enter the profession (rather than play it immediately as well as a senior manager). That is the totality of the student experience.

It was noted that MPA programs aren't preparing graduates to be chief executives from day one after graduation, but rather providing them a toolkit for success and growth. The group should also recognize the impact of and need for professional continuing education and peer network support to help fill in the gaps once students enter the profession.

Bob O'Neill Answers Committee Questions Posed by Chair Mark Levin:

- Where does ICMA stand on MBA programs seeking accreditation and wanting to get involved in preparing the next generation of managers?

ICMA is happy to engage with anyone who is interested in preparing future managers. There is no one track to the top of the profession. There is a majority, but not unanimity. But the chasm is where other professional accreditation programs intersect with NASPAA's: a single course on governance or local governance does not prepare someone for the profession.

ICMA is actively working to identify transition curricula for people who come from different disciplines or professions who find themselves as a manager or assistant. ICMA seeks to accelerate their capacities to perform on the job and transition into the manager's role. We don't get to choose who our colleagues are in this profession, governing bodies do, and their success and failures color all of us, so ICMA has an interest in preparing these individuals.

- What is ICMA's perspective on a national public service academy?

Though the board has not discussed this issue yet for an official position, there are some concerns. It is most likely ICMA would come out against the idea for cost/benefit reasons – there would be a huge cost turning out a small number of graduates primarily focused on the federal government, leaving the two largest sectors of public service out of it. Providing scholarships, fellowship funding, and faculty support to MPA programs nationally would have a much larger impact for the funding. Writing off the debt of students going into public service would have ten times the impact of what a public service academy could. The idea sounds good, and the creators’ hearts are in the right place, but the cost/benefit doesn’t compute.

There is a more robust debt forgiveness program for non-profit and government employees, which writes-off any debt remaining after 10 years: <http://www.ibrinfo.org/what.vp.html#pslf>. Programs that write-off debt should be universal across public service (treat the sectors the same), otherwise it will skew student decision-making regarding careers. Market forces through scholarships/fellowships will have a greater impact than a public service academy, and that idea can counter government-growth opponents.

NASPAA has taken a position against the public service academy, but is emphasizing the need to get recent graduates into government and growing internship and fellowship programs. You can’t just stop at the school gate when educating students. Debt is a substantial issue and should be considered in any changes.

Mark suggested to Bob that the ICMA Executive Board take a position on these issues, including the public service academy, intergovernmental equity of student/public service loan reform, and reform of the federal hiring process. A short position statement would be helpful for the committee and friends-of-ABGE. Bob recommended that the ABGE crystallize a statement for board consideration and approval. A group of MPA deans and local government groups could then use such a statement should it be needed.

ICMA President Dave Limardi and President-Elect Darnel Earley Greet the Group

ICMA President Dave Limardi and President-Elect Darnell Earley thanked the committee members for the work they do, and asked that they remember the ICMA Code of Ethics, adopted originally 85 years ago at the ICMA conference in Montreal. They also commended the managers and professors who instruct and recruit tomorrow’s managers. Lastly, they asked members to greet and thank the ICMA staff for the hard work that they do.

Core Competencies for City Management

Scott Lazenby, a new member of the ABGE, presented his PhD research on what core competencies are for city management. Scott’s thesis, *The Practitioner Perspective: A Meta-Analysis*, focuses on gauging the critical skills and knowledge of city managers is, by analyzing how they spend their time. He concluded that:

1) The practitioners seem to agree with scholars that some form of community leadership role is important. They rated very highly skills in assessing community needs, being open to citizen participation, and situation analysis. Nevertheless, internal management skills and knowledge are equally important, including budgeting and financial management, staff supervision, and administration/organization theory. Several skills cover both arenas: ethics and integrity, communications skills, leadership, teamwork, and negotiating.

2) The practitioners seem to take a dim view of knowledge in broad areas of the social sciences, and rated among the lowest knowledge of sociology, political science, psychology and economics. On the other hand, specific application of research in these fields seems to be more appreciated: the practitioners rated somewhat higher knowledge of social characteristics of institutions, political institutions, and economic development. Many of the highest-rated skills, such as negotiating, human relations, and handling interpersonal relations have a theoretical base in the field of psychology.

3) With the exception of financial management, the more technical skills appear to be among the lowest-ranked; these include statistics, systems and operations design, engineering, and information technology. The samples from a predominantly male and white population also showed fairly low rankings for cultural competence and knowledge of minority and disadvantaged group issues. Policy analysis, the focus of many MPA programs, falls below the middle of the rankings.

You can find his full paper at icma.org, in the soon-to-be-launched Knowledge Network. Just search for "thesis".

What's New from ICMA Press

Jessica Kemp, ICMA Staff, informed the group of recent additions to ICMA Press. Jessica is now the full-time acquisitions editor after the retirement in October of Christine Ulrich.

Some new resources include:

- [Human Resource Management in Local Government](#): An Essential Guide, 3rd Edition
- [Capital Budgeting and Finance](#): A Guide for Local Governments, 2nd edition
- [IQ Report: Community Building: How to Do It, Why It Matters](#)
- [IQ Report: Creating a Multidimensional Talent Strategy to Avert Brain Drain and Other Future Disasters](#)
- [Managing Local Government: Cases in Effectiveness](#)

Other updates include:

- A casebook on Human Resources is in development, which will complement the textbook.
- ICMA Press is testing online marketing and reaching out to professors about new content.
- ICMA is exploring partnerships with other organizations for content development and distribution (such as APA, GFOA, and so on).
- PM Magazine was just redesigned, and everyone is invited to submit comments on the design to Jessica at jkemp@icma.org.

- The IQ product line is being redesigned for launch in January 2010.

Resources for Instructors:

Visit ICMA Press and the Job Center for resources for instructors and students.

- bookstore.icma.org/Resources_for_Instructors_W9.cfm?hsid=13&ssid1=2856
- icma.org/main/bc.asp?bcid=521&hsid=9&ssid1=3121&ssid2=3143

Subcommittee Reports:

Managers as Faculty

Karl Nollenberger reported that his group assembled teaching resources for assembling syllabi, available at the [teaching resources area](#) on the Job Center/Next Generation site. Resources include syllabi for performance measurement, e-government, public policy, research methods, government relations, ethics, community participation, and more.

The group also printed the “Go Teach a Course” article again in the StateSide newsletter, and as a news item on the ICMA home page with the aim of promoting teaching for practitioners. They are also promoting assembling a list of speakers that can be contacted to speak in a classroom setting.

Karl also worked with a public policy class to become a practitioner courses. Classes conducted a citizen survey, four consulting studies, and wrote one of the case studies for the new Cases in Effectiveness book. They also continued to encourage states to promote internships and fellowships.

They were unable to get participation engaged in the Teaching Public Administration conference in Kentucky, but will be looking to participate at the next conference in Grand Rapids, Michigan (May 2010). More information is available at www.teachingpa.org.

Karl also recently earned his PhD! Congratulations, Karl.

Filling the Pipeline

Ted Voorhees distributed a survey that was sent to state associations to determine what states have formal relationships with universities. The survey response rate was poor, so more outreach is being done. The intent was to determine what states have organized programs with universities, and what activities in which they are engaged.

The subcommittee also drafted a resource for states to use in creating or formalizing relationships with universities and MPA/MPP programs. The draft includes samples from other states to help show what they are doing, and why those activities work, and a ‘liaison program for dummies’. The goal is to have ICMA’s president or executive director to send this document out to states and have states appoint a responsible party to engage with universities in their state. Success comes from when people are engaged, and crossing paths.

Group members suggested that the survey should be conducted annually, especially as members and managers change jobs, rotate on and off boards, and so on, to keep relationships fresh and information current. From the state association perspective, it helps to have surveys like this pushed to states. This could be pushed/coordinated at the university level as well encouraging them to initiate contact with state association leaders.

For the Good of the Order

Many schools are dropping their adjunct faculty positions, and that will be a concern should that trend continue as those instructors are more often than not the practitioners who teach, rather than the full professors.

If anyone knows of members they would like to recommend to join the ABGE, please contact Chair Mark Levin or ICMA staffer Rob Carty at rcarty@icma.org. The process for member recruiting on the ABGE next year will be combined with the regular ICMA committee recruiting process, though it will maintain the executive director appointment structure.

Jim Svava mentioned the [Alliance for Innovation](#)'s growth, and upcoming launch of the new Knowledge Network. There will be a monthly column starting in PM Magazine starting in October. The Alliance produced a review of innovative practices based on the awards process within ICMA and the Alliance, which appeared in the [Municipal Yearbook](#). Academic Network Scholars contributed to the Navigating the Fiscal Crisis White Paper. They are seeking to more actively engage the membership and the Alliance in knowledge sharing with the new Knowledge Network. The Quarterly Update will be replacing the monthly newsletter, with each one based on a theme.

Raymond Cox mentioned a symposium on management education, which is coming together through the [Journal of Public Affairs and Education](#).

There is a potential for more international learning exchange, both educational and professional. There are not many international educational programs analogous to public administration graduate programs in the United States.

The meeting was adjourned at 11:30 a.m.

Managers Who Teach, Session Attendees

Bill Ganek: williamganek@algonquin.org
Dan Olpere: olpere@comcast.net
Elizabeth Hansen: ehansen@midiowa.net
Richard Orman: rorman@mail.barry.edu
David Mekarski: dmekarski@olympia-fields.com
Mary Strenn: mstrenn1@socal.rr.com
Bob Stripling: chars08@vt.edu
Carrie Gallagher: carrie.gallagher@gmail.com
Micah Austin: maustin@ci.jerome.id.us
Andrew Jackson: ajackson@byu.edu
Jim Hough: jim hough@minetfiber.com
Jason Stilwell: jstil@co.santa-barbara.ca.us
Eric DeMoura: edmoura@townofmountpleasant.com
Laura Hannah: thedualgirl@gmail.com
Jane Brautigam: brautigamj@bouldercolorado.gov
Gary Sears: gsears@englewoodgov.org
Sam Gaston: gastons@mtnbrook.org
Ryan Eggleston: reggleston@greenvilleborough.com
Craig Waldron: craig@ci.oakdale.mn.us
Jeff Weldon: jweldon@cityofbrookings.org
Mike Joyal: m.joyal@dover.nh.gov
Ruben Duran: raduran760@gmail.com
Richard Chesney: rbche@aol.com
Jim O'Connor: joconnor@cortn.org
Ron Phillips: rphillips@growlaw.com
Adam Maxwell: adam.maxwell@westerville.org

MANAGEMENT REPORT
NO. V
FEBRUARY 25-28, 2010
SAN DIEGO, CALIFORNIA

SUBJECT: Update on the Center for State and Local Government Excellence

**INTRODUCTION/
BACKGROUND**

The Center is recognized for its research on leading human resources and benefits practices. State and local decision makers, the media, and academic leaders use the Center's research and information.

The Future of Retirement in the Public Sector

On December 10, the Center invited ten state and local retirement administrators, academic experts, and other leaders, including an actuary and union representatives, for an informal conversation about the issues and trends in public sector retirement. Roundtable participants said it was the best discussion of the issues they had experienced. They also expressed appreciation for the high quality research the Center does.

The group discussed a number of changes that are needed to strengthen retirement security. For example, they recommended the establishment of a benefits policy that cannot be changed in just one legislative cycle. They are concerned about the negative media about public sector benefits and agreed that the issue needs to be framed differently. What rewards are appropriate for a career of service? Once that is known, employers can price the normal cost of that reward and set statutory contributions.

The group encouraged the Center to:

- Convene additional events and discussions, some open to the public and some invitation only
- Develop a governance manual for pension plans and investment boards dealing with such issues as roles and responsibilities and reporting expectations

- Pursue research about total compensation; “lessons learned” from the private sector regarding policies and regulations that worked or failed; retirement incentives and timing decisions; and what processes lead to better outcomes.

The Center has used the group’s feedback to shape its future research agenda and funding appeals. In addition, the discussion has helped Center staff respond to media inquiries and to develop content that is relevant to current local and state governments needs. The Center plans to use ICMA’s new Knowledge Network platform to showcase promising practices on workforce and benefit issues and to organize discussion groups.

Retiree Health Care Research

The Center’s retiree health care research, undertaken by the North Carolina State University team, has generated wide media play over the past 18 months. It was cited extensively in the November 2009 GAO report to the U.S. Senate Committee on Aging (GAO-10-61), entitled “State and Local Government Retiree Health Benefits; Liabilities Are Largely Unfunded, but Some Governments Are Taking Action”

Since our last update in September, the NC State team has produced two new briefs:

- “Prefunding Other Post Employment Benefits (OPEB) in State and Local Government: Options and Early Evidence” (9/09)
- “The Crisis in State and Local Government Retiree Health Benefit Plans: Myths and Realities, 2009 Update” (11/09)

The “Prefunding OPEB” brief contained a very timely epilogue on the situation in West Virginia where the Public Employees Insurance Agency voted this past summer to end retiree health care subsidies for all employees hired beginning in July 2010. Center research was featured prominently in AP articles covering that controversy and in follow-up stories in December 2009. The AP quoted the “Prefunding OPEB” brief in stating that “Successful or not, West Virginia will no doubt be one of the most watched states in the coming months as governments across the country look for ways to address their own OPEB challenges.”

The updated “Myths and Realities” brief gives a snapshot of the financial status of the retiree health plans in all 50 states (the original brief, published in July 2008, contained data from only 30 states).

The Center publicizes examples of state and local governments that have reduced their health care costs, most recently focusing on wellness and chronic disease management programs. Recent case studies available on the Center’s Web site are:

- City of Gainesville, FL wellness program
- Austin, TX STEPS wellness program
- Asheville, NC disease management program
- Montgomery, OH wellness program
- Commonwealth of Virginia wellness education
- Oklahoma State Employees wellness program

Retirement Research

The Center for Retirement Research at Boston College is the Center’s partner in local and state government retirement research.

A January 15 public radio “Marketplace” story on state pension fund investments featured comments from the Center CEO on the CALPERS pension challenges.

The newest brief, “Pension Obligation Bonds: Financial Crisis Exposes Risks” (January 2010), has been reported in Plansponsor.com and the *American City and County* magazine website, among other media outlets (*copy of press release attached*). A January 19 *St. Louis Post-Dispatch* story (“Illinois’ pension bond is a gamble, and a separate one at that”) cited the Center and included a quote from the brief.

The BC team also produced five fact sheets on states with defined contributions plans (Alaska, Indiana, Michigan, Oregon, and West Virginia), is expanding its State and Local Pension Plan Survey, and will publish additional briefs that evaluate the impact of the financial crisis on state and local pensions, assess the debate on valuing pension liabilities, and analyze efforts to expand private pension coverage through public plans.

Online Surveys and HR Partnership

The Center's short online survey of state and local government human resources directors last spring ("Tidal Wave Postponed: The Economy and Public Sector Retirement," May 2009) received wide media play, as reported to you in our September 2009 update, and continues to receive occasional coverage.

Building on that success, the Center again partnered with the International Public Management Association for Human Resources (IPMA-HR) and the National Association of State Personnel Executives (NASPE) to conduct an online poll of their members this fall to learn how the recession has affected their governments' workforce, health care benefits, recruitment, and retirement plans.

Nearly 400 respondents participated in the survey, 78 percent of whom indicated they work for local government. The survey results were published in our newly issued report, "The Great Recession and the State and Local Government Workforce" (January 2010).

[A copy of the brief is inserted in the back pocket of your board book.]

Hiring freezes, pay freezes, layoffs, and furloughs top the list of ways that local and state governments are cutting costs. Half of the respondents reported changes to their health care plans, with 69 percent having increased employee contributions and a quarter of them having increased the number of years required to vest or reduced benefits. Almost half (46 percent) of the survey's respondents report that retirement-eligible employees are postponing their retirements.

Survey respondents said they are struggling to fill certain critical positions, including jobs in engineering, skilled trades, information technology, health care, finance, law enforcement, and top management. The survey underlines the importance of governments having workforce plans that take future talent needs into account in the short-term decisions being made to balance the budget.

The survey, released on January 26, has already been featured in:

- *Employee Benefit News* (1/27/10) article, “State, local employers cut health benefits”
- *American City & County* magazine website article (1/28/10), “State and local governments cut personnel, benefits”
- CNBC.com and TheStreet.com, a leading financial website, published the Center’s press release (1/26/10)

IPMA-HR Webinar – Our colleagues at IPMA-HR invited the Center to present a webinar in February to their members based on the topics discussed in the Center’s January-February 2010 article in *ICMA Public Management (PM)* magazine, “Trends to Watch in 2010.”

Fundraising and Other Partnerships

The Center’s 2009 research and outreach have been underwritten by the generous contributions of the ICMA Retirement Corporation. The Center has leveraged this support to create strong partnerships with organizations who share its mission and goals. Many of them have provided in-kind contributions for Center projects.

Center Board and staff are actively seeking additional donors to support the Center’s mission.

FINRA Grant – The Center was awarded its first outside grant from the FINRA (Financial Industry Regulatory Authority, Inc.) Foundation. This \$20,000 grant will fund a quick-to-market case study report of South Dakota’s recent implementation of auto-enrollment of its public employees in a supplemental defined contribution plan. Center Vice President of Research Josh Franzel and NC State researcher Bob Clark (as a paid consultant) will be conducting the research and producing the report by May 2010, with mutual rights for both FINRA and the Center to publish the report independently or as a co-branded publication.

The Center hopes to leverage this small project into a longer term relationship with FINRA so that more substantial projects will be funded in the future.

National Dashboard

The Center's Board viewed a demonstration of a "National Dashboard" initiative in January and encouraged staff to move forward to seek funding for it. This ambitious public-private partnership may be well timed as it focuses on economic development, giving leaders data on which investments have had the greatest benefit.

It has robust analytic capabilities and includes federal spending data from the American Recovery and Reinvestment Act (ARRA) as well as 10 years of ongoing federal, state, and local government economic investment, along with private and philanthropic funds. It shows the sectors in which jobs have been created (e.g., transportation/infrastructure, health, education, energy).

It is designed to drill down to 1200 jurisdictions, if fully funded. The data can be examined at the local government, regional, state, or national level.

The Dashboard concept was developed by private sector vendors who came to ICMA, the Center, and other state and local organizations for their support. As envisioned, a federal grant would be provided to the Center to oversee the initiative. The Center also would be responsible for financial management, communications, as well as relationships with the steering committee of national associations, including ICMA, NACo, and NLC, the private sector vendors, and the federal government.

It has attracted the interest and support of national experts, including David Walker, former Comptroller General, and Susan Eisenhower, President, Eisenhower Strategy Group, and several economists.

Business Development Future

These are difficult times to raise funds, but the Center's mission could not be more important and relevant to the challenges facing state and local governments in 2010: the economic downturn and loss of revenue streams, the aging workforce, growing pension liabilities and unfunded retiree health care liabilities, the loss of knowledge workers through retirements and layoffs hampering the ability of governments to deliver critical services, and the need for reliable data with which to make short-term decisions that have a long-term impact.

The Smith Richardson Foundation has shown interest in the Center's research, encouraging submission of initial concept papers on retirement plan issues. CPS and AARP also are interested in collaboration.

Help us if you can. The Center is a young organization and we need any support you may offer to help promote our efforts and to identify potential donors.

Recent Staff Publications

- "Intergovernmental Cooperation in the Obama Administration: Progress to Date," by Robert O'Neill, Jr. and Elizabeth Kellar, published in the Winter 2009 issue of www.thepublicmanager.org.
- "Trends to Watch in 2010," by Elizabeth Kellar, Joshua Franzel, Danielle Miller Wagner (Center consultant) and Joan McCallen (ICMA-RC President/CEO and vice chair of the Center Board), published in the January-February 2010 issue of *ICMA Public Management (PM)* magazine.

Recent Staff Presentations

- "Local Government and the Great Recession" (September 2009 ICMA Annual Conference, Montreal, Canada).

Recent "Center in the News"

- Center invited to submit op ed to *California Healthline* Think Tank forum on "How Should California Pay for Retiree Health Benefits," published 10/5/09.
- UK publication *Life & Pensions* (www.life-pensions.com) featured Center data and quotes from CEO in November 2009 article, "Health Kicks," examining U.S. public sector pension and health care liabilities.
- *American City and County* magazine reported on the Center's pension obligation bonds issue brief (1/22/10).
- *The Baltimore-Washington Corridor Business & Political New Magazine* and MarylandReporter.com referenced the Center's report, "Retiree Health Care in the American States," in an article on Maryland retiree health care costs (1/4/10).

POLICY:

2008 Strategic Plan, Leadership

The ICMA Executive Board and the ICMA Retirement Corporation Board of Directors approved the establishment of a new Center for State and Local Government Excellence at their respective board meetings in November 2006.

The Center's mission is to attract and retain talented, committed, and well-prepared individuals to public service, and to help states and local governments become knowledgeable and competitive employers. The Center's Board has approved the following areas for Center research studies: structure of state and local government retirement plans; post employment and retiree health care benefits; financial wellness and retirement planning; talent strategies and competitive employment practices; and workforce development. The Center will need to secure new sources of funding to pursue research in competitive employment practices, workforce development, and talent strategies.

The ICMA Executive Board appointed four individuals to the Center's initial Board. After the Center became an independent nonprofit organization, it established its own nomination and election process.

**FINANCIAL
IMPLICATIONS:**

The Center is an independent entity, having received a letter from the IRS on September 17, 2008, granting the Center's 501(c)(3) exemption from federal income tax and status as a public charity. The effective date of the Center's incorporation as an independent nonprofit organization is May 21, 2008. The Center filed its first IRS Form 990 as an independent entity for FY 2009.

The ICMA Retirement Corporation continues to fund Center operations and research. The Center's independent status allows it to pursue the other sources of funding needed to retain its public charity status. The IRS five-year "look-back" period will be from 2008 to 2013.

The ICMA-RC Board of Directors has approved up to \$10 million to the Center to undertake research on retiree health, retirement savings, and financial planning. While most of the grant monies are for research to be conducted by academicians, the Center has a positive

financial impact on ICMA as ICMA provides staff leadership and support for the Center's operation. Because of the economic downturn, which affected the ICMA-RC operating budget for calendar year 2009, ICMA-RC reduced the size of its six-month grants to the Center, effective January 2009.

There is a formal agreement between ICMA and the Center for ICMA to provide management, administrative, and financial services; all Center staff are ICMA employees. Four ICMA staff hold elected positions with the Center. Elizabeth Kellar is the Center's President and CEO; Joshua Franzel is the Vice President; ICMA CFO Uma Ramesh is the Treasurer; and Program Assistant Bonnie Faulk is the Secretary. Amy Mayers is the Center's part-time Communications Manager.

STAFF CONTACT: Please contact Beth Kellar, (202) 962-3611, ekellar@icma.org with any questions or comments.

ATTACHMENT 1

FOR IMMEDIATE RELEASE

January 14, 2010

FOR MORE INFORMATION CONTACT:

Amy Mayers, 202-682-6102, amayers@slge.org

PENSION OBLIGATION BONDS: FINANCIAL CRISIS EXPOSES RISKS **New Center for Excellence Issue Brief**

WASHINGTON, DC -- The Center for State and Local Government Excellence has issued a new issue brief, *Pension Obligation Bonds: Financial Crisis Exposes Risks*. The brief, which was written by Alicia H. Munnell, Thad Calabrese, Ashby Monk, and Jean-Pierre Aubry of the Center for Retirement Research at Boston College, finds that it is risky to shore up pensions with such bonds except in certain circumstances.

The brief's key findings are:

- Some state and local governments issue Pension Obligation Bonds (POBs) to raise cash to cover their required pension contributions.
- POBs allow governments to avoid increasing taxes in bad times and could reduce pension costs, but they pose considerable risks.
- Those who issue POBs are often fiscally stressed and not well-positioned to handle the investment risk.

Read the full brief at <http://tinyurl.com/pensionobligationbonds>

Find all the Center's publications on public sector pensions and retiree health care at www.slge.org.

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About the Center for State and Local Government Excellence

The Center for State and Local Government Excellence helps state and local governments become knowledgeable and competitive employers so they can attract and retain a talented and committed workforce. The Center identifies best practices and conducts research on competitive employment practices, workforce development, pensions, retiree health security, and financial planning. The Center also brings state and local leaders together with respected researchers and features the latest demographic data on the aging workforce, research studies, and news on health care, recruitment, and succession planning on its website, www.slge.org.



SURVEY FINDINGS

The Great Recession and the State and Local Government Workforce

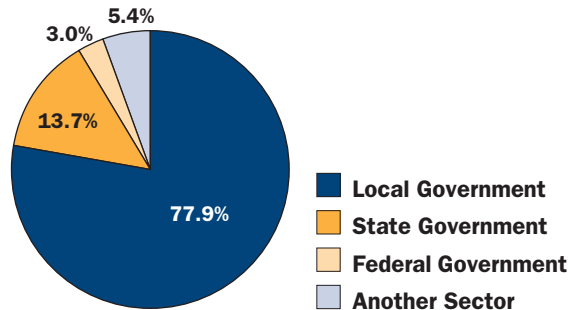
January 2010

The Great Recession and the State and Local Government Workforce

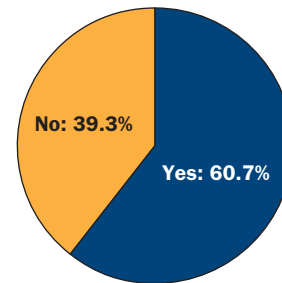
An electronic survey was conducted by the Center for State and Local Government Excellence [www.slge.org] among members of the International Public Management Association for Human Resources (IPMA-HR)ⁱ and the National Association of State Personnel Executives (NASPE)ⁱⁱ from November 18, 2009, to December 14, 2009. Three hundred and ninety-six (396) members took part in the survey.

Participants

1) You work for... (N = 335)ⁱⁱⁱ

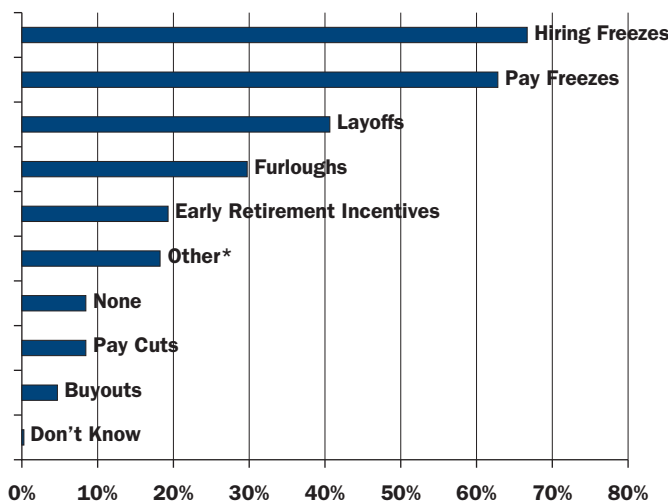


3) If your government has implemented **furloughs**, have the estimated savings been achieved? (N = 117)



Workforce Changes and Savings

2) Which of the following workforce changes has the current economic climate caused your government to implement? (N = 396)



*Note: "Other" workforce changes offered were: no cost of living adjustments; elimination of vacant positions; centralized position review to determine if vacant positions should be filled; voluntary furloughs; delaying wage adjustment decisions; in exchange for pay cuts, reducing the number of hours and days to be worked during the week; position consolidation and elimination; performance pay freezes.

Unfilled Positions

4) What **positions**, if any, do you continue to have a hard time filling throughout the current economic climate? (N = 188)

- Engineers (all types)
- Environmental, chemical, forensic, credentialed professionals
- Water treatment plant operators
- Most skilled trades
- Trained mechanics
- Information technology professionals
- Nurses
- Physicians
- Paramedics
- Health Instructors
- Social service case workers
- Finance
- Acquisition specialists

ⁱ 8,378 members

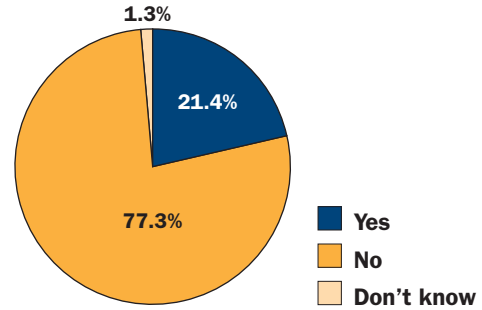
ⁱⁱ 110 members

ⁱⁱⁱ (N = number of respondents to each question)

- Correctional officers
- Animal control officers
- Police officers
- Police/emergency radio operators
- Top management
- Department heads

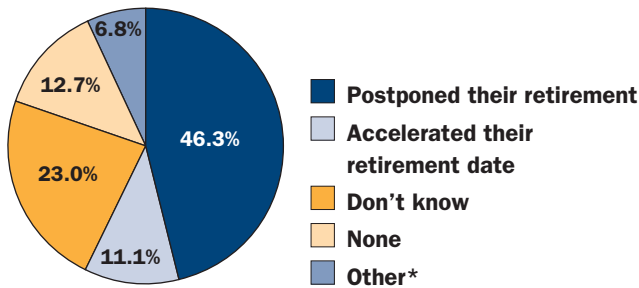
Retirement Plan Changes

7) Has your government made any changes to the retirement plans you offer to your employees, since the beginning of the recession?



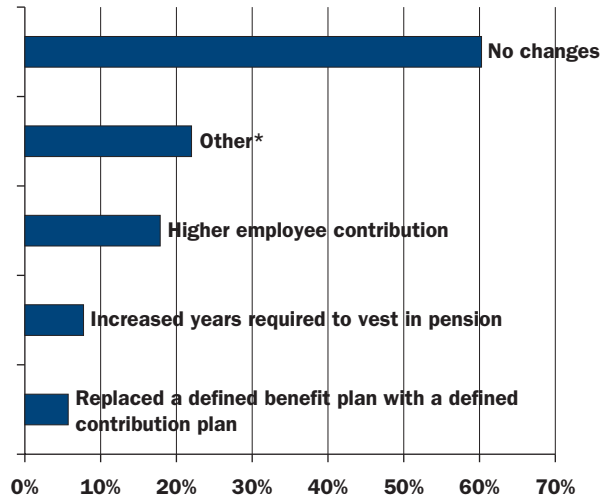
Postponed Retirements

5) What **changes**, if any, have your retirement-eligible employees made regarding their plans for retirement? (N = 395)



*Note: "Other" respondents also noted that some employees have shifted their employment status to part-time or contract work.

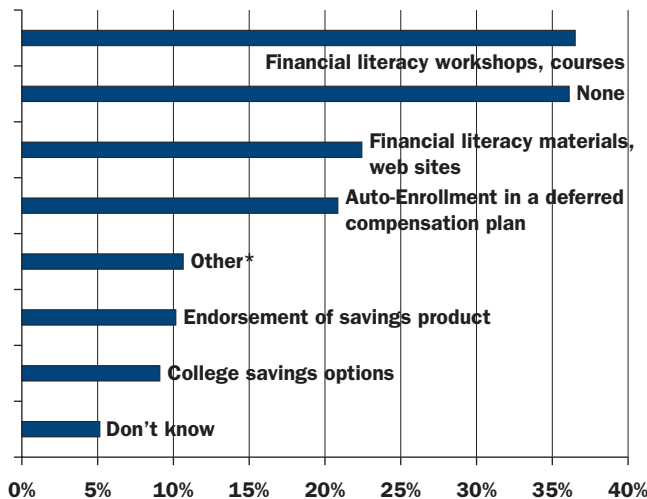
8) If your government has made **changes to the retirement plans**, has your government made any of the following changes to retirement benefits for new hires?



*Note: "Other" changes to the retirement plans for new hires offered were: increased years to vest for retiree health benefits; elimination of retiree health care; older retirement without penalty; decreased benefits across the board; formula changes.

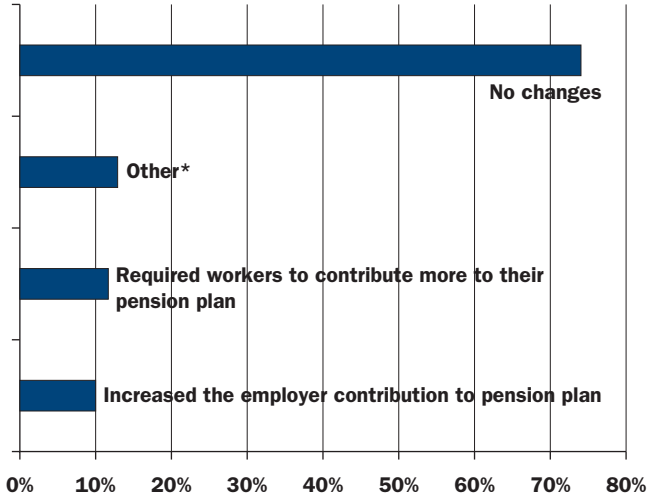
Employee Saving

6) Please indicate which of the following your government has instituted to encourage employee saving:



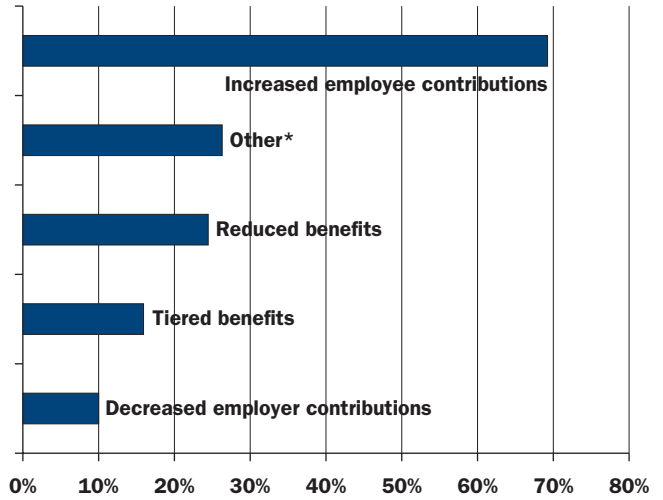
*Note: "Other" initiatives related to **encouraging employee saving** were: access to health-related savings accounts; information about the health of financial institutions with which employees may have accounts; information and access to IRAs, savings bonds, and other savings products; publicized access to credit union.

9) If your government has made **changes to the retirement plans**, has your government taken any of the following actions to address pension funding for current workers?



*Note: “Other” changes to the retirement plans for current workers offered were: increased cost sharing for retiree health care; decreased employer contribution to deferred compensation pension plans.

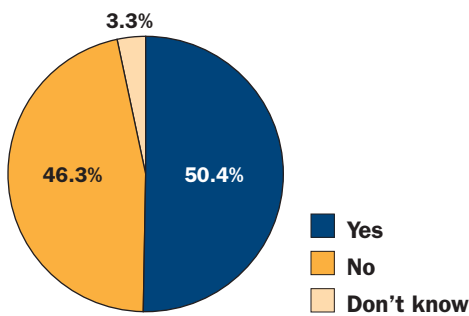
11) If your government has made changes to the health care plans, **what changes?**



*Note: “Other” changes to the health care plans offered were: added other types of health plans; made employee cost adjustments to plans based on weight and smoking status; increasing use of wellness, on-site clinics, and 24-hour nurse line; added an option where the employee can receive a payout if they use another health care plan they have access to elsewhere; increased the years needed to vest for retiree health care.

Health Care Plan Changes

10) Has your government made any **changes to the health care plans** you offer to your employees and retirees since the beginning of the recession?





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Joshua M. Franzel, PhD

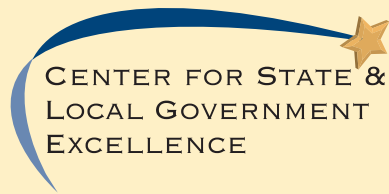
Vice President, Research

Amy M. Mayers

Communications Manager

Bonnie J. Faulk

Program Assistant



The Center gratefully acknowledges the financial support from the ICMA Retirement Corporation to undertake these research projects. The Center's research and other publications are downloadable at slge.org.

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About the Center for State and Local Government Excellence

The Center for State and Local Government Excellence helps state and local governments become knowledgeable and competitive employers so they can attract and retain a talented and committed workforce. The Center identifies best practices and conducts research on competitive employment practices, workforce development, pensions, retiree health security, and financial planning. The Center also brings state and local leaders together with respected researchers and features the latest demographic data on the aging work force, research studies, and news on health care, recruitment, and succession planning on its web site, www.slge.org.

The Center's five research priorities are:

- Retirement plans and savings
- Retiree health care
- Financial education for employees
- Talent strategies and innovative employment practices
- Workforce development

777 N. Capitol Street NE | Suite 500 | Washington DC 20002-4201 | 202 682 6100 | info@slge.org

MANAGEMENT REPORT

NO. VI

FEBRUARY 25-28, 2010

SAN DIEGO, CALIFORNIA

SUBJECT: Update on the Alliance for Innovation

INTRODUCTION: The Alliance is intended to identify and share major trends and accelerate innovations into the standards of the profession. The Alliance is a partnership with the Innovation Groups (IG) and Arizona State University, which has a strong MPA and research program as well as a Center for Urban Innovation.

Key purposes of the Alliance for Innovation include partnering on education and learning events, achieving economies of scale and reducing duplication, especially with technology; enhancing the web-based Knowledge Center and Resource Center at ICMA and IG; providing regional representation and service to Alliance member organizations and professionals; and delivering more timely and usable academic research to practitioners, and facilitating dialogue between practitioners and scholars.

The MPA program provides access to talented, committed graduate students with an interest in local government. The Alliance offers opportunities for new grant funding due to the breadth and depth of the partnership and our mission.

Updates:

1. Knowledge Network

A team comprised of ICMA and Alliance staff is working with a consulting firm to implement the shared technology platform for the new Knowledge Network. The complexity of the requirements for this robust new platform have resulted in a later

than anticipated beta test and launch. The beta test is scheduled for February. The Knowledge Network functionality includes communities of practice, online question and answer submission, wikis, blogs, and other opportunities for members to network and share actionable, timely information.

2. Big Ideas Conference

The Alliance held a successful invitation-only conference in Decatur, GA, October 23-25, 2009. Participants included representatives from think tanks, foundations, businesses, universities, and local governments. Participants examined the drivers of change and indentified new approaches to facilitate the transformation of communities in the coming decade.

3. Business Relationship with the Alliance

Evelina Moulder, ICMA; Karen Thoreson, the Alliance; and Jim Svara, ASU, in consultation with Bob O'Neill, finalized an operations agreement that was approved by the Alliance Board at its May 2009 meeting.

The operations agreement is designed to define our working relationships and will necessarily evolve over time. Each partner brings complimentary resources to our collective endeavor. The following items reflect progress in achieving the actions outlined in the agreement:

- ICMA is now providing accounting support by moving the Alliance's records to ICMA's general ledger system. This has enabled the Alliance to close its Florida office, although some Florida staff will remain and work from home. The intention is to streamline operations so that about 50% of the Alliance's Director of Finance and Administration's time is freed up to work on ICMA operations. ICMA will reimburse the Alliance for this time once it becomes operational.
- The Alliance will share ICMA's membership management software, which will give Alliance staff increased efficiencies. The Alliance is

sharing ICMA's new Content Management System and Knowledge Network software.

- Jim Svava and Karen Thoreson have contributed articles in *The Municipal Year Book* and in *PM Magazine*.
- ICMA and the Alliance are developing a national survey on sustainability practices in local government, which will provide the largest database on local government sustainability practices in the United States.

POLICY: 2008 Strategic Plan: Knowledge Sharing

At its September 2005 meeting, the board approved a letter of agreement between IG (The Innovation Groups) and ICMA to form an Alliance for Innovation. The letter of agreement provided for ICMA to appoint up to three members of the Board of Directors for four-year terms, with staggered initial terms. Arizona State University was selected as the university partner in 2006.

STAFF CONTACT: Please contact Bob O'Neill at roneill@icma.org (202) 962-3610 or Evelina Moulder at emoulder@icma.org (202) 962-3534 with any questions.

MANAGEMENT REPORT

NO. VII FEBRUARY 25-28, 2010 SAN DIEGO, CALIFORNIA

SUBJECT: Update on Performance Management Advisory Commission

INTRODUCTION: The commission had its final meeting on December 7-8, 2009 in Chicago, Illinois. At that meeting, members of the commission reviewed public comments made to the draft report, “A Performance Management Framework for State and Local Government: From Measurement and Reporting to Management and Improving.”

Based on the commission’s review of the comments and final input provided at the December meeting, the final report is currently being prepared. It is expected to be released in March 2010. For your convenience, excerpts of the 38-page draft are attached. To view the draft report, please visit www.pmcommission.org.

BACKGROUND: In June 2007, the ICMA Board supported staff’s recommendation to endorse a proposal by the “Big 7” state and local government organizations and GFOA (Government Finance Officers Association) to create a national commission on performance management. A key purpose of the proposed two-year commission was to design a comprehensive framework of performance management that individual local and state governments can use to assess their own performance management efforts.

This proposal was in response to the Governmental Accounting Standards Board (GASB) approving a new project to be added to its technical agenda: Service Efforts and Accomplishments (SEA) Reporting. While state and local governments support the development and use of performance measures to improve government, there was concern that GASB, as a regulatory body, was not the appropriate body to address the subject. Although the proposed SEA project was to be limited to reporting and to include only voluntary guidelines, state and local organizations believed that any official action by GASB would lead to setting of standards for performance measures—or, at a

minimum, GASB's actions would be perceived as establishing a standard given it is a standards-setting board.

POLICY:

Respect for the proper role of local elected and appointed officials to determine the specific policies and procedures that best meet the unique needs of their particular communities. In June 2007, the board endorsed the creation of the Performance Management Commission along with ICMA's participation in activities of the Commission.

PAST PRACTICE:

ICMA opposed standards issued by the National Fire Protection Association on response times and staffing levels (NFPA 1710) because those standards did not respect the proper role of elected officials and their appointed executives—in a representative democracy—to make policy and managerial decisions based on local needs and competing priorities. The concern in this case is that the work of GASB in the area of performance measurement also might be construed by some as the promulgation of a new standard applying to local governments in the area of performance measurement and management.

**FINANCIAL
IMPLICATIONS:**

ICMA reallocated staff time in order to participate in the work of the Commission. This was accomplished with no significant impact on any existing activities or programs.

Also, voluntary contributions were sought from each organization and others to underwrite some of the meeting costs. The voluntary contribution from ICMA for the May 2009 meeting was less than \$5,000 and the expenditures were booked in ICMA's budget for last year (FY09).

STAFF CONTACT:

Please contact Mike Lawson (202) 962-3634, (mlawson@icma.org) with any questions.

Excerpts

Complete document: pmcommission.org

A Performance Management Framework for State and Local Government:

From Measurement and Reporting to Management and Improving

Public Review Draft

July 2009

National Performance Management Advisory Commission



About the Commission

The National Performance Management Advisory Commission (the commission) is a collaborative effort of 11 leading public sector management organizations with broad representation across the United States and Canada. They have come together sharing the compelling recognition that all levels of government need to enhance results, increase and keep the public's trust and confidence and assure accountability for performance. While governments are increasingly collecting data and reporting about their performance – an essential element in accomplishing these objectives – these practices alone do not produce the desired ends.

The commission's intent is to provide a framework that goes beyond measurement and reporting, enunciating management principles and integrating management practices that can be adopted and shared by all levels of government alike. However, since jurisdictions vary widely in size, type, history, and challenges, the commission also intended to design a framework that would:

- Be flexible and readily adaptable to varying circumstances, rather than rigid and prescriptive regarding specific measures, systems, or reporting formats.
- Identify general approaches, practices, and techniques that are characteristic of successful performance management; and
- Support state and local governments' efforts to develop and assess their performance measurement and management systems, for the public's benefit.

The sponsoring organizations of the commission are:

- **Association of School Business Officials International (ASBO)**
- **National Association of State Budget Officers (NASBO)**
- **Council of State Governments (CSG)**
- **Government Finance Officers Association (GFOA)**
- **International City/County Management Association (ICMA)**
- **National Association of Counties (NACo)**
- **National Association of State Auditors, Comptrollers, and Treasurers (NASACT)**
- **National Center for State Courts (NCSC)**
- **National Conference of State Legislatures (NCSL)**
- **National League of Cities (NLC)**
- **U.S. Conference of Mayors (USCM)**

Commission Members

Jackie Nytes, Chair (NLC), *Councilor, City of Indianapolis and Marion County, Indiana*
Richard Devlin, Vice Chair (NCSL), *Senate Majority Leader, State of Oregon*

David Ammons (NPMAC), *Professor, University of North Carolina*
Daniel Becker (NCSC), *State Court Administrator, State of Utah*

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Michael Brown (ICMA), *Chief Executive Officer, County of Santa Barbara, California*
Jacqueline Byers (NACo), *Director of Research and Outreach, National Association of Counties*
Warren Chism (NCSL), *Chairman of the Texas Appropriations Committee, House of Representatives, State of Texas*
Barbara Cohn Berman (NPMAC), *Director, Center on Government Performance of the Fund for the City of New York and National Center for Civic Innovation*
Sharon Daboin (NASBO), *Deputy Secretary for Performance Improvement, Governor's Budget Office, State of Pennsylvania*
Jeffrey L. Esser (GFOA), *Executive Director/CEO, Government Finance Officers Association*
Peter Franchot (NASACT), *Comptroller, State of Maryland*
Daniel Hall (NCSC), *Vice President, Court Consulting Services, National Center for State Courts*
Chris Hoene (NLC), *Director, Center for Research and Innovation, National League of Cities*
John Kenney (NASACT), *Director of Accounting, State of Maryland*
Anne Kinney (GFOA), *Director, Research and Consulting Center, Government Finance Officers Association*
Mike Lawson (ICMA), *Director, ICMA Center for Performance, International City/County Management Association*
Lee Legutko (ASBO), *Chief Business Officer for multiple school districts in Florida (Retired)*
Clare Mazur (NCSL), *Chief Legislative Analyst, Office of Program Policy Analysis & Government Accountability, Florida*
John Mountjoy (CSG), *Director of Policy and Research, Council of State Governments*
Bob O'Neill Jr (ICMA), *Executive Director, International City/County Management Association*
Scott Pattison (NASBO), *Executive Director, National Association of State Budget Officers*
Kinney Poynter (NASACT), *Executive Director, National Association of State Auditors, Comptrollers, and Treasurers*
Michael J. Robinson (CSG), *Senior Deputy Executive Director, Council of State Governments*
Ken Rust (GFOA), *Chief Administrative Officer, City of Portland, Oregon*
Ron Skinner (ASBO), *Assistant Executive Director, Association of School Business Officials International*
Ron Snell (NCSL), *Director of State Services, National Conference of State Legislatures*
Cathy Spain (NLC), *Director, Enterprise Programs, National League of Cities*
William C. Vickrey (CSG), *Administrative Director, Administrative Office of the Courts, State of California*
Judy Zelio (NCSL), *Program Director, Fiscal Affairs, National Conference of State Legislatures*

Commission Staff

Anne Kinney (GFOA), *Director, Research and Consulting Center, Government Finance Officers Association*
Christina Altmayer (GFOA), *Consultant, Research and Consulting Center, Government Finance Officers Association*
Mike Mucha (GFOA), *Senior Consultant/Analyst, Research and Consulting Center, Government Finance Officers Association*

Contents

About the Commission	2
Organization of the Report	5
Part 1: Describing the Performance Management Framework	7
The Framework	8
What is Performance Management?	11
Why Undertake Performance Management?	12
Performance Management Principles	14
1. A results focus permeates strategies, processes, and decisions	14
2. Information, measures, goals, priorities, and activities are relevant to the government and the community	14
3. Information, decisions, and processes are transparent to stakeholders	15
4. Goals, programs, activities, and resources are aligned with mission, priorities, and desired results	18
5. Decisions and processes are driven by timely, accurate, and pertinent data	18
6. Processes are sustainable over time and across organizational changes	18
7. Performance management transforms the organization, its management, and the policy-making process.....	19
The Benefits of Practicing Performance Management	17
Part 2: Using the Framework	19
Initiating, Implementing, and Sustaining Performance Management	20
Performance Management Practices	25
Planning	26
Budgeting	28
Management	29
Evaluation / Auditing	34
Cross-Cutting Practices: Measurement and Reporting	35
Glossary of Performance Management Terms	37

MANAGEMENT REPORT

NO. VIII FEBRUARY 25-28, 2010 SAN DIEGO, CALIFORNIA

- SUBJECT:** Sustainability Activities
- INTRODUCTION:** ICMA is committed to creating a center for sustainable communities that will realign existing grant and contract funded activities and develop new resources and programming for local government professionals.
- BACKGROUND:** ICMA members have suggested that sustainability is the issue of our age. In response to this need, the ICMA Board directed the association to establish sustainability as a strategic priority.
- POLICY:** **2008 Strategic Plan Leadership Strategy: 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 2007, the board approved a resolution that affirmed ICMA's commitment to building sustainable communities which was then adopted by the membership at the September 2007 Annual Business Meeting. The resolution:
- Established ICMA's history of promoting sustainable communities;
 - Listed reasons for the urgency of this issue for the organization;
 - Expressed a desire to establish the organization as a leader on this issue;
 - Committed ICMA and its members to several goals, including implementing sustainable practices within local government, educating citizens and elected officials, sharing leading practices, and increasing the membership's understanding of sustainability through professional development.

PAST PRACTICE: ICMA has a long history of working on topics related to sustainability primarily through international and domestic grant and contract funded activities. The purpose of creating a center for sustainability is to bring all programming under one roof to enable a more effective set of activities for professional managers.

FINANCIAL IMPLICATIONS: ICMA is actively seeking unrestricted and restricted external funding to support activities related to sustainability.

STAFF CONTACT: Tad McGalliard, 202-962-3563 or tmcgalliard@icma.org

Sustainability Activities

Introduction

ICMA has a rich history of grant and contract funded activities related to sustainability including extensive experience in subjects such as smart growth, brownfields cleanup and redevelopment, environmental management systems, energy efficiency, military base reuse and revitalization, environmental justice, active and healthy living and more.

In July 2009, ICMA reassigned Tad McGalliard as the association's director for sustainability and in November 2009 hired Ron Carlee, former manager of Arlington County, Virginia to lead efforts to reconstitute the Association's projects and programs focused on creating more sustainable communities. Because of his responsibilities in directing the National Brownfields Conference, a major grant and contract funded collaboration between the U.S. Environmental Protection Agency (EPA) and ICMA, Tad started full time as the director of sustainability in December 2009.

Sustainability—Grants and Contracts

Recent Activities

ICMA continues to serve as the institutional home for a variety of sustainability projects and programs. We are in the fifth year of a cooperative agreement with EPA to provide knowledge resources on smart growth to local government managers and professionals. ICMA will be releasing two new publications in early 2010. The first is an overview of putting smart growth strategies to use in rural communities and the second focuses on climate change and smart growth.

As the institutional home for the National Brownfields Conference, ICMA again managed a successful event in November 2009 in New Orleans. Brownfields 2009 attracted nearly 5,000 registrants, 175 exhibitors and featured more than 150 educational sessions. Like many conferences and events, Brownfields 2009 was not immune to the economic recession and witnessed a drop off in attendance of approximately 20% and a 30% decline in the number of exhibitors from the previous two years (Boston 2006; Detroit 2008). Brownfields 2011 will take place in Philadelphia.

Other existing activities under various grants and contracts include:

- With support of a Healthy Communities Grant from the Robert Wood Johnson Foundation, completed and released case studies on Albany (OR) and Decatur (GA), highlighting the work these communities are doing to keep residents healthy and active. Partnered with NACo and AASA to facilitate a healthy communities dialogue in Asheville/Buncombe County (NC). The dialogue, which had 52 participants, focused on actions that can be taken to reduce childhood obesity. Provided follow-up technical assistance in the form of an action planning session to Savannah (GA) to assist with their work on food access. The project is now completed.
- Through funding support from the U.S. Department of Homeland Security and in partnership with the National League of Cities (NLC), ICMA delivered Leadership In

Crises Training Workshops in Mobile, AL Albemarle, NC, Concord, NH, Bar Harbor, ME and Worcester, MA

- With funding support from the US Environmental Protection Agency, ICMA delivered a web cast providing “Tools and Practices to Make Communities Energy efficient, Resource Resilient, and Sustainable” to over 200 ICMA members and other local government officials nationally.
- Through funding support from the US Centers of Disease Control, ICMA provided technical assistance and support to the Hawaii State Department of Health (HDOH) and the Public Health Seattle & King County to engage their citizens to better understand their values and priorities related to the delivery of altered standards of medical care during a severe influenza pandemic, including restrictions on access to care and to limited, potentially life-sustaining medical resources.
- With funding support from the US Environmental Protection Agency, ICMA delivered six newsletters with environmental management updates to six thousand local government officials each and maintained environmental compliance and management information on the Local Government Environmental Assistance Network (www.lgean.org).

Planned Priorities

New business development remains a priority for ICMA’s sustainability activities. Several new proposals have been submitted to funders or are currently under development. Some examples include:

- A five year education and outreach collaborative proposal with the American Planning Association and the National Association of Regional Councils was submitted to the U.S. Department of Energy’s Solar America Cities program
- ICMA joined a team led by CH2M Hill that submitted a multi-year proposal to EPA’s Office of Smart Growth
- ICMA partnered with the National League of Cities and ICLEI to submit a proposal for DOE’s Energy Efficiency and Conservation Block Grant program that would offer technical assistance for state and local governments
- Working with ICMA’s Strategic Partners program, the Center for Sustainability is currently coordinating an outreach campaign to potential funders to help rapidly increase the number of resources that will be available through ICMA’s knowledge network
- Developing a proposal to continued managing the Local Government Environmental Assistance Network as part of ICMA’s emerging knowledge network
- Partnering with ICMA International to develop several new proposals in Asia including a funding opportunities available from EPA and the U.S. Department of State

Sustainability—Non Grant and Contract Funded Activities

Recent Activities

Over the last two years, ICMA has developed a successful new webinars and audio conference product line. In September 2009, ICMA University put together a sustainability audio conference on “A Holistic Approach to Mobile Workforce Management to Save Costs and Energy.” Additionally, ICMA University established a series of podcasts on sustainability. Featured interviews included conversations with Randy Reid (Alachua County, FL), Rich

Conrad (Mercer Island, WA), and Jim Ley (Sarasota County, FL). Furthermore, the 2010 Annual Conference Planning Committee continued to see sustainability as a primary challenge for local government managers and again selected a preliminary set of topics that will form a track of sessions.

Planned Priorities

ICMA is currently working on a number of professional development resources including new webinars on sustainability in addition to a few new podcasts. These products will roll out through the spring and early summer. A small team of ICMA staff are exploring the possibility of offering affiliate membership to “local government sustainability managers.” A preliminary report has been prepared and more market research is forthcoming to establish the viability of this new initiative.

MANAGEMENT REPORT

NO. IX

FEBRUARY 25-28, 2010

SAN DIEGO, CALIFORNIA

SUBJECT: Update on State affiliation agreements

INTRODUCTION: ICMA is entering into formal affiliation agreements with state associations to more closely align our efforts on behalf of professional local government managers and the profession.

BACKGROUND: The work of the 2004 Task Force on Financing ICMA and ICMA's recent membership development initiatives have pointed to the need for ICMA and state associations to be more strategic in our effort to achieve mutual goals.

A survey of state associations in June 2008 reinforced assumptions that collaborative efforts could result in greater success for both states and ICMA in the areas of membership development, professional development, and awareness of the value of professional local government management.

Templates for proposed affiliation arrangements (attached) between state associations and ICMA have been shared with state leadership with the goal of formalizing affiliation agreements with 15 associations by the end of the third quarter of FY2010, and 15 additional associations per year through FY 2012. Progress to date:

Signed affiliation agreements:

- Arizona
- Maryland
- International Hispanic Network
- Virginia
- Ohio

Drafts in place / formal discussions in progress:

- Illinois
- Minnesota
- Missouri
- North Carolina
- Oregon
- Washington
- Wisconsin

POLICY: This initiative cuts across all four of the key Outcomes in ICMA's 2008 Strategic Plan:

Leadership

Strategy

- *Initiate, strengthen, and leverage relationships with international, national, state, and local organizations to create excellence in local governance.*

Professional Development

Strategy

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

Knowledge Sharing

Strategy

- *Create a model of collaboration with other local government professional associations, affiliate organizations, members, and nonmembers that facilitates access to ICMA expertise and leadership development around professional management, ethical practices, and sustainability.*

Member Engagement & Support

Strategy

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

PAST PRACTICE: ICMA initiated the execution of 'Partnership' agreements with state associations in the early 1990's. These provided some groundwork for specific areas of collaboration, exchange of services, and information sharing. The new initiative for formal affiliation agreements seeks to take the relationships to a higher level of exchange and support.

FINANCIAL IMPLICATIONS: Each affiliation agreement is being tailored to the state association's specific needs, capacities, and goals. ICMA will assess the financial implications as agreements are executed. The secretariat model to be offered to state associations with fewer than 100 members could impact ICMA administrative support capabilities, but that assessment will have to be done incrementally. A pilot secretariat agreement has been in place with the Maryland City/County Management Association since July 2008. As

other associations choose this model, we will evaluate the impact.

RISK ASSESSMENT: Without close, formal ties to state associations, both ICMA and states will compete for members and customers, duplicate efforts, and expend resources inefficiently. Individually, neither ICMA nor the states will be able to maximize their full membership potential. Without strategic collaboration, it will be more difficult to communicate one consistent message -- our mutual interest in ensuring that 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.

STAFF CONTACT: Please contact Rita Ossolinski (202-962-3635; rossolinski@icma.org) with any questions.



Leaders at the Core of Better Communities

Affiliation Agreement Template

LARGE ASSOCIATION MODEL (Over 250 members)

Potential States: Arizona; *California**; Florida; Kansas; Illinois; Michigan; Minnesota; North Carolina; Pennsylvania; Texas; Virginia; Wisconsin

MID SIZE ASSOCIATION MODEL (101-250 members)

Potential States: Colorado; Georgia; Iowa; Maine; Massachusetts; Missouri; New Hampshire; New Jersey; Ohio; Oklahoma; Oregon; South Carolina; Utah; Washington

SMALL ASSOCIATION MODEL (< 100 members)

Potential States: Alabama; Alaska; Arkansas; Connecticut; Delaware; GOSCOMA; Indiana; Kentucky; (*Maryland**); Mississippi; Nebraska; Nevada; New Mexico; New York; Rhode Island; Tennessee; Vermont; West Virginia

AFFILIATION AGREEMENT BETWEEN ICMA & _(NAME OF STATE ASSOCIATION)_

INTRODUCTION

This agreement serves as a written understanding of the affiliation agreement between ICMA (International City/County Management Association) and _(NAME OF STATE ASSOCIATION)_.

ICMA and _(NAME OF STATE ASSOCIATION)_ seek to be more strategic in efforts to achieve mutual goals.

- The collaborative measures outlined in this agreement will contribute to greater success for both the state association and ICMA in the areas of membership development, professional development, and awareness of the value of professional local government management.
- Working more closely, ICMA and _(NAME OF STATE ASSOCIATION)_ will be able to achieve their full membership potential, reduce duplication of effort, and use existing resources more efficiently.
- This agreement supports ICMA’s vision and mission and core beliefs:

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
- This agreement supports _(NAME OF STATE ASSOCIATION)_’s mission, vision, and core beliefs:

BENEFITS OF AFFILIATION

Value Statement

Members of the local government management profession are better served by belonging to both their state association and to ICMA. ICMA and state associations have been long-standing partners on behalf of the profession, providing services and benefits that complement each other.

- ICMA is the standard bearer for ethical conduct in the local government management profession through the ICMA Code of Ethics and assists state associations in promoting the importance of ethical standards. ICMA provides advice to individual members on ethical challenges, offers continuous education through columns, case studies and articles in *Public Management* magazine, and develops educational programs for state conferences.
- ICMA broadens state association resources for members by serving as a virtual research assistant offering leading practices, articles from experts and practitioners, as well as sample ordinances, policies, and reports on issues that cross state borders. ICMA connects members to colleagues across the country with common challenges.
- ICMA offers leadership and management programs drawing on national and international experts geared to different stages of a member’s career. The highly rated annual conference serves all members. Other programs range from those serving the career development needs of emerging leaders to those tailored for seasoned managers. In addition, ICMA offers a nationally recognized Credentialing program that allows members to demonstrate the unique expertise and the commitment to continuing professional development that they bring to their communities.
- ICMA expands a member’s network to those who share values, expertise and experience in local government across the country and around the world. Committees, task forces and advisory groups as well as online discussion groups forge connections beyond state boundaries.
- ICMA adds to the critical peer support network offered through state associations. ICMA members in transition who have been fired or forced to resign and who list their names in the *ICMA Newsletter* hear from colleagues all over the country and beyond. Monthly conference calls and materials offer financial advice, tips on handling job interviews, and further support.

- ICMA advocates nationally for professional local government management as an integral component of effective local governance with council-manager government as the preferred local government structure. ICMA maintains resource materials, data and information as part of this advocacy effort and the Fund for Professional Management provides resources both to support communities seeking to adopt or retain council-manager government and to develop or revise state-wide civics education curricula.

Each section of this agreement lists continuing activities to be provided by ICMA in support of _(NAME OF STATE ASSOCIATION)_ as well as areas in which _(NAME OF STATE ASSOCIATION)_ will share information and maintain linkages with ICMA.

The activities in this agreement are categorized into the outcomes, strategies, and tactics laid out in ICMA's 2008 Strategic Plan:

- 1) Leadership
- 2) Professional Development
- 3) Knowledge Sharing
- 4) Member Engagement and Support

SECTION I: LEADERSHIP

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.

Together, ICMA and _(NAME OF ASSOCIATION)_ will:

- Promote, enforce, and celebrate the highest ethical standards of professional behavior.
- Raise awareness of the value that professional management brings to local governance and advocate council-manager government.
- 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.
- Expand the current membership, with an emphasis on attracting the next generation of professional local government managers, including women and minorities, entrants from other careers, and other local government management professionals who are not members of ICMA.
- Identify opportunities to celebrate our mutual accomplishments and feature them in ICMA and _(NAME OF STATE ASSOCIATION)_ print and electronic publications.

- Collaborate on the alignment of the state association logo and the ICMA logo, identifying _(NAME OF STATE ASSOCIATION)_ as a ‘state affiliate of ICMA.’”
- Collaborate on matters of promotion and defense of council-manager government in _(NAME OF STATE)_.

ICMA will:

- Make ICMA training sessions on the Code of Ethics and ethical behavior among local government professionals available to the state association, its members, and the local jurisdictions which they serve. (Fee structure variable, based on size of audience and duration of session/s.)
- Involve (NAME OF ASSOCIATION) in development and execution of the Value of the Profession campaign to raise the level of knowledge and understanding of the role and impact of local government, and professional local government management.
- Share information and leading practices on sustainability, environmental stewardship.
- Reach out to young people, women and minorities, entrants from other careers and other local government management professionals in _(NAME OF STATE / STATE ASSOCIATION)_ who are not members of ICMA.

(NAME OF STATE ASSOCIATION) will:

- Conduct at least one ICMA Ethics training session annually.
- Provide an annual contribution to the Fund for Professional Management in support of ICMA’s advocacy work on behalf of professional local government management and the Council/Manager form of government.
- Join with ICMA in the commitment to include the issue of sustainability in a training session in or in the annual conference program for the state membership.
- Actively participate in the development and implementation of ICMA’s Value of the Profession campaign by:
 - 1) providing designated state representatives to the advisory process
 - 2) conducting awareness sessions among the _(NAME OF ASSOCIATION)’s membership
 - 3) holding (1/2/3) broader Value of the Profession events in (NAME OF STATE)
 - 4) contributing financial support to the campaign
 - 5) disseminating ICMA’s Value of the Profession campaign materials broadly in the _(NAME OF STATE)_.
- Assist ICMA with identification of and targeted outreach to young people, women, minorities, and entrants from other careers and other local government management professionals in (NAME OF STATE) who are not members of ICMA.
- Assist ICMA in preparation for its 100th anniversary in 2014 by identifying, interviewing, and videotaping available members of the first generation of managers in their state.

SECTION 2:

PROFESSIONAL DEVELOPMENT

Professional local government managers seek continually 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.

ICMA will:

- Provide advice on (NAME OF ASSOCIATION)’s meeting program development, including issues of program design and leads on speakers

- Provide results of Applied Knowledge Assessment results by state.
- Provide the opportunity for (NAME OF ASSOCIATION)'s input to ICMA annual conference planning process through appointment of state-designated representative.
- Conduct ICMA University sessions, at a negotiated fee, at (NAME OF ASSOCIATION)'s annual conference(s) and sponsored training events. (*options: every year; every other year*)
- Exhibit ICMA products and services tailored to state meeting program offerings and interests of members.

(NAME OF ASSOCIATION) will:

- Provide information on members' professional development needs, including input for the annual conference
- Collect and share feedback on presentations by speakers at state meetings
- Feature (x number) of ICMA University offerings in the (NAME OF ASSOCIATION)'s professional development events in (NAME OF STATE) each year.
- Set a goal of increasing the number of credentialed managers in (NAME OF STATE) by X% or by X # annually.
- Provide display space at (NAME OF ASSOCIATION)'s annual conference(s).
- Provide host committee support for ICMA annual conferences held in (NAME OF STATE).

SECTION 3:

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.

ICMA will:

- Provide content links between _(NAME OF ASSOCIATION)_'s Web site and ICMA.org.
- OR**
- Develop and host a Web site for _(NAME OF ASSOCIATION)_ within the ICMA.org framework.
 - Host an online discussion tool for members of _(NAME OF ASSOCIATION)_ via existing or newly developed Web based communications platform.
 - Feature state association news updates on ICMA.org
 - Engage _(NAME OF ASSOCIATION)_ in interactive features of ICMA's Knowledge Network.

(NAME OF ASSOCIATION) will:

- Provide state news updates to ICMA on a quarterly basis.
- Link to ICMA News from ICMA.org via RSS news feed.
- Contribute X # of documents per month / per year, (emphasis on innovative / leading practices) for inclusion in ICMA's Knowledge Network.
- Recommend and provide marketing support for ICMA Consulting Services in _(NAME OF STATE)_.

SECTION 4:

A) MEMBER ENGAGEMENT & 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.

ICMA will:

- Actively promote the value of membership in both ICMA and the (NAME OF ASSOCIATION).
- Provide current lists of ICMA members in (NAME OF STATE).
- Propose opportunities to work together on membership recruitment.
- Provide partnership opportunities for recruitment of ICMA members who are not members of the state association.
- Provide ICMA membership information; information about professional development offerings; catalogs of publications, products, and services to (NAME OF STATE ASSOCIATION).
- Conduct state officers' roundtable at the ICMA annual conference
- Convene meeting of state secretariats / state association staff at the ICMA annual conference
- Ensure presence of ICMA leadership (ICMA state liaison, board member, and/or executive director) attendance at the (NAME OF ASSOCIATION)'s annual conference.
- Conduct annual regional meetings of state leadership to solicit feedback and encourage networking.
- Designate a senior staff member or senior advisor to serve as state liaison to oversee and support the formal relationship.
- Provide information regarding committee openings and rosters (including name, municipality, and state), as well as a list of (NAME OF STATE) members expressing an interest directly to ICMA in serving on committees.
- Provide one complimentary ICMA annual conference registration for designated state staff member.
- Extend a complimentary registration to ICMA annual conference for the Range Rider(s).
- Provide complimentary ICMA annual conference registration when the state association provides a travel scholarship/stipend to one or more of their members to attend the conference.

(NAME OF ASSOCIATION) will:

- Set a goal of increasing ICMA membership in (NAME OF STATE) by X% or X # annually.
- Provide ICMA with language regarding the benefits of membership in (NAME OF STATE ASSOCIATION) so that the value of belonging to both the state and ICMA can be well understood.
- Provide feedback and input on ICMA committee volunteers, executive board nominations, and annual awards program nominations.
- Provide recommendations for service on the ICMA Nominating Committee; follow the guidelines and participate in the ICMA nominations and elections process in support of candidates to serve on the ICMA Executive Board.
- Convene a general session for ICMA leadership to meet with members for an update of ICMA activities as well as the opportunity to interact socially at the (NAME OF ASSOCIATION)'S annual conference.

- Ensure that _(NAME OF ASSOCIATION)_'s staff communicate regularly with ICMA state liaison to provide input on ICMA programs and policies and to facilitate the flow of information between the associations.
- Provide complimentary registration for two members of ICMA leadership and staff to attend _(NAME OF ASSOCIATION)_'s annual conference. NOTE: If the ICMA Executive Director attends, he/she will also be provided with complimentary registration.
- Provide an updated list of state officers annually.
- Travel stipend for state staff and/or Range Rider to attend ICMA annual conference.

B) PERSONAL AND CAREER SUPPORT

ICMA will:

- Provide information and assistance on establishing and maintaining member and partner support networks.
- Make updated career publications available through ICMA's career services initiatives on ICMA.org.
- Conduct outreach to ICMA members known to be in transition.
- Offer complimentary ICMA conference registration and up to three years complimentary ICMA membership for ICMA members in transition.
- Provide support and reimbursement of 50% expenses for agreed-upon individuals to serve as Range Riders.

(NAME OF STATE ASSOCIATION) will:

- Foster support networks for members and their families.
- Conduct ongoing efforts to assist members in transition.
- Provide regular updates on (NAME OF ASSOCIATION)'s members in transition to ICMA designated staff contact.
- Manage and provide 50% of funding of Range Rider program, provided all costs are identified and mutually agreed upon in advance by (NAME OF ASSOCIATION) and ICMA, and provided further that (NAME OF ASSOCIATION) And ICMA mutually agree upon the person to serve as Range Rider.
- Extend complimentary membership and conference registration for (NAME OF ASSOCIATION) members in transition for three (3) years.

SECTION 5: DURATION

This agreement shall be subject to annual review and approval by the ICMA Executive Director and the Executive Committee of the _(NAME OF ASSOCIATION)'S_ Board of Directors.

Authorizing signatures:

Robert J. O'Neill
Executive Director, ICMA

DATE

President: _(NAME OF STATE ASSOCIATION)_

DATE

**MANAGEMENT REPORT
NO. X
FEBRUARY 25-28, 2010
SAN DIEGO, CALIFORNIA**

- SUBJECT:** Formation of limited liability company for International Programs.
- INTRODUCTION:** ICMA's International Team is entering into a partnership to bid on a U.S. Agency for International Development (USAID) contract opportunity.
- BACKGROUND:** ICMA International has determined that the organization's most competitive position for bidding on the upcoming USAID Indefinite Quantity Contract (IQC) for democratic local governance and decentralization services is to team with Chemonics International, Inc. in the form of a limited liability company (LLC) partnership. The letter of intent containing the key terms of the partnership is attached.
- POLICY:** ICMA's Financial policies includes the following: "The ICMA Executive Director is fully authorized by the Executive Board to assess, pursue, and develop entrepreneurial ventures and revenue sharing initiatives with the private sector and other associations and entities on behalf of ICMA. These ventures and initiatives shall be consistent with the ICMA mission." The policy also states that "The Executive Director shall inform the Executive Board of all entrepreneurial initiatives before executing any contract or agreement"
- FINANCIAL IMPLICATIONS:** Should this partnership be successful in obtaining the USAID IQC award, several opportunities to bid on new work will be presented to ICMA during the estimated 3- 5 year life of the contract. The cost of establishing the LLC for bidding purposes is not significant.
- RISK ASSESSMENT:** If the ICMA/Chemonics partnership wins the contract, there is a performance risk as in any ICMA contract for technical services. The partnership will include appropriate management and quality control measures.
- STAFF CONTACT:** Please contact David Grossman, Director of International programs at dgrossman@icma.org or 202-962-3550 with any questions.

Chemonics International, Inc.
1717 H Street, NW
Washington, DC 20006
Tel: 202-955-3300
Fax: 202-955-3400
Attention: Mr. Richard N. Dreiman
President and Chief Executive Officer

January __, 2010

International City/County Management Association
777 North Capital Street, NE
Suite 500
Washington, DC 20002
Tel: 202-289-4262
Fax: 202-962-3500
Attention: Mr. Robert O'Neill, Executive Director

Re: Formation of ICMA/Chemonics Partnership, LLC

Dear Robert:

The intent of this letter is to describe, for negotiation purposes only, some key terms of the proposed agreement between Chemonics International, Inc., a State of Delaware for-profit corporation (“Chemonics”) and the International City/County Management Association, a 501(c)(3) non-profit organization (“ICMA”) with respect to the establishment of a new limited liability company, to be formed in accordance with the laws of the State of Delaware and to be named ICMA/Chemonics Partnership, LLC (the “Company”). The purpose for forming the Company is for the Company to bid on an indefinite quantity contract (“IQC”) being proposed by the United States Agency for International Development (“USAID”) in the areas of democratic local governance and decentralization (the “Decentralization IQC”).

The intent of ICMA and Chemonics in forming the Company is that they will be co-equal members of the Company and that USAID will view the bid by the Company on the Decentralization IQC as one that highlights the complimentary strengths of both members of the Company, with ICMA having more experience in the areas of democratic local governance and decentralization and Chemonics being a larger organization with more experience administering large USAID IQCs, task orders and other contracts. Based on such complimentary strengths of the two members of the Company, both members acknowledge that they hope their involvement with the Company will enhance their respective capabilities in the areas that the other is stronger so that their involvement in the Company will be both programmatically and financially rewarding for both.

This letter is not intended to be a binding agreement between Chemonics and ICMA with respect to the formation of the Company and the submission of a bid on the Decentralization IQC, except for the provisions of Section 10 below (the “Binding Provisions”). A binding

agreement will not occur unless and until all necessary Chemonics, ICMA, Company and third party approvals have been obtained and the parties have negotiated, approved, executed and delivered the appropriate definitive agreements, including, without limitation, a Limited Liability Company Operating Agreement for the Company (collectively, the “Definitive Agreements”). Until execution and delivery of such Definitive Agreements, both parties shall have the absolute right to terminate all negotiations for any reason without liability therefore.

Based on the foregoing, the proposed terms and conditions for the proposed formation and operation of the Company are as follows:

1. The Company will have two members. One member will be Chemonics and the other member will be ICMA. Chemonics will acquire and hold a 51% limited liability company membership interest in the Company and ICMA will acquire and hold a 49% limited liability company membership interest in the Company. Notwithstanding the 51-49 ownership structure, as set forth above, it is the intent of Chemonics and ICMA that the two will be co-equal members of the Company. As set forth in more detail in Section 7 below, this co-equal member concept is evidenced by the fact that each member will appoint one person to the “Day-to-Day Management Committee” and to the “Major Decision Management Committee” of the Company and that all decisions by those committees must be made unanimously. It is only certain decisions that will be set forth in the Definitive Agreements that will be made by the “Deadlock Decision Management Committee” of the Company where the 51-49 ownership structure will come into effect so as to avoid the undesirable consequences of a deadlock situation if the parties cannot otherwise reach a consensus on such specified management decisions. The 51-49 ownership structure is also likely to be viewed favorably by USAID because it will allow USAID to consider one member, Chemonics in this case, as the ultimately responsible party for the Company.

2. The Company will be formed as a limited liability company rather than a joint venture or general partnership so that any liabilities of or incurred by the Company will remain with the Company and will not become liabilities of the members of the Company. This is to be compared with a joint venture or general partnership, wherein each general partner becomes directly and fully responsible and liable for any and all liabilities of or incurred by the general partnership.

3. The Company is expected to require approximately [\$10,000] to commence operations. Accordingly, each member will be required to make an initial capital contribution to the Company in an amount equal to its pro-rata share of such amount (i.e., 51% or [\$5,100] from Chemonics and 49% or [\$4,900] from ICMA). In the event there is a need for additional capital by the Company, which decision must be a mutual decision of the two members by the “Major Decision Management Committee”, each member will be required to contribute its pro-rata share of all such additional capital required by the Company. The failure of any member (the “Defaulting Member”) to meet any such mutually agreed upon capital call will result in the amount contributed by the other member (the “Non-Defaulting Member”) being deemed to be a loan to the Company bearing interest at the rate of 8% per annum (the “Priority Loan”).

4. The Company will itself not have employees or assets to directly perform services in fulfillment of the Decentralization IQC. Instead, the Company will subcontract (the

“Subcontract(s)”) all services to be performed in fulfillment of the Decentralization IQC to various subcontractors, including most specifically, Chemonics and ICMA (collectively, the “Subcontractors”). Every Subcontract will provide for a fee (the “Prime Contractor Fee”) to be retained by the Company from the fees received by the Company from USAID, with the balance being paid to each Subcontractor. The Prime Contractor Fee will likely take different forms depending on the Subcontract, such that it may be a specified periodic amount or a percentage of Subcontractor gross receipts, fees charged or time billed. It is expected that the Prime Contractor Fee will (a) be essentially equal to the Administrative Fee to be paid in the manner described in Section 6 below and (b) not result in an additional fee owed by USAID but reduce the fee otherwise to be received by the Subcontractors.

5. The decisions regarding the manner in which the Company will grant Subcontracts will be made by the “Day-to-Day Management Committee” (as defined below) and such decisions will be made based on the following criteria:

a. Following the “Specified Guidelines” (as defined below), when an RFTOP is released under the Decentralization IQC, the Day-to-Day Management Committee will select either Chemonics or ICMA as the “Prime-Subcontractor”. The Prime-Subcontractor will serve as the lead implementer with decision-making authority for that bidding opportunity. In the event the Company wins and implements the resulting task order, the Prime-Subcontractor will be the primary liaison with and will have direct liability to the respective USAID mission. Essentially, the Prime-Subcontractor will act like a normal prime, except legally it will be a Subcontractor to the Company.

b. All additional Subcontractors, including other consortium members, non-consortium members, and the non-Prime-Subcontractor will Subcontract to the Prime-Subcontractor (i.e., there will be second-tier subcontracting); provided, however, that in certain circumstances to be set forth in the Definitive Agreements, the Prime-Subcontractor may be required to enter into a subcontract with the non-Prime-Subcontractor in a manner consistent with the abilities of the non-prime-Subcontractor and the needs of the applicable RFTOP. For example, if the Company enters into a Subcontract with ICMA as the Prime-Subcontractor to manage a task order, although ICMA may be required to subcontract some portion of the work to Chemonics, ICMA will have sole discretion to select any other consortium members to subcontract to ICMA, not directly to the Company.

c. Establishing clear guidelines for the Day-to-Day Management Committee to grant Subcontracts in fulfillment of all Decentralization IQC task orders is essential for ensuring a well function working relationship between Chemonics and ICMA. Rather than attempting to divide up task orders based on technical expertise and corporate capabilities, which could be fraught with disagreements, it is suggested that the Definitive Agreements provide that the Day-to-Day Management Committee grant Subcontracts in fulfillment of all Decentralization IQC task orders based primarily on annual value of the specific task order. Thus, the Definitive Agreements should establish an annual task order dollar value above which Chemonics will be selected by the Day-to-Day Management Committee as the Prime-Subcontractor and below which ICMA will be selected by the Day-to-Day Management Committee as the Prime-Subcontractor. Various exceptions to this rule could be instituted in the Definitive Agreements, for example, if either Chemonics or ICMA is the incumbent, then it will have a right of first refusal to be

selected by the Day-to-Day Management Committee as the Prime-Subcontractor regardless of the size of the task order. Another exception could be for task orders that are DC-based and very technically focused. In connection with the establishment of the annual task order dollar value, it is suggested that the Definitive Agreements include an escalation clause so as to enable ICMA to build its management capacity.

d. Based on the foregoing and after initial discussions of ICMA and Chemonics, it is expected that the Definitive Agreements will set forth the following guidelines (the “Specified Guidelines”) for the Day-to-Day Management Committee to grant Subcontracts in fulfillment of all Decentralization IQC RFTOP task orders:

i. During the first year of the Decentralization IQC:

(1) For all RFTOPs with an annual estimated value of \$4.5 million or less, ICMA would have the right of first refusal to be the Prime Subcontractor.

(2) For all RFTOPs with an annual estimated value of greater than \$4.5 million, Chemonics would have the right of first refusal to be the Prime Subcontractor.

ii. The foregoing \$4.5 million amount will be referred to as the “Demarcation Amount”.

iii. For purposes of determining the annual estimated value of a RFTOP where it provides a range of estimated value, the annual estimated value will be determined as the average between the high and the low of the range.

iv. For each subsequent year of the Decentralization IQC, the Day-to-Day Management Committee (or the Major Decision Management Committee or the Deadlock Decision Management Committee if the Day-to-Day Management Committee is unable to decide) will review and possibly change the Specified Guidelines for selecting ICMA or Chemonics as the Prime Subcontractor to make sure that both parties are getting a fair opportunity to do business under the Decentralization IQC both in terms of potential revenue and technical or management leadership; provided, however, that any changes to the Demarcation Amount will be among those decisions set forth in Section 7.d. below that cannot be referred to the Deadlock Decision Management Committee. It is suggested that the criteria to be reviewed annually in order to determine if the Specified Guidelines should be changed, would include the following:

(1) Number of RFTOPs under the Decentralization IQC released by USAID during the prior year under each annual estimated value range.

(2) Total annual estimated value of RFTOPs under the Decentralization IQC released by USAID during the prior year under each annual estimated value range.

(3) Number of RFTOPs under the Decentralization IQC during the prior year for which ICMA was the Prime Subcontractor.

(4) Number of RFTOPs under the Decentralization IQC during the prior year for which Chemonics was the Prime Subcontractor.

(5) Quality of proposals submitted under the Decentralization IQC based on win rate, proposal loss letters and debriefs with USAID, rankings of individual proposals versus competition (if known).

v. If there is a decision to change the Specified Guidelines for a subsequent year of the Decentralization IQC, it is suggested that limitations apply to changes to the Demarcation Amount, so that the Demarcation Amount cannot change by more than the following amount each year:

Year of the Decentralization IQC	Demarcation Amount Low	Demarcation Amount High
1	\$4.5 million	\$4.5 million
2	\$4.0 million	\$5.0 million
3	\$3.5 million	\$5.5 million
4	\$3.0 million	\$6.0 million
5	\$2.5 million	\$6.5 million

vi. It is also suggested that ICMA and Chemonics attempt to strive for some level of revenue parity from the Decentralization IQC for each year, so as to make an effort to ensure a minimum 70/30 split in terms of professional labor-associated revenue generated under the Decentralization IQC for each year by ICMA and Chemonics and therefore exclusive of any professional labor-associated revenue generated under the Decentralization IQC for each year by Subcontractors other than ICMA and Chemonics.

vii. As set forth above, the incumbency, DC-based and very technically focused task order rules will be exceptions to the foregoing Specified Guidelines.

e. Any activity of Chemonics or ICMA with respect to the Decentralization IQC will be required to be through the Company. Chemonics and ICMA will agree to be prohibited to directly or indirectly bid or perform any services with respect to the Decentralization IQC in any manner other than through the Company, unless the other member consents, which consent can be withheld in its sole discretion.

6. Because the Company will itself not have employees or assets to directly perform services in fulfillment of the Decentralization IQC, Chemonics will provide office space, office furniture, fixtures, computers, telephones, equipment and other personal property, office supplies, technical know-how, computer software, billing, handling accounts receivable from USAID under the Decentralization IQC, handling accounts payable, including to the Subcontractors under the Subcontracts, accounting, tax and other administrative services to the Company in return for a fee (the "Administrative Fee") to be paid by the Company to Chemonics. The Administrative Fee will be set forth in the Definitive Agreements and it may be a specified periodic amount or a percentage of Subcontractor gross receipts, fees charged or time

billed. As set forth in Section 4 above, the Prime Contractor Fee will be the source of funds for the Company to pay the Administrative Fee. It is expected that the Administrative Fee will solely cover the costs incurred by Chemonics and therefore not be a material amount. Chemonics is willing to perform the foregoing administrative services for 90 days after the award of the first task order with the Administrative Fee accruing rather than being paid so that the members can better determine what the Administrative Fee should be in order to cover the costs incurred by Chemonics.

7. The Company will be managed in the following manner:

a. All day-to-day operating decisions regarding the Company will be made by the unanimous consent of a two person “Day-to-Day Management Committee” made up of one mid-level representative from each of Chemonics and ICMA. Based on the foregoing, the two representatives to the Day-to-Day Management Committee will have equal authority in the day-to-day management of the Company.

b. All “Major Decisions” regarding the Company, as such term will be defined in the Definitive Agreements, will be made by the unanimous consent of a two person “Major Decision Management Committee” made up of one executive level representative from each of Chemonics and ICMA. It is expected that Major Decisions will include (i) approving an annual budget for the Company (the “Annual Budget”), (ii) requirements for the members to make additional capital contributions, (iii) changes in the Prime Contractor Fee or the Administrative Fee and (iv) any day-to-day decisions that cannot be made due to a deadlock at the Day-to-Day Management Committee.

c. If the Major Decision Management Committee is unable to make certain Major Decision, as will be set forth in more detail in the Definitive Agreements, due to a deadlock at the Major Decision Management Committee, such decision will be made by a two person “Deadlock Decision Management Committee” made up of one senior executive level representative from each of Chemonics and ICMA, voting pro-rata in accordance with their percentage ownership of limited liability company membership interests (i.e., 51% for Chemonics and 49% for ICMA).

d. The Definitive Agreements will provide that certain Major Decisions will not be referred to the Deadlock Decision Management Committee. It is expected that (i) requirements for the members to make additional capital contributions, (ii) changes in the Prime Contractor Fee or the Administrative Fee and (iii) changes to the Demarcation Amount would be included in this list of Major Decisions that cannot be referred to the Deadlock Decision Management Committee. With respect to such Major Decisions, if the Major Decision Management Committee cannot reach agreement, the (i) capital contributions, (ii) amounts of the Prime Contractor Fee and the Administrative Fee and (iii) Demarcation Amount set forth in the most recent Annual Budget or other applicable Definitive Agreements would remain in effect.

8. The Company will distribute its “Net Cash Flow” (defined as the gross receipts of the Company (i.e., the total fees received from USAID less the payments to the Subcontractors, which is essentially equal to the Prime Contractor Fee) less the operating expenses of the

Company, including, without limitation, the Administrative Fee to Chemonics) to its members as follows:

- a. First, 100% to pay unpaid interest on the Priority Loan;
- b. Second, 100% to pay unpaid principal on the Priority Loan; and
- c. The balance, 51% to Chemonics and 49% to ICMA.

9. Neither Chemonics nor ICMA will be entitled to transfer all or any portion of its limited liability company membership interest in the Company unless the other member consents, which consent can be withheld in its sole discretion, in which event the other member will have “tag-along” or “co-sale” rights to sell a pro-rata share of its limited liability company membership interests in the Company.

10. Notwithstanding anything herein to the contrary that this letter is not intended to be a binding agreement between Chemonics and ICMA with respect to the formation of the Company and the submission of a bid on the Decentralization IQC, Chemonics and ICMA agree to be bound by the following Binding Provisions:

a. Each party will pay its own expenses, including attorneys, accounting, investment bankers/valuation experts, and others, incurred in connection with the formation of the Company and the negotiation and execution of the Definitive Agreements, and neither Chemonics, nor ICMA, nor any subsidiary, affiliate, director, officer, employee, agent, advisor or representative of Chemonics or ICMA will be responsible for fees and expenses other than its own.

b. It is understood that both Chemonics and ICMA will invest substantial time to complete its due diligence and investigation of the Decentralization IQC, the formation of the Company, the negotiation and execution of the Definitive Agreements and otherwise to prepare for consummation of this transaction. Accordingly, for 90 days following the execution of this letter by both parties or any mutually agreed upon extension hereof (the “Exclusivity Period”), except for mutually agreed upon disclosures and discussions with potential Subcontractors, neither Chemonics, nor ICMA, nor any of their respective directors, officers, employees, agents, advisors or other representatives will directly or indirectly, solicit, initiate or participate in discussions or negotiations with or otherwise cooperate in any way with, or provide any information to, any corporation, partnership, person, or other entity or group concerning the Decentralization IQC.

c. Neither Chemonics nor ICMA will announce or disclose to any other party (other than those affiliates, directors, officers, employees, agents, advisors or representatives who have a need to know in order to effectuate the formation of the Company and bid on the Decentralization IQC, including, without limitation, mutually agreed upon disclosures and discussions with potential Subcontractors) the terms or provisions of this letter, the proposed formation of the Company, the Decentralization IQC, the Definitive Agreements or any proprietary information of one party obtained or learned by the other party without the prior consent of the other party, which consent can be withheld in its sole discretion, except as disclosure may be required by law. Chemonics and ICMA will consult each other before issuing any press release or other public announcement referring to this letter, the proposed formation of

the Company, the Decentralization IQC, the Definitive Agreements or the terms and conditions of the transaction contemplated hereby.

d. During the negotiations concerning the terms of this letter, the proposed formation of the Company, the Decentralization IQC or the Definitive Agreements, representatives of Chemonics and ICMA and their respective accountants and attorneys will be given access at reasonable times to all relevant books and records of Chemonics and ICMA regarding the Decentralization IQC. All visits to any Chemonics or ICMA offices will be coordinated so as not to be disruptive to the operations of Chemonics or ICMA and to preserve the confidentiality of the transaction and the proprietary information provided.

e. Each of Chemonics and ICMA covenants, represents and warrants to the other as follows:

i. Chemonics or ICMA, as applicable, has the full and entire right, power, and authority to (a) enter into this letter, (b) fulfill the obligations imposed herein upon Chemonics or ICMA, as applicable, and (c) consummate the transactions contemplated herein.

ii. This letter constitutes the legal, valid and binding obligation of Chemonics or ICMA, as applicable, enforceable against Chemonics or ICMA, as applicable, in accordance with its terms.

iii. There are no agreements, contracts, understandings or commitments which would prevent Chemonics or ICMA, as applicable, from entering into this letter, making any representations or warranties herein, and/or consummating any of the transactions contemplated herein.

iv. Neither Chemonics nor ICMA has dealt with any broker or finder in connection with this transaction.

f. Each of Chemonics or ICMA, as applicable, will indemnify and will hold harmless the other party from and against any and all loss, cost, damage, injury or expense (including court costs and reasonable attorneys' fees) whatsoever and howsoever arising which the other party or any of its respective affiliates, directors, officers, employees, agents, advisors, representatives, successors or assigns incurs as a proximate result of any breach by the indemnifying party of any of the warranties or representations by, or obligations of, the indemnifying party set forth in this letter.

g. This letter will be governed by and construed and enforced in accordance with the substantive laws of the State of Delaware without regard to its principles of conflicts of laws.

11. Except for the obligations set forth in Section 10 above, this letter is non-binding and none of the parties any of their respective affiliates, subsidiaries, directors, officers, shareholders, employees, agents, advisors, representatives, successors, assigns nor any other person shall have any obligations or liability hereunder or with respect hereto or the proposed transaction briefly outlined above notwithstanding anything herein or otherwise to the contrary.

If the foregoing meets with your approval, please so indicate by dating and signing the enclosed copy of this letter and return it to the undersigned. You may return a signed copy of this letter by fax delivery, provided an original counterpart is promptly delivered to the undersigned.

Very truly yours,

Chemonics International, Inc.

By: _____
Name: Richard N. Dreiman
Title: President and Chief Executive Officer

Date:

ACCEPTED AND AGREED:

International City/County Management Association

By: _____
Name: Robert O'Neill
Title: Executive Director

Date:

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CONSENT CALENDAR

AGENDA COMMUNICATION

NO. 2850

FEBRUARY 25-28, 2010

SAN DIEGO, CALIFORNIA

SUBJECT: November 5-8, 2009 Minutes

RECOMMENDATION: Approve November 5-8, 2009 minutes.

EXECUTIVE BOARD MEETING
November 5-8, 2009
Detroit, Michigan

Present:

President: Darnell Earley, Saginaw, MI

Vice-Presidents: Mike Baker, Downers Grove, Illinois; Jim Bennett, Damascus, Oregon; Jim Bennett, Sabattus, Maine; Rick Cortes, Seguin, Texas; Noelene Duff, Whitehorse Council, VIC, Australia; Simon Farbrother, Waterloo, Canada; Matt Fulton, Coon Rapids, Minnesota; Scott Hancock, Maryland Municipal League; Heather Harper, Falmouth, Massachusetts; Cheryl Hilvert, Montgomery, Ohio; Pat Martel, Daly City, California; Bruce Moore, Little Rock, Arkansas; Tom Muehlenbeck, Plano, Texas; Charles Penny, Rocky Mount, North Carolina; Karen Pinkos, El Cerrito, California; Mike Walker, Brentwood, Tennessee.

Past President: Dave Limardi, Highland Park, Illinois

President-elect: Dave Childs, Washoe County, Nevada

Ex-Officio: Bob O'Neill, Executive Director

Staff: Betsy Sherman, Martha Perego, Uma Ramesh, Abigail Lundy, Ellen Foreman, Carla Mazique and Schinnell Leake

Guests: Deborah Roberts, Professor, University of Virginia
Ted Staton, East Lansing, Michigan

BOARD SESSION WITH DEBORAH ROBERTS: WHO AM I AND WHY AM I HERE

The board engaged in a team building session.

CONSENT CALENDAR: NO. 2842: SEPTEMBER 11-12, 2009 MINUTES; NO. 2843: RECOGNITIONS; NO. 2844: 2010-2011 NOMINATIONS AND ELECTIONS SCHEDULE

- * It was moved by Mr. Bennett of Oregon, seconded by Mr. Baker, to approve the Consent Calendar.

The motion passed.

MEMBERSHIP AND EXTERNAL OUTREACH COMMITTEE

Mr. Farbrother reported that the Committee had focused on preparing to lead the board in the discussion of the Task Force on Organizational Structure and Governance recommendations. They also finalized their 2009-2020 Committee work plan.

FINANCE AND BUSINESS OPERATIONS COMMITTEE

NO. 2845: QUARTERLY FINANCIAL UPDATE

Mr. Muehlenbeck provided highlights of the first quarter financials that the Committee had reviewed. He complimented staff on the progress report on implementation of the Strategic Plan that was included in the update. He noted that in light of current economic conditions, staff is monitoring progress towards meeting the budget for FY2010 very carefully. Membership dues are on target for the first of ICMA's two dues cycles, but net contribution from the Montreal Annual Conference is expected to be behind budget by about \$200,000 due to lower revenues from registration fees and the exhibit hall and from hotel attrition penalties. Although overall revenue fell short of budget by \$335,000, negotiations with the hotels and expense cost-cutting reduced the potential negative impact substantially. Other areas of caution include revenue from job advertising, from domestic and international grants and contracts, and from fee based programs and services for local governments.

NEW: UPDATE ON EPA AUDIT

Mr. Muehlenbeck asked CFO Uma Ramesh to provide an update on the response from EPA on an audit that the board had been tracking since 2006. Ms. Ramesh explained the following history. Seven cooperative agreements funded by EPA were audited by the EPA Office of Inspector General resulting in a final report to the EPA Grants office in November 2006. The periods of performance ranged from 1997 – 2008 with total costs of \$10,686,195. The EPA IG issued its final report with ICMA's response to the EPA Grants office with questioned costs of \$1,007,858 and requested that the EPA Grants office respond by March 28, 2007. ICMA provided all additional documentation requested and waited for the EPA Grants office to come to a final resolution. Staff believed that it had documentation for almost all of the costs and reserved \$250,000 towards any potential disallowance of costs.

Ms. Ramesh reported that a certified letter had been received from the EPA Grants office just before the board meeting. This communication identified \$172,000 in disallowed costs. Staff plans to work with the EPA Grants office in reducing this amount and will

send final payment with a letter of disagreement on the findings. Staff has already changed internal procedures to address the findings.

Mr. Muehlenbeck also reported that the Committee had finalized its 2009-2020 work plan. In February, the Committee planned to meet with the Membership and External Outreach Committee to review the salary cap on dues. They will also examine board expenses to see if there should be recommendations for the future.

COMMITTEE ON PROFESSIONAL CONDUCT

NO. 2846: PUBLIC CENSURE

This item was discussed in executive session in accordance with the ICMA Code of Ethics Rules of Procedure for Enforcement.

Mr. Walker reported that the Committee had finalized its 2009-2020 work plan and solicited ideas on incentives that might encourage members to engage in periodic ethics training.

AUDIT AND EVALUATION COMMITTEE

NO. 2847: EXECUTIVE DIRECTOR EVALUATION PROCESS AND SALARY ASSESSMENT

Mr. Limardi reviewed the changes to the evaluation document which included two paragraphs articulating the board's philosophy on compensation and evaluation.

- * It was moved by Mr. Limardi, seconded by Mr. Muehlenbeck, to approve the proposed evaluation process and employment agreement.**

The motion passed.

Mr. Limardi noted that they had also finalized the Committee's 2009-2020 work plan.

ICMA CODE OF ETHICS ORIENTATION

CPC chair Mike Walker and Ethics Advisor Martha Perego, conducted a session on the board's role in carrying out its responsibilities on the ICMA Code of Ethics and Rules of Enforcement.

The board then engaged in strategic discussions on topics of importance to the association and to the profession. There were two topics for this meeting.

NO. 2848: VALUE OF THE PROFESSION CAMPAIGN

The board engaged in a discussion of options for initiating and funding the marketing plan for the Value of the Profession campaign. The campaign supports the strategic objective of raising awareness of the value of professional local government management and the contributions professional managers make to improve the quality of life in communities.

Mr. O'Neill asked board members to consider whether it was the right time to initiate this campaign, which of three funding options to pursue, and whether, as individuals, they were strongly committed to taking the leadership role on raising the necessary funds. He noted that based on the proposed creative strategy and roll-out plan, full implementation of the campaign would cost \$3 to \$5 million. Initiating the campaign required a base level of funding to establish, at a minimum, the campaign infrastructure. The board reaffirmed its commitment and discussed both the timing of and funding for the campaign. While they recognized the economy might present challenges for fundraising, they also noted that these same circumstances created an optimal environment in which to share the campaign's message.

The board discussed whether to (1) begin fundraising now, but delay the campaign launch and further development until sufficient funds had been raised from members and external sources to cover these initial costs or (2) jumpstart the campaign using \$500,000 to \$1 million in ICMA assets to give potential sponsors an indication of its possible effectiveness. An investment of ICMA assets would be repaid as subsequent funding was secured.

- * **It was moved by Mr. Childs, seconded by Mr. Bennett of Oregon, to approve jumpstarting the campaign using \$500,000 to \$1 million in ICMA assets to develop the campaign and fundraising infrastructure and to establish metrics.**

The motion passed.

Progress would be discussed at the February board meeting allowing a further opportunity for the board to assess next steps and, if needed, make a mid-course correction. In the meantime, the board reinforced their personal commitment to the effort, particularly in sharing information about it with the membership and encouraging others to offer their support.

NO. 2849: TASK FORCE ON ORGANIZATIONAL STRUCTURE AND GOVERNANCE RECOMMENDATIONS

The board engaged in a discussion of recommendations from the Task Force on Organizational Structure and Governance that was established by the board to consider association governance models that will best address the present and future needs of

member and state and affiliate association communities, implementation of the new strategic plan and the changing global environment.

The recommendations addressed affiliation agreements with state and affiliate organizations, the nominations and elections process, the possible establishment of an Advisory Council to the board, and a proposal for the addition of a third international vice president. The board identified issues that needed further exploration at the February board meeting before developing proposals to discuss with the membership and state and affiliate organizations. These issues included clearly articulating the core values and principles that all affiliation agreements should have in common, a further exploration of the impact of devolution on the nominating process, and further clarification on how an Advisory Council could be structured and how it would relate to the board. The March/April Regional Summits were identified as important opportunities for regional discussion.

The board then discussed the proposal to add a third international vice president in order to provide an equal voice from all regions regardless of the number of corporate members and to serve as a signal to ICMA's aspirations as a truly international association. Mr. Farbrother reported that the Membership and External Outreach Committee recommended two motions on the additional vice president – one that articulated board support for the change and one that addressed the timing of placing the needed constitutional amendment before the membership.

- * **It was moved by Mr. Farbrother, seconded by Mr. Hancock, for the board to support a constitutional amendment to remove the numerical requirement in the ICMA Constitution for the addition of a third international vice president.**

Some concerns were raised about acting on this recommendation apart from the other governance issues. Mr. Limardi noted that the Task Force had recommended looking at all issues as a package and presenting them to the membership as such since the change would be more powerful and better understood by the membership as part of a comprehensive plan.

The motion passed with board members Limardi, Muehlenbeck, Moore, Hilvert, and Penny voting no.

Mr. Farbrother then proposed having the constitutional amendment sent to the membership in time for the interview process at the 2010 San Jose conference. An amendment was then offered as an alternate to Mr. Farbrother's proposal.

- * **It was moved by Mr. Walker, seconded by Mr. Muehlenbeck, to have the constitutional amendment ballot for the addition of a third international vice president scheduled with a Nominating Committee election ballot or no later than January 2011.**

The motion passed.

The board then discussed the importance of developing an effective communication strategy to ensure the amendment's passage and thought it would be helpful if the International Committee assessed the protocol for the selection of the third vice president.

BOARD ACTIONS VIA EMAIL

APPROVAL OF NOMINATING COMMITTEE MEMBERS FOR 2010-2011

An email ballot was sent to the board on November 25, 2009 seeking approval of President Earley's proposed members to serve on the Nominating Committee with Past President David Limardi representing the Midwest and President-elect Dave Childs representing the West Coast.

Northeast:	Barry Brenner, Town Manager, Seabrook, NH
Southeast:	Angie Carrier, City Administrator, White House, TN
Mountain Plains:	Mary Jacobs, Assistant City Manager, Sierra Vista, AZ

As of December 7, 2009, fifteen board members had responded with a vote of approval providing the necessary vote for passage.

APPROVAL OF CREDENTIALLED MANAGERS AND CREDENTIALLED MANAGER CANDIDATES

An email ballot was sent to the board on January 5, 2010 seeking approval of Credentialed Managers and Candidates.

Approval of Credentialed Managers and Credentialed Manager Candidates

In December 2005, the board supported a recommendation from the Credentialing Advisory Board to approve credentials between board meetings in order to establish consistent annual dates for applications and to reduce approval time after newsletter listing.

BACKGROUND: ICMA received 36 applications by the October 1, 2009 deadline. The Credentialing Advisory Board is recommending 22 for ICMA Credentialed Manager and 11 for ICMA Credentialed Manager Candidate. Three applications were denied due to a lack of applicable experience.

The following list was posted in the *ICMA Newsletter* and on the Web site in November to allow any member to file an objection. No objections were received:

ICMA Credentialed Managers

James E. Bassett, IL; **Mark J. Christensen**, Washington Terrace, UT; **David M. Cline**, Lake Forest Park, WA; **Charles W. Hartgrove**, Ashland, VA; **Catherine M. Heritage**, Fauquier County, VA; **William G. Keegan**, Dedham, MA; **Steven Kroeger**, Yuba City,

CA; **W. Christopher Lochner**, Hampton, PA; **Dennis C. McCarthy**, Winhall, VT; **Jeffrey J. Mihelich**, Surprise, AZ; **Timothy Scott Moulder**, Abbeville, SC; **Randall H. Partington**, Finney County, KS; **John D. Petrin**, Ashland, MA; **Georgia L. Ragland**, Kirkwood, MO; **Francine L. Ramaglia**, Wellington, FL; **J. Mark Rooney**, IL; **Richard D. Sala**, FL; **David A. Schmidt**, Wabasha, MN; **Andrew T. Souza**, Fresno, CA; **George J. Strand**, MI; **David G. Timmons**, Port Townsend, WA; **Scott Ullery**, Rockville, MD.

ICMA Credentialed Manager Candidates

Robert J. Bruner Jr., Ferndale, MI; **Ian M. Coyle**, Livingston County, NY; **David DeAngelis**, Elm Grove, WI; **Kristen Denne**, Ambridge, PA; **Clifton James Ervin**, Rocky Mount, VA; **Jeffrey V. Lord**, Walterboro, SC; **Melanie D. Mesko Lee**, Hastings, MN; **James Nichols**, Las Vegas, NV; **Jeffery J. O’Keefe**, East Hampton, CT; **Joel D. Pile**, Valley Center, KS; **Douglas R. Russell**, Yankton, SD.

As of January 11, 2010, eighteen board members had responded with a vote of approval providing the necessary vote for passage.

CONSENT CALENDAR

AGENDA COMMUNICATION NO. 2851

FEBRUARY 25-28, 2010
SAN DIEGO, CALIFORNIA

SUBJECT: Recognitions

POLICY: The Board has established a set of standards that the executive director uses to determine whether to recognize a local government under Council-Manager criteria. The Board approves local governments proposed for recognition under the General Management criteria.

ACTION: There are three (3) local governments requiring final approval by the ICMA Executive Board under the General Management criteria.

PROPOSED RECOGNITIONS

February 25 – 28, 2010

ACTION: Final approval is required by the ICMA Executive Board on three (3) local governments proposed under the **General Management criteria**.

<u>Government (population)</u>	<u>Administrator (title)</u>	<u>Membership</u>
<u>Illinois</u>		
Village of Hampshire (5,569)	Eric Palm (Village Administrator)	Full Member
<u>Kansas</u>		
City of Mission (9,765)	Michael Scanlon (City Administrator)	Full Member
<u>Massachusetts</u>		
Town of Westborough (18,467)	James Malloy (Town Manager)	Full Member

NOTE: The Executive Director has approved recognition for five (5) local governments under the **Council-Manager criteria**.

<u>Government (population)</u>	<u>Administrator (title)</u>	<u>Membership</u>
<u>Michigan</u> Village of Lake Isabella (1,243)	Tim Wolff (Village Manager)	Full Member
<u>Minnesota</u> City of Medina (5,076)	Chad Adams (City Administrator)	Full Member
<u>New Hampshire</u> Town of Hooksett (13,783)	Carol Granfield (Town Administrator)	Full Member
<u>North Carolina</u> Town of River Bend (3,125)	Drew Havens (Town Manager)	Full Member
<u>Texas</u> City of Mathis (5,295)	Gus Pappas (City Manager)	Full Member

Approved November 2009

ICMA	COUNCIL-MANAGER			GENERAL MANAGEMENT					
REGIONS	Cities	Counties	Total CM	Cities	Counties	COGS	Leagues	Total GM	Grand Total
Northeast	632	7	639	374	33	10	4	421	1060
Southeast	679	129	808	148	94	45	6	293	1101
Midwest	612	19	631	425	47	29	4	505	1136
Mountain Plains	615	19	634	193	22	42	3	260	894
West Coast	545	19	564	96	35	27	3	161	725
Grand Total	3083	193	3276	1236	231	153	20	1640	4916

Proposed February 2010

ICMA	COUNCIL-MANAGER			GENERAL MANAGEMENT					
REGIONS	Cities	Counties	Total CM	Cities	Counties	COGS	Leagues	Total GM	Grand Total
Northeast	633	7	640	375	33	10	4	422	1062
Southeast	680	129	809	148	94	45	6	293	1102
Midwest	614	19	633	426	47	29	4	506	1139
Mountain Plains	616	19	635	194	22	42	3	261	896
West Coast	545	19	564	96	35	27	3	161	725
Grand Total	3088	193	3281	1239	231	153	20	1643	4924

FINANCE AND BUSINESS OPERATIONS COMMITTEE

AGENDA COMMUNICATION

NO. 2852

**FEBRUARY 25-28, 2010
SAN DIEGO, CALIFORNIA**

SUBJECT: December 31, 2009 financials and semi-annual discussion of financial performance.

INTRODUCTION: A mid year review of financial performance and projections.

BACKGROUND: The Chief Financial Officer updates the Board on the financial position and results of operations through the first six months of the fiscal year.

Executive Board expenses: At the November board meeting, there was discussion in the Finance Committee about having the board assess its expenses in recognition of the difficult economic conditions. Cheryl Hilvert and Noelene Duff agreed to take the lead with staff in developing some recommendations to consider at the Committee meeting in February. As a result of the worsening finances, the January 19th Committee conference call that five other board members were able to join provided an opportunity to begin the conversation.

After some discussion, Finance Committee members agreed to take some action on expenses for the February board meeting. They agreed to:

- Base any reimbursements for meals for Thursday night on the federal per diem rate used by staff.
- Limit alcohol for hospitality suites and the Saturday reception to wine, beer, and soda.

The materials provided to the board prior to that call are attached and serve as background for the discussion at the February meeting.

POLICY: Provide monthly financial brief and quarterly financial statements to the Board.

PAST PRACTICE: Provide monthly and quarterly updates.

**FINANCIAL
IMPLICATIONS:**

Included in the quarterly report which is attached and was emailed to the board on January 29, 2010.

**RISK
ASSESSMENT:**

Included in the quarterly report which is attached and was emailed to the board on January 29, 2010.

RECOMMENDATION:

No action required on the second quarter financials.
Consider further board expense reductions.

Discussion Leader:

Tom Muehlenbeck, Chair



ICMA



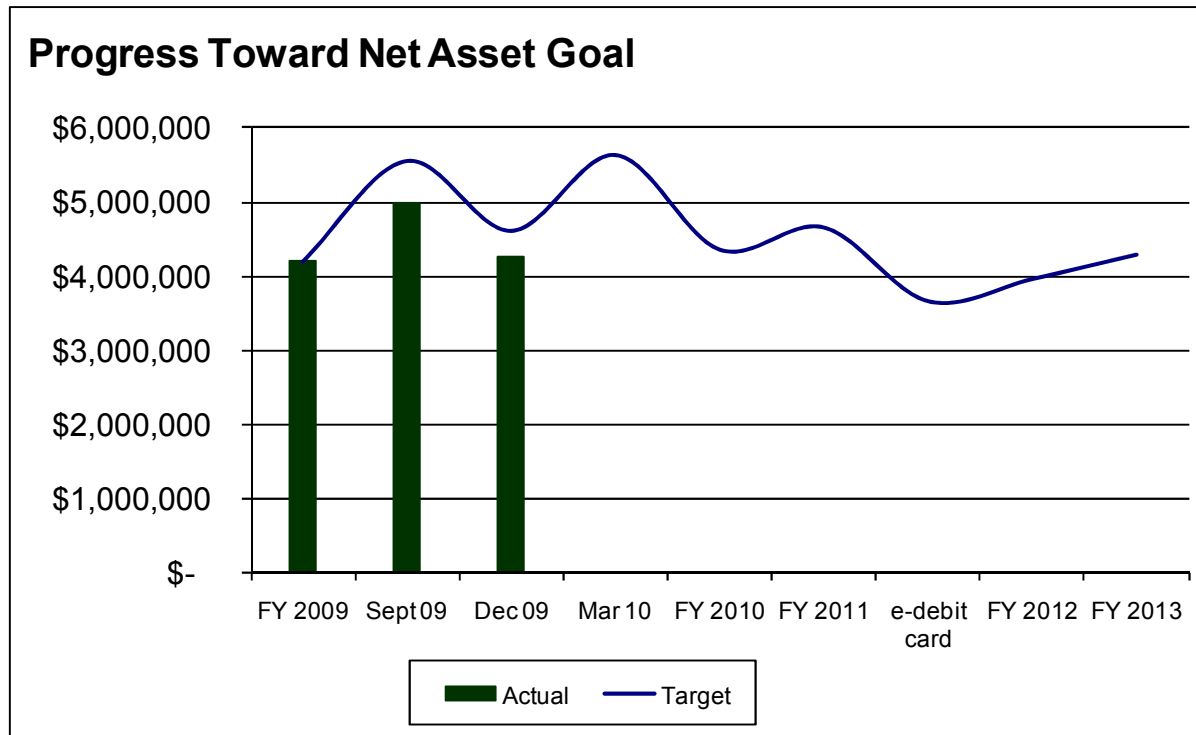
Leaders at the Core of Better Communities

QUARTERLY FINANCIAL REPORT

For the six months ending December 31, 2009

Progress towards Net Asset Goal

The net asset goal is to have approximately \$4,300,000 by the end of FY 2013 assuming \$1,000,000 in debit cards have been redeemed. At the end of FY 2009, the net asset balance was \$4,200,707. The FY 2010 targeted addition to net assets was \$162,000. Net asset balances typically tend to fluctuate during the year due to the timing of revenue recognition. In order to track progress during the year, quarterly benchmarks are established by applying the average performance of the prior 3 fiscal years to the current year budget and making necessary adjustments. Progress through the second quarter of FY 2010 is significantly behind benchmark. We are making staffing and other reductions in the 3rd fiscal quarter to minimize the impact of revenue shortfalls in the current fiscal year. We anticipate currently that contribution to net assets will range between break-even to (\$300,000).



Leading Indicators:

Program	Current Status	Remarks
Membership Revenue	On target	Membership revenue is recognized in July 2009 and in January 2010. Membership revenue recognized through December 2009 is at 49.89% of budget through the first billing cycle. Dues revenue is currently expected to meet budget.
Annual Conference	Below target	The Montreal conference held in September 2009 had the lowest conference attendance in over 20 years with a total attendance of 2,171 including 1,402 members with revenue falling short of budget by approximately \$300,000. Expense controls were implemented to offset some of the revenue shortfall so that the net contribution from the conference fell short of budget by \$142,000.
Publishing	Caution	Revenues from publishing and from advertising revenue from PM are significantly below target. With expense controls, we expect net contribution from this area to be on target.
Grants and Contracts	Below target	International and Domestic programs have approximately 76% of budgeted revenue on hand. Of the funding in hand, 80% is in high risk areas such as Iraq and Afghanistan. We are currently working on some major proposals that will be submitted in the 3 rd quarter. Even if we win some of these awards, the delay in the timing of the proposals will have a significant impact on current year results. At this point, we estimate that net contribution from grants and contracts will be below budget by approximately \$1,200,000. This assumes we are able to spend the funding on hand without any disruptions to existing projects. An update showing funding in hand is included in page 19.
Consulting	Below target	Consulting services have on hand approximately 62% of budgeted revenue in Public Safety and Management Services. We have not had the anticipated success in Financial services. Net contribution from this area is currently expected to fall short of budget by over \$400,000 primarily due to the shortfall in revenue from Financial Services.
Performance Management	On target	Currently ahead of benchmark primarily because of expense controls. We anticipate that it will be a challenge to maintain renewal rates to CPM in light of current economic conditions affecting local governments.
Other Programs	Below target	Net contribution from all other programs is expected to fall short of budget at this time. Other professional development offerings including local government training and workshops are impacted by local governments which have cut back on professional development and travel expenses. Dividend income from the REIT investment fell short of budget by \$80,000. Subtenant revenue is below budget by over \$50,000 because of ICMA-RC's decision not to extend their lease on a portion of the space they sublease from us.
Summary	Below target	Revenue shortfalls in all business lines greatly impede our ability to meet budget. Expense controls have been implemented in the 3 rd fiscal quarter with a goal of having a break-even year. We expect final contribution to net assets for the fiscal year to range between break-even to (\$300,000).

Financial Statements and Explanatory Notes

	General Fund		Endowed Funds		Total of all funds as of:	
	December 31 2008	December 31 2009	December 31 2008	December 31 2009	December 31 2008	December 31 2009
Assets						
Current Assets:						
Cash and cash equivalents	1,894,312	1,812,808	189,852	114,685	2,084,164	1,927,493
Grants and contracts receivables, net	1,774,997	1,108,776	-	-	1,774,997	1,108,776
Receivables, net	1,009,373	1,627,205	-	-	1,009,373	1,627,205
Inventory, net	811,888	867,998	-	-	811,888	867,998
Prepaid expenses and advances	568,622	1,067,989	-	-	568,622	1,067,989
Note receivable	424,118	165,289	-	-	424,118	165,289
Interfund receivable	-	-	12,677	10,562	12,677	10,562
Total current assets	6,483,310	6,650,065	202,529	125,247	6,685,839	6,775,312
Property and equipment, net	1,116,757	1,007,011	-	-	1,116,757	1,007,011
Investments	2,157,686	2,244,953	1,050,998	1,233,716	3,208,684	3,478,669
Capitized legal commissions and deposit	71,581	62,634	-	-	71,581	62,634
Total Assets	\$ 9,829,334	9,964,663	1,253,527	1,358,963	11,082,861	11,323,626

General Fund:

Detail of cash and investments is provided on page 16. Cash needed for working capital is with SunTrust bank with any excess over \$10,000 invested daily in overnight sweeps collateralized by US government agency securities. Grant and contract receivable includes approximately \$686,000 receivable from sub contracts with RTI and IRD who pay us only when they get paid by USAID. Approximately \$960,000 has been received in January against the grant and contract receivables. Other Receivables include over \$387,000 in outstanding invoices to local governments for consulting services, \$173,456 due from the Center for State and Local Government Excellence for reimbursement of expenses, \$200,000 for Brownfields conference sponsorship, and \$232,000 of amortization of future rent receivable which will be recognized over the life of the sublease. All receivables are considered collectible and appropriately reserved. Inventory balances reflect saleable goods with appropriate reserves for obsolescence. Prepaid expenses and advances include over \$657,000 of advances given to field offices in Iraq, Afghanistan and other areas,

Financial Statements and Explanatory Notes

expenses incurred for the San Jose annual conference, and other travel advances. Note receivable includes the loan to ICMA Latin America with a balance of \$165,289. It is expected that ICMA Latin America will repay the loan balance fully this fiscal year. Property and equipment reflect the book value net of depreciation of existing assets. Investments include amounts invested through Chapin Davis in certificates of deposits in various financial institutions ensuring that all deposits are covered by FDIC insurance.

Endowed Funds:

Cash and investment balances reflect investment of contributions and reinvestment of dividends. Cash is invested in accordance with the investment policy guidelines. Investments are recorded at current fair market values resulting in a gain this fiscal year of \$93,362. It is the intention to hold all bonds purchased to maturity so that we will realize the full principal and interest. Pages 17-18 provide details on cash and investment balances, asset allocation percentages, and performance comparison to benchmarks set in the investment policy.

	General Fund		Endowed Funds		Total of all funds as of:	
	December 31 2008	December 31 2009	December 31 2008	December 31 2009	December 31 2008	December 31 2009
Liabilities and Net Assets						
Current liabilities:						
Accounts payable and accrued expenses	\$ 1,347,416	1,189,354	-	-	1,347,416	1,189,354
Refundable advances	1,019,679	1,417,100	-	-	1,019,679	1,417,100
Deferred revenues	2,931,857	3,077,889	-	-	2,931,857	3,077,889
Current lease obligations	-	-	-	-	-	-
Interfund payable	45,419	10,562	-	-	45,419	10,562
Total current liabilities	5,344,371	5,694,905	-	-	5,344,371	5,694,905
Capital lease obligations	-	-	-	-	-	-
Subtenant deposits	12,709	12,711	-	-	12,709	12,711
	5,357,080	5,707,616	-	-	5,357,080	5,707,616
Net assets	4,472,254	4,257,047	1,253,527	1,358,963	5,725,781	5,616,010
Total Liabilities and Net Assets	\$ 9,829,334	9,964,663	1,253,527	1,358,963	11,082,861	11,323,626

General Fund:

The accounts payable and accrued expense balance reflects timing differences resulting from accruals for salary and leave earned by staff and from payments due to vendors. Refundable advances are amounts that have been received in advance on grants. These advances will be reclassified to revenue as work is completed under these agreements or returned to the customer if there is an unused balance. Deferred revenues include subscription, workshop, and membership dues payments received in advance. Membership deferred revenue balance includes half of the dues payments received for the July 2009 membership cycle which will be recognized in January 2010 and payments received to date for the January 2010 billing cycle.

INTERNATIONAL CITY/COUNTY MANAGEMENT ASSOCIATION
Financial Statements and Explanatory Notes

Quarterly Financial Report, December 31, 2009

Statement of Revenues and Expenses	Revenues		
	FY 2009	FY 2010	
	<i>Actual</i>	<i>Actual</i>	<i>Budget</i>
Member Renewal & Services			
Membership Dues Revenue	2,453,257	2,454,921	4,921,000
Member Services	147,160	107,729	318,500
Relationship Management	31,595	26,502	23,448
Member Communications	73,168	45,855	142,000
Total Member Renewal & Services	2,705,180	2,635,007	5,404,948
Professional Development			
Annual Conference	2,485,679	1,816,474	2,122,707
Member Development	56,100	45,700	189,215
Other Professional Development	288,711	250,224	838,912
Sponsorships	-	-	200,000
Total Professional Development	2,830,490	2,112,398	3,350,834
Information			
Publishing	622,396	602,946	1,194,384
Knowledge Center	15,589	15,216	16,000
Total Information	637,985	618,162	1,210,384
Services to Local Governments			
Performance Management	649,113	533,190	1,217,368
Corporate Partnerships	167,500	110,000	290,000
Business Development	-	-	-
Bid and Proposal	-	-	-
Domestic Technical Assistance	509,942	1,187,199	2,350,269
International Programs	7,357,864	7,599,753	23,686,528
Consulting Services	308,360	774,007	2,520,250
Total Services to local governments	8,992,779	10,204,149	30,064,415
Brand			
Public Policy	10	-	-
Form of Government	-	-	-
Marketing	31,855	2,498	85,000
Total Brand	31,865	2,498	85,000
Foundational Business Requirements			
Leadership and Management	5,500	168	-
Facilities	583,272	514,039	1,162,400
Other Support	33,152	30,926	56,898
Total FBR	621,924	545,133	1,219,298
Other			
ICMA-RC: CSLGE Reimbursement	360,690	319,581	720,212
ICMA-RC: Royalty	-	-	323,000
Investment income	675,920	602,326	680,000
	-	-	-
Total Other	1,036,610	921,907	1,723,212
	-	-	-
ASSOCIATION TOTALS	\$ 16,856,833	\$ 17,039,254	\$ 43,058,091

INTERNATIONAL CITY/COUNTY MANAGEMENT ASSOCIATION
Financial Statements and Explanatory Notes

Quarterly Financial Report, December 31, 2009

Statement of Revenues and Expenses	Labor, Fringe, and Direct Costs		
	FY 2009	FY 2010	
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>
Member Renewal & Services			
Membership Dues Revenue	-	-	-
Member Services	583,955	496,901	1,217,141
Relationship Management	225,973	282,872	626,017
Member Communications	93,351	22,609	80,660
Total Member Renewal & Services	903,279	802,382	1,923,818
Professional Development			
Annual Conference	1,453,988	1,387,088	1,550,519
Member Development	50,083	30,746	207,706
Other Professional Development	317,994	276,303	803,431
Sponsorships	-	-	-
Total Professional Development	1,822,065	1,694,137	2,561,656
Information			
Publishing	638,825	626,274	1,377,937
Knowledge Center	99,343	126,634	285,476
Total Information	738,168	752,908	1,663,413
Services to Local Governments			
Performance Management	456,388	398,413	1,019,659
Corporate Partnerships	105,455	93,995	221,171
Business Development	238,986	345,222	1,069,258
Bid and Proposal	402,004	534,274	1,044,025
Domestic Technical Assistance	551,397	944,675	2,275,294
International Programs	6,052,858	6,136,956	19,462,183
Consulting Services	587,782	735,490	1,577,836
Total Services to local governments	8,394,870	9,189,025	26,669,426
Brand			
Public Policy	58,625	65,001	166,286
Form of Government	50,707	40,627	114,038
Marketing	245,348	267,933	803,047
Total Brand	354,680	373,561	1,083,371
Foundational Business Requirements			
Leadership and Management	591,136	482,632	1,153,801
Facilities	1,267,067	1,254,176	2,592,368
Other Support	1,912,566	2,104,140	4,677,812
Total FBR	3,770,769	3,840,948	8,423,981
Other			
ICMA-RC: CSLGE Reimbursement	263,302	239,532	512,606
ICMA-RC: Royalty	-	-	-
Investment income	-	-	-
Labor attrition budgeted	-	-	(180,180)
Total Other	263,302	239,532	332,426
ASSOCIATION TOTALS	\$ 16,247,133	\$ 16,892,493	\$ 42,658,091

INTERNATIONAL CITY/COUNTY MANAGEMENT ASSOCIATION
Financial Statements and Explanatory Notes

Quarterly Financial Report, December 31, 2009

Statement of Revenues and Expenses	Contribution to Net Assets		
	FY 2009	FY 2010	
	<i>Actual</i>	<i>Actual</i>	<i>Budget</i>
Member Renewal & Services			
Membership Dues Revenue	2,453,257	2,454,921	4,921,000
Member Services	(436,795)	(389,172)	(898,641)
Relationship Management	(194,378)	(256,370)	(602,569)
Member Communications	(20,183)	23,246	61,340
Total Member Renewal & Services	1,801,901	1,832,625	3,481,130
Professional Development			
Annual Conference	1,031,691	429,386	572,188
Member Development	6,017	14,954	(18,491)
Other Professional Development	(29,283)	(26,079)	35,481
Sponsorships	-	-	200,000
Total Professional Development	1,008,425	418,261	789,178
Information			
Publishing	(16,429)	(23,328)	(183,553)
Knowledge Center	(83,754)	(111,418)	(269,476)
Total Information	(100,183)	(134,746)	(453,029)
Services to Local Governments			
Performance Management	192,725	134,777	197,709
Corporate Partnerships	62,045	16,005	68,829
Business Development	(238,986)	(345,222)	(1,069,258)
Bid and Proposal	(402,004)	(534,274)	(1,044,025)
Domestic Technical Assistance	(41,455)	242,524	74,975
International Programs	1,305,006	1,462,797	4,224,345
Consulting Services	(279,422)	38,517	942,414
Total Services to local governments	597,909	1,015,124	3,394,989
Brand			
Public Policy	(58,615)	(65,001)	(166,286)
Form of Government	(50,707)	(40,627)	(114,038)
Marketing	(213,493)	(265,435)	(718,047)
Total Brand	(322,815)	(371,063)	(998,371)
Foundational Business Requirements			
Leadership and Management	(585,636)	(482,464)	(1,153,801)
Facilities	(683,795)	(740,137)	(1,429,968)
Other Support	(1,879,414)	(2,073,214)	(4,620,914)
Total FBR	(3,148,845)	(3,295,815)	(7,204,683)
Other			
ICMA-RC: CSLGE Reimbursement	97,388	80,049	207,606
ICMA-RC: Royalty	-	-	323,000
Investment income	675,920	602,326	680,000
Labor attrition budgeted			
Total Other	773,308	682,375	1,390,786
FY 2009 excess offset against FY 2010 budget			(238,000)
ASSOCIATION TOTALS	\$ 609,700	\$ 146,761	\$ 162,000

Notes to Statement of Revenues and Expenses

Summary

As noted under the leading indicators, revenue through the second quarter of the fiscal year is behind benchmark pace in all business lines. We have implemented staffing and other expense reductions in the third quarter to minimize the impact of the revenue shortfall with the goal of having a break-even year. The burn rates of funding on hand and awards of proposals we are currently working on will have a major impact on the final contribution to net assets for the current and next fiscal year.

FY 2010 activities of ICMA have been grouped for reporting purposes by strategic outcomes as reflected in the FY 2010 – FY 2012 financial plan. *This section only highlights financial progress against budget. The last section of this document, beginning on page 21, shows the programmatic progress made this fiscal year against the tactics laid out in the financial plan.*

Membership Renewal and Services

This area includes membership dues revenue, member operations and committees, ethics, credentialing, personal support, state liaisons, affiliates (NFBPA and IHN), the Job center, ICMA newsletter, next generation activities, and dues supported international activities.

Dues revenue which includes one half of the amount received for the January 2009 cycle and one half of the amount received for the July 2009 cycle is at 49.89% of budget. In January 2010, one half of the July 2009 dues cycle and one half of the January 2010 cycle will be recognized. Though we anticipate challenges in maintaining renewal rates, it is expected that ICMA will reach its budgeted goals for membership dues revenue for the fiscal year.

Advertising revenue for the Job Center and ICMA Newsletter is behind budget pace and is expected to fall short of budget by \$174,000. This follows national job-ad trends which continue to decline with the changes in the labor market. We anticipate that launching the new price model in the third quarter along with the Knowledge Network will have a positive impact on the number of ads.

With the labor and expense reductions implemented in the third quarter, overall net contribution in this area is expected to exceed budget by \$75,000.

Financial Statements and Explanatory Notes**Professional Development**

This area includes the annual conference, ICMA University courses, workshops, audio conferences, assessments and new ventures, Senior Managers and Emerging leaders program, School of local governance, Local Government training, new product development and RC sponsorships.

The annual conference held in Montreal in September 2009 had the lowest total attendance and member attendance in over 20 years with a total attendance of 2,171 (compared to 3,244 in Richmond) including 1,402 members (compared to 2,155 in Richmond). Revenues fell short of budget by approximately \$305,000 mainly because of lower registrations. With implementation of cost-control measures, net contribution from the annual conference fell short of budget by approximately \$140,000.

Revenue from other professional development offerings including audio conferences, conference workshops, local government training, and virtual conference are all falling short of expectations as local governments are cutting back on expenses. Survey results from the first ever Virtual conference were favorable for another similar event, with negative feedback largely related to technical issues.

The professional development team finalized a three-year business plan that includes a robust e-learning platform expected to be implemented in the third fiscal quarter. Budget expectations from e-learning products in FY 2009 were way too optimistic as we are still working on developing the platform and to convert content to the new platform. We still expect to roll this out this fiscal year.

ICMA-RC has committed \$200,000 as sponsorship for professional development offerings, \$100,000 of which will be recognized in January 2010 and \$100,000 in June 2010.

Given the lower than budgeted results expected from the annual conference and other professional development offerings, this area is expected to fall short of budget by over \$300,000.

Information

This area includes textbooks and reports, PM magazine, Survey research, Knowledge Center, and the IG Alliance.

Contribution from Publishing is ahead of budget pace. It continues to be surprising that book sales are holding their own in this economy. The third edition of *Human Resource Management* was released in August 2009; the new edition of *Capital Budgeting and Finance* was released in December 2009; for the first time we are experimenting with offering individual chapters of the book in downloadable PDF format. Two IQ reports on operations planning and talent strategy were released with the format redesigned

Financial Statements and Explanatory Notes

as an electronic product that can be read online or printed out. This change is part of a re-launch of the product but also was implemented to streamline the production process. We are working on building relationships with major book distributors to increase bulk sales and now have distribution agreements with Ingram, Baker and Taylor, Yankee Book Peddler, and Barnes & Noble Distribution Center.

Advertising revenue from PM magazine is significantly below budget. Expenses for PM magazine are also higher than budget pace mainly because of a \$55,000 error in budgeting postage expenses for PM. Cost saving measures are being pursued across the projects to offset this.

An economic development survey with external funding was launched in October in partnership with NLC. State of the Profession survey results related to the economic crisis were published in an exclusive by Financial Times and the summary has been downloaded from the ICMA website 420 times in the space of about 1 month.

The Knowledge Network is expected to launch as a beta in February 2010.

With expense controls implemented in the third quarter, we currently expect net contribution from this area to exceed budget by approximately \$40,000.

Services to Local Government

This area includes International and Domestic Technical Assistance programs, Corporate Partnership program, business development activities, bid and proposal activities, Performance Management (CPM and National Citizen Survey), and Consulting services.

Current projected annual revenues from International programs are \$17- 18 million for the fiscal year compared to budgeted revenues of \$23.6 million. This reduction in expected revenues is primarily due to on-the-ground conditions in several countries (Iraq, Sri Lanka, Ethiopia) which have slowed project implementation and due to a delay in issuance of several expected requests for proposals which we had been expecting to be awarded in the second quarter. While the International team continuously competes for additional grant and contract awards it is unlikely that any new awards will impact 2010 revenues. The exception is a large Afghanistan proposal which, if won, could generate additional revenues of approximately \$1-2 million beyond the current projection.

Domestic Programs have approximately 72% of budgeted revenue on hand and with this funding have published two articles on libraries in Local Government Matters (Gates Foundation); released two case studies on 311/Customer Relations management

Financial Statements and Explanatory Notes

(Sloan Foundation); hosted three 311/CRM Roundtables (Ochs Center for Metropolitan Studies, PTI, and Rutgers University); released case studies on healthy communities (Robert Wood Johnson Foundation); delivered Leadership In Crises Training Workshops (Department of Homeland Security); and provided technical assistance to engage citizens during a severe influenza pandemic (Centers of Disease Control).

In the area of sustainability, ICMA hosted the Brownfields 2009 conference in New Orleans, LA, in November with 5,000 registrants; delivered a web cast providing “Tools and Practices to Make Communities Energy efficient, Resource Resilient, and Sustainable” to over 200 ICMA members and other local government officials nationally; delivered six newsletters with environmental management updates to six thousand local government officials each; and maintained environmental compliance and management information on the Local Government Environmental Assistance Network (www.lgean.org). Most of these efforts were supported by EPA.

Net contribution for the Center for Performance Measurement™ and the National Citizen Survey™ is at benchmark pace through the first quarter and is projected to meet budget. We anticipate that it will be increasingly difficult to attract and maintain participants as local governments face budget shortfalls.

Net contribution for Consulting Services is currently behind benchmark. In the area of Public Safety, we have 68% of the revenue target in hand, with pipeline of 140% of target in short term pending opportunities. Management Services has 62% of target in hand, with pipeline of 114% of target in short term pending opportunities. We will be reevaluating the Financial Services and will continue to seek engagements on a case-by-case basis as we work on repositioning this offering.

Currently this area is significantly behind budget pace with net contribution expected to be below budget by over \$1,000,000.

Image and Value of the Profession (Brand)

This area includes public information, public policy, form of government, and marketing.

Expenses in this area are running behind budget pace. The first phase of the work on the national awareness campaign done by GMMB is completed. Fund raising efforts for the next phase of the campaign are under way. The revamped ICMA web site is scheduled to be launched in February 2010. Two white papers “Measuring the Results of Economic Stimulus: Local Government Leading the Way” and “Restoring the Intergovernmental Partnership: What Needs to Change” were released in the second fiscal quarter.

With expense controls implemented in the third quarter, net contribution from this area is expected to be better than budget by over \$200,000.

Financial Statements and Explanatory Notes**Foundational Business Requirements**

This area includes ICMA's leadership (Executive Board, Executive Director, ICMA's management team) and other infrastructure costs related to Finance, HR, IT, office administration, facilities, sublease income, customer contact center, creative services, order fulfillment, and contract administration.

All of the Association's subtenant space is currently occupied. However ICMA-RC has informed us that they would like to be released from their lease for a portion of the space because of reductions in their staffing; we are working on finding tenants so that there is no gap in subtenant income.

The Contract administration team is now fully staffed and is working on ensuring policies and procedures are in place to ensure contract compliance. The HR team held the ICMA college days, a professional development opportunity for all staff, in October. Work is progressing to launch the new ICMA web site and the Knowledge Network in February 2010. Work is progressing on moving the financial and database operations of the Alliance to ICMA. Other infrastructure costs are running at budget pace.

With expense controls implemented in the third quarter, including freezing salaries and removing the budgeted variable pay distributions, net contribution from this area is expected to be better than budget by over \$440,000.

Other

This includes reimbursements from ICMA-RC for the management, financial, and administration services provided to the Center for State and Local Government Excellence; the annual royalty payments from ICMA-RC, and investment income to include interest income and the dividend payout from the REIT.

Reimbursements from ICMA-RC for management of the Center are behind budget pace because of expense reductions at the Center. The REIT dividend of \$550,000 was received in December and was \$80,000 less than budgeted. The annual royalty payment from ICMA-RC is expected in the third fiscal quarter.

Summary

We are seeing the impact of the economy on all of our products and services. Assuming we will be able to spend the available funding on hand in international programs and will not win new awards that will have a material impact on current year revenues, we have implemented cost reduction measures in the third quarter with the goal of achieving a break-even budget. We currently expect contribution to net assets for the fiscal year to range between break even to (\$300,000). The ability to spend available funding in hand in International programs will have a big impact on our final net contribution to net assets this fiscal year. We are monitoring this closely and will update the board if the situation changes.

Financial Statements and Explanatory Notes**ICMA ENDOWED FUNDS**

	Fund for Professional Management		Awards Fund	Babs Elwell Fund	Garvey Scholarship Fund	Kennedy Shaw Fund
	<u>Restricted</u>	<u>Unrestricted</u>	<u>Restricted</u>	<u>Restricted</u>	<u>Restricted</u>	<u>Restricted</u>
Revenues:						
Contributions	\$ 92,001	28,101		2,338		
Interest		33,447	5,764	2,114	3,105	557
Gain/(Loss)	93,362					
Total revenues	185,363	61,548	5,764	4,452	3,105	557
Expenses	92,048	30,314	4,095	1,500		
Addition to net assets	93,315	31,234	1,669	2,952	3,105	557
Net assets at June 30, 2009	1,067,313	45,629	57,157	20,984	29,722	5,326
Net assets at Dec 31, 2009	\$ 1,160,628	76,863	58,826	23,936	32,827	5,883

By Board policy, interest and dividends earned may be expended in any given year for approved Fund activities. Unexpended funds are available for activities in subsequent years and are maintained in unrestricted net assets. Contributions to the Fund are restricted for investment only. An exception to this policy was made in February 2006 when it was approved that a combination of general fund and Fund corpus monies can be used to build the infrastructure and capacity needed to create and implement an effective fund raising program. An additional exception was made in FY 2009 where it was agreed that fund corpus could be used to fund the image campaign.

At the end of the second quarter of FY10, 560 donors had given \$108,903 to the Fund; this includes \$28,101 in donations designated for the Value of the Profession Campaign. Including donations received in FY09 and FY10, we have raised \$61,350 of the \$65,000 needed to cover the expense of GMMB's work on the national awareness campaign from state and assistant associations (\$17,000 of it in pledges to pay). From individuals, we have raised \$49,591 from 144 donors (\$35,395 of it in pledges

Financial Statements and Explanatory Notes

to pay). Efforts focused on increasing the number of donors and total contributions the Fund continue, particularly with the launch of the Value of the Profession Campaign.

The investment portfolio is composed of high-grade fixed-income instruments in accordance with the approved investment policy. (See page 18 for portfolio details.) Changes in market value are reflected as unrealized gains and losses. The Board's intentions are to maximize gains or to hold investments until maturity to avoid realizing investment losses.

Cash Investment Report-General Fund

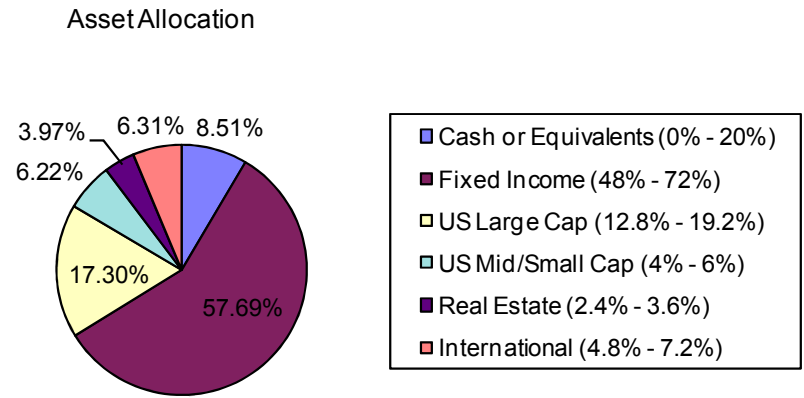
ICMA policy requires a quarterly report of operating reserve investments of the general fund. Excess cash is moved from the operating account in SunTrust Bank to Chapin Davis where it is invested in accordance with the Association's investment policy. The cash balances that the Association maintains in the operating account are swept nightly into repurchase agreements.

Quarterly Report of General Fund Cash and Investments as of December 31, 2009				
<u>Investment</u>	<u>Institution</u>	<u>Maturity Date</u>	<u>Amount</u>	<u>Yield</u>
Cash	Chapin Davis	Cash balance	\$ 257	0.96%
Certificates of Deposit	MidFirst	03/01/10	\$ 99,099	0.800%
Certificates of Deposit	First Comercial Bank	03/16/10	\$ 99,133	0.850%
Certificates of Deposit	Beal Bank	03/24/10	\$ 120,173	0.850%
Certificates of Deposit	NCB FSB	03/31/10	\$ 99,188	1.000%
Certificates of Deposit	Bank Of America	04/01/10	\$ 98,213	1.100%
Certificates of Deposit	Bank India	04/14/10	\$ 145,244	0.850%
Certificates of Deposit	Bank India	04/21/10	\$ 99,188	0.900%
Certificates of Deposit	Bank Of America	04/22/10	\$ 55,054	0.600%
Certificates of Deposit	Hamni Bank	06/03/10	\$ 99,307	1.100%
Certificates of Deposit	Sterling Bank	06/03/10	\$ 99,286	1.050%
Certificates of Deposit	Beal Bank Plano	06/16/10	\$ 100,117	0.650%
Certificates of Deposit	GE Capital Finl Inc	06/18/10	\$ 99,322	1.100%
Certificates of Deposit	Beal Bank Nevada	07/07/10	\$ 100,096	0.650%
Certificates of Deposit	Beal Bank Plano	07/07/10	\$ 100,096	0.650%
Certificates of Deposit	GE Money Bank	07/09/10	\$ 100,275	1.000%
Certificates of Deposit	Bank Of America	08/12/10	\$ 94,179	0.900%
Certificates of Deposit	Ally Bank	08/13/10	\$ 136,216	0.850%
Certificates of Deposit	Citizens Bank	09/17/10	\$ 135,130	0.850%
Certificates of Deposit	BMW Bank	09/30/10	\$ 97,794	0.990%
Certificates of Deposit	First United Bank	10/06/10	\$ 109,976	0.750%
Certificates of Deposit	ILLINI Bank	10/06/10	\$ 97,570	1.500%
Certificates of Deposit	Key Bank Natl Assn	10/15/10	\$ 60,298	1.400%
Depository Accounts:				
Operations	SunTrust Bank, NA	N/A	\$ 1,802,652	
Exhibit Sales	First National Bank (LaGrange, IL)	N/A	\$ 9,098	
Petty Cash	ICMA	N/A	\$ 800	
	Total Cash		<u>\$ 4,057,761</u>	

Cash Investment Report-Endowed Funds

ICMA policy requires a quarterly report of endowed investments showing the asset allocation and performance.

The chart below shows the actual allocation of endowed assets with the table showing guidelines per the investment policy



The following table shows the actual investment performance as measured against the benchmark performance of an index comprised of 30% S&P 500, 60% Bond Index, and 10% 90 day T-bills as specified in the investment policy.

	Current Quarter	Inception to Date
Actual Performance	3.10%	2.60%
Benchmark Performance	2.00%	3.40%

Following is a detail of the investments portfolio of Endowed funds:

Cash Investment Report-Endowed Funds

INVESTMENT PORTFOLIO FOR ENDOWED FUNDS	Principal Amount	Current Market Value	Interest Rate	Maturity	Rating
<u>Cash Equivalents</u>					
Smith Barney money fund, market & auction instrument	\$ 113,330	113,330	0.5500%		
Suntrust Money Market	1,356	1,356	0.2300%		
Total cash equivalents	114,686	114,686			
<u>Investments</u>					
Fixed Income					
Mortgage Backed Securities:					
GNMA	54,000	33,423	5.5000%	April 20, 2030	
Corporate Bonds:					
Chase Manhattan Corporation	35,000	36,095	7.8750%	June 15, 2010	AA3/A
American General Fin	65,000	62,996	4.6250%	September 1, 2010	BAA1/BBB
HSBC Finance Corp	40,000	41,412	5.2500%	January 14, 2011	AA3/AA-
Credit Suisse First Boston USA	63,000	67,938	6.1250%	November 15, 2011	AA1/A+
Goldman Sachs Group	87,000	93,582	5.7000%	September 1, 2012	A1/A
Washington Mutual	100,000	500	5.5000%	January 15, 2013	WR/D
Wells Fargo & Conotes	40,000	40,792	5.5000%	April 15, 2014	A2/A+
Goldman Sachs Group	50,000	52,538	5.1250%	January 15, 2015	A1/A
General Elec Cap Cor	40,000	41,590	5.1250%	October 20, 2016	AA2/AA+
Merrill Lynch & Co.	80,000	84,190			
Certificates of Deposit:					
Discover Bank	15,000	15,677	4.8000%	August 20, 2012	
Cit Bank - UT	40,000	40,169	3.1500%	January 22, 2013	
Discover Bank	10,000	10,633	5.1500%	August 20, 2014	
M & I Marshall & Ilsley Bk	50,000	53,013	5.0000%	December 1, 2014	
Capital one	50,000	51,778	4.5000%	April 9, 2015	
Cit Bank - UT	52,000	51,566	3.6500%	April 14, 2016	
	871,000	777,892			
Exchange Traded Funds: US Large Cap					
S&P 500 Growth Index Fund	112,980	115,749		Number of shares	1,996
S&P 500 Value Index Fund	128,326	117,537			2,217
	241,306	233,286			
Exchange Traded Funds: International					
MSCI Emerging Mkts	36,250	44,737		Number of shares	1078
TR MSCI EAFE Index Fund	41,091	40,410			731
	77,341	85,147			
Exchange Traded Funds: US Mid/Small Cap					
TR S&P Midcap 400 Index Fund	44,663	45,326		Number of shares	626
TR S&P Small Cap 600 Index Fund	39,506	36,108			637
Cohens & Steers Realty	62,860	53,518			1,019
	147,029	134,952			
Donated Capital Stock					
AT&T	-	477		Number of shares	17
Chiquita Foods	-	1,962			109
	-	2,439			
Total investments	1,336,676	1,233,716			
Total cash equivalents and investments	\$ 1,451,362	1,348,402			

International and Domestic Grants and Contracts funding update as of December 31, 2009

Project Numbr	Project Name	Funder	FY 2010 revenue at 12.31.09	FY 2010 anticipated revenue	actual revenue to anticipated revenue
DOMESTIC:					
D09	LG/EAN network	EPA	24,309	\$ 48,000	50.64%
D35	Advancing Smart Growth	EPA	11,175	57,000	19.61%
D54	SRA Brownfields	SRA	7,793	24,000	32.47%
D56	Cadmus-Energy Star	CDC	8,553	11,500	74.37%
D59	CDC-CPM	CDC	18,310	40,000	45.78%
D60	CDC Pan Flu	CDC	83,261	83,000	100.31%
D61	Brownfields Conference	EPA	607,015	635,000	95.59%
D62	Emergency Training	CIGNA	51,728	84,286	61.37%
E09	RWJF Active Living	RWJF	96,006	130,000	73.85%
E10	Community Building	Casey Found	26,661	60,000	44.44%
E11	Nat'l 311 Systems & CST phase II	Sloan Founda	74,479	161,384	46.15%
E14	Gates Public Library	Gates	168,431	350,000	48.12%
	Total Domestic		1,177,721	1,684,170	69.93%
	Budgeted Domestic revenues			\$ 2,350,269	
INTERNATIONAL:					
730	City Links	USAID	577,464	2,051,826	28.14%
739	Indonesia - LGSP	RTI	365,953	478,235	76.52%
740	Guatemala- Decentralization	DEVTECH	49,733	76,864	64.70%
741	Iraq-Local & Prov'l	RTI	389,303	386,484	100.73%
744	Mega Serbia	URBAN INST	5,673	42,000	13.51%
749	Afghanistan	USAID	3,025,424	7,400,000	40.88%
751	GIS Case studies in China	USAID	25,107	26,179	95.91%
752	CAWSA Afghanistan	USAID	1,144,202	2,505,000	45.68%
753	CHF Iraq CAPIII	CHF	485,189	969,721	50.03%
754	ACDI/VOCA Iraq CAPIII	ACDI VOCA	319,532	657,363	48.61%
756	IRD Iraq CAPIII	IRD	737,069	1,787,860	41.23%
757	RCRI Program	World Bank	82,880	316,830	26.16%
758	SPADA	RTI	28,458	29,436	96.68%
760	LGPIII Iraq	RTI	247,716	475,770	52.07%
761	India - FIRE III Extension	TCGI	24,221	25,000	0.00%
762	Guatemala - Southcom	SOUTHCOM	47,343	76,864	61.59%
763	China Methane to Markets	EPA	7,321	75,000	9.76%
764	Sri Lanka VEGA	IESC	16,788	32,000	52.46%
765	Central America COPS	USAID	20,376	311,321	6.55%
766	Lebanon Municipal Finance	World Bank	-	299,670	0.00%
	Total International		7,599,752	18,023,423	42.17%
	Budgeted International revenues			\$ 23,686,528	
Total budgeted revenues (International + Domestic)				\$ 26,036,797	
FY 2010 Anticipated revenues based on funding in hand				\$ 19,707,593	76%
New revenue needed to meet budget				\$ 6,329,204	24%
Proposals currently active				\$ 49,915,000	

Update on Debit Cards

Background: The Executive Board decided in FY 2009 to respond to the economic crisis affecting our members by providing virtual debit cards in the amount of \$200 for full members and \$100 for affiliate members. Members could redeem these cards in lieu of payments towards ICMA membership dues, annual conference, and other professional development offerings. If 90% of our membership redeemed these debit cards, this would impact net assets by \$1,000,000. The net asset goal for FY 2013 was reduced from 5.3M to 4.3M to accommodate the debit cards.

The actual use of the debit cards has been lower than we anticipated. Below is a table showing actual debit cards redeemed versus amount anticipated. Any amounts not redeemed will remain in net assets.

Number of members	Total Expected usage			Actual used as of 12/31/09			
	FM	AFF	Total	FM	AFF	Total	
Membership dues	2,500	700	3,200	303	55	358	11%
Annual Conf	1,500	300	1,800	393	26	419	23%
Other	415	170	585	26	5	31	5%
Total redeemed	4,415	1,170	5,585	722	86	808	14%
Amount redeemed	Total Expected usage			Actual used as of 12/31/09			
	FM	AFF	Total	FM	AFF	Total	
Membership dues	\$ 500,000	70,000	570,000	\$ 61,383	5,499	66,882	12%
Annual Conf	300,000	30,000	330,000	71,108	2,500	73,608	22%
Other	83,000	17,000	100,000	3,897	500	4,397	4%
Total redeemed	\$ 883,000	\$ 117,000	\$ 1,000,000	\$ 136,388	\$ 8,499	\$ 144,887	14%

FY 2010 Progress to date against Strategic Plan Strategies and Tactics

Leadership	
1. Promote, enforce, and celebrate the highest ethical standards of professional behavior	
Tactics	FY 2010 Progress to date
Develop and market ethics training content for application in local governments worldwide both vertically and horizontally within the local government unit	Q1: Held one audio conference for managers and supervisors in September 2009. Four Web workshops were planned for FY2010; at this time three Web workshops will be produced (the January 17 offering was canceled). Q2: Ethics-at-Work workshops are planned; two are scheduled for March 2010. (These are 3-hour sessions for anyone not specific to local government.)
Increase awareness and understanding on the intent and value of the code as well as the importance of ethical conduct in local governments to non-member managers and elected officials	Q1: Ethics marketing plan was developed and Annual Conference components implemented, including developing and updating an anniversary website, promoting milestone in president's opening address, putting resolution before members for adoption during business meeting, and cutting 85 th anniversary cake during welcoming reception.
Work with the Committee on Professional Conduct to enforce, enlighten, and educate members on the ICMA Code of Ethics, and develop programs and mechanisms to celebrate and develop exemplary ethical conduct by members	Q1: Following discussion and consideration, the CPC advises against creating a formal award to recognize exemplary ethical conduct. Q2: The development of a handbook for members with guidance on the requirements of the code is on target to meet May 1 st due date. An ethics blog to provide timely advice to members on ethics issues and to provide a discussion forum will launch with the new Knowledge Network.
2. Raise awareness of the value that professional management brings to local governance and advocate council-manager government	
Tactics	FY 2010 Progress to date
Create a marketing strategy—including an image campaign—to raise awareness of the importance of the profession and ICMA funded by strategic partners, state associations, and the Fund for Professional Management	Q1: Details of campaign presentation and collateral materials were developed. During November 2009 meeting, the board approved allocation of \$500K to \$1 million from organizational reserves to fund development of a campaign infrastructure. Q2: Following a January 19, 2010 meeting with the Finance Committee, the board advised staff to defer infrastructure development for 60-90 days following reassessment of the organization's financial position. Fundraising efforts continue.

<p>Build the Fund corpus by implementing the approved fund-raising strategies</p>	<p>Q2: At end of the 2nd quarter, 575 donors had given \$108,902. Including contributions at the first of January (in response to an end-of-year solicitation), totals jumped to 637 giving \$125,118. Q2: Collected \$59,121 earmarked for the Value of the Profession awareness campaign and received another \$55,920 in pledges, to be paid over the next 1-5 years. At least 18% of donations are coming in online, and 141 first-time donors have given in these first two quarters.</p>
<p>Aggressively disseminate ICMA's intellectual resources out to the public</p>	<p>Q2: Each new publication has a promotional plan that uses multiple channels to reach different audiences. New relationships with bulk distributors are being developed to increase the likelihood that ICMA publications will be available at college and university bookstores and other venues (e.g., Amazon). Once the Knowledge Network is launched, it will be a constant dissemination vehicle.</p>
<p>Develop and disseminate materials that members can use to support community and other public outreach activities</p>	<p>Q1: Conducted interviews with members to determine what type of materials will work best. Using information to develop text of activity/coloring book for online distribution. Q2: Hard-copy printing of materials has been deferred until 2010 to align with reduction in ODCs.</p>
<p>Support members and citizen organizations in efforts to adopt or retain council-manager structures</p>	<p>Q1: Provided extensive support to several campaigns in preparation for Nov 3rd elections or educational forums, including Annapolis, MD (E); Cuyahoga County, OH (L); Detroit, MI (E); Effingham, IL (2/10/10 ballot); Federal Way, WA (L); Pensacola, FL (L); Portland, ME (E); Pueblo, CO (W); Sacramento, CA (E); SeaTac, WA (W)</p>
<p>3. 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.</p>	
<p>Tactics</p>	<p>FY 2010 Progress to date</p>
<p>Expand the portfolio of research and technical assistance within the areas of sustainability</p>	<p>Q1: Staff reviewed consulting concept with Sustainability Advisory Committee and met with city of Annapolis to review potential partnership. Q2: Projects underway include Brownfields Conference, Advancing Smart Growth, Healthy Communities, LGEAN, and Energy Star. Currently responding to RFPs focused on solar energy, green jobs, and healthy communities.</p>
<p>Build awareness and recognition that we are the organization for sustainable communities (like we have done with ethics)</p>	<p>Q1: The Center for Sustainable Communities has been institutionalized, and the position of Director of Sustainability has been filled. Q2: CPM posted pilot version of data collection template for sustainability, with first wave of jurisdictions submitting data by October 1. Monthly e-newsletter, <i>Insights</i>, highlights ICMA projects in sustainability for current and prospective ICMA partners and funders. Sustainable Communities podcast program was launched.</p>

<p>Build member support for incorporating sustainability as a core value for effective local government management through instruments such as the sustainability commitment</p>	<p>Q1: Collected 40 additional commitment signatures at the Montreal conference.</p>
<p>4. 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.</p>	
Tactics	FY 2010 Progress to date
<p>Conduct strategic review of membership and retention plans</p>	<p>Q1: Convened New Member Welcome task force to develop a program for current US members to welcome new members. The goal is to make a peer-to-peer connection that goes beyond a member's home state. Q2: Developed a campaign and script to use in early 2010 for welcome calls to new members in service to local governments.</p>
<p>Launch a new flat-rate affiliate dues structure for the first three years of membership to attract entry-level to mid-management staff to ICMA</p>	<p>Q1: Flat-rate affiliate dues structure was launched and is being promoted through partnerships with ICMA programs that touch early career professionals.</p>
<p>Promote the value of membership in ICMA and the value of credentialing to local governments as they recruit for managers and senior staff</p>	<p>Q1: Developed new membership brochure designed to appeal to all prospective members regardless of career stage, using the storytelling approach and photos of the next-generation campaign. Gave membership presentation to all staff and provided talking points to encourage staff to highlight member benefits when talking to prospects. Q2: Developed a flyer version of the brochure. Updated elected officials flyer on the value of hiring an ICMA member for use at NLC annual conference. Sent promotional materials to the NARC (National Association of Regional Councils) and NASPAA (National Association of Schools of Public Affairs and Administration) conferences.</p>

<p>Target next-generation opportunities, including increased advertising for positions seen as a path to CAO positions, complimentary online ads for intern positions, and taking the JobCenter into new and alternative media to reach out to these targeted audiences</p>	<p>Q1: Continue to promote the next-generation membership campaign with a blast e-mail to 3,650 potential members who are local government professionals in positions lower than department head and prepared complimentary ads for the November issues of Planning magazine and American City and County. Increasing ads at the JobCenter will be a challenge as JobCenter advertisers are not interested in placing ads for “bucket” positions, and most job seekers are not coming to JobCenter looking for those jobs. Merger with the Alliance job board is expected to occur late this fiscal year into next year.</p> <p>Q2: Caution: the merger of ICMA and Alliance job boards may not happen as seamlessly as planned. A meeting with IT staff will solidify a timeframe for the merger in the 3rd quarter of FY2010. We are planning to launch a new marketing plan to make all ads below department head free, coinciding with the timeline of the e-debit card, to help ramp up the number of non-CAO ads. Other improvements to the JobCenter will assist in making it appealing to local governments.</p>
<p>Develop a package (menu) of services that is valued by the targeted non-members we want to reach</p>	<p>Q1: Worked with the Knowledge Network team to finalize member benefit aspects of the new Knowledge Network in preparation for its launch. Successfully transitioned the ICMA newsletter in August to e-mail only, and we’re continuing to enhance the value delivered in the electronic version.</p> <p>Q2: Promoted the ICMA LinkedIn Members Group resulting in almost 700 members joining the group by the 2nd quarter and communicating with many nonmembers who tried to join about the benefits of membership. Launched new salary survey benefit from Waters Consulting.</p>
<p>Increase membership diversity through partnerships with the National Forum for Black Public Administrators (NFBPA) and International Hispanic Network (IHN) as outlined in the October 2007 Task Force on Diversity in Governance implementation plan</p>	<p>Q1: Conducted outreach to IHN and NFBPA leadership for FY 2010 ICMA committee and task force appointments. Resulted in new and/or continued Hispanic and African American member representation on the Conference Planning Committee, the Conference Evaluation Committee, the Governmental Affairs and Policy Committee, and the International Committee.</p>
<p>Improve and enhance the ICMA Web site to communicate effectively to members and potential members</p>	<p>Q2: Launch of the enhanced website is now scheduled for the 3rd quarter of FY2010. Features and appearance are designed to appeal to these audiences. Podcasts have been implemented.</p>
<p>Create relationships to partner and liaison with other public administration related professions, such as finance directors, police chiefs, and fire chiefs etc, to garner membership participation with ICMA and reduce barriers to membership in multiple associations</p>	<p>Q2: An affiliation agreement was signed with National Association of Regional Councils (NARC), and the first meeting was held with full NARC staff during 2nd quarter. Meeting with NARC membership director is scheduled for early 3rd quarter.</p>
<p>Focus efforts on outreach to individuals in other professional fields with the potential skill set to become local government managers</p>	

Show the next generation of managers the career benefits of professional management	
Develop a program to fund fellowship and internship programs through strategic partners and foundations	
5. Become more engaged in contributing to the public policy arena as it relates to local government.	
Tactics	FY 2010 Progress to date
Provide leadership by framing the debate on key areas that initiate a public policy discussion	<p>Q1: Convened GAPC for a meeting at the Annual Conference. Now in process of realigning GAPC to better facilitate policy dialogue among the committee members and the broader membership.</p> <p>Q2: ICMA staff has been invited to critique a paper examining the impact of the economic downturn on local governments in Eastern Europe at the World Bank "Learning Week." ICMA affiliates in Russia and Slovakia collaborated on the presentation. ICMA has been contracted by the Government of Lebanon to conduct a municipal finance study funded by the World Bank, to analyze intergovernmental transfers. ICMA has been invited to deliver a training workshop at the March 2011 Commonwealth Local Government Forum annual meeting in Cardiff, UK.</p>
Collaborate with the seven national associations representing state and local government on policy positions directed to the administration and to Congress by producing white papers and representing ICMA membership in policy forums	<p>Q1: Reviewed four Big 7 policy letters/statements and supported four. Reviewed three State & Local Legal Center Supreme Court amicus briefs and endorsed three.</p> <p>Q2: Released white paper in October 2009: "Measuring the Results of Economic Stimulus Investments: Local Government Leading the Way." Released white paper in November 2009: "Restoring the Intergovernmental Partnership: What Needs to Change." Reviewed eleven Big 7 policy letters/statements and supported nine. No State & Local Legal Center Supreme Court amicus briefs were circulated. Participated in monthly Big 7 meetings.</p>
Build our reputation such that we are recognized and valued by policymakers at all governmental levels as leaders in local government matters	<p>Q1: Held audio news event with ICMA leaders on economy and its effects on local governments.</p> <p>Q2: In December 2009, National Homeland Security Consortium elected Ron Carlee as vice chair for a second term. In November 2009, Lee Feldman and Beth Kellar represented ICMA at the Department of Homeland Security Quadrennial Review with Secretary Napolitano.</p>
6. Initiate, strengthen, and leverage relationships with international, national, state, and local organizations to create excellence in local governance.	
Tactics	FY 2010 Progress to date

Implement the recommendations of the Task Force on Diversity in Governance Report presented to the ICMA Executive Board in October 2007	Q1: Monitoring/honoring commitments to affiliate groups (IHN and NFBPA) is ongoing.
Convene a member task force to address issues of organizational and governance structure	Q1: Staffed final meeting of task force in July 2009 and drafted recommendations for preliminary discussion by the board at its September meeting. Q2: Prepared materials for in-depth discussion at November 2009 board meeting and for Membership Committee conference call in December.
Broadly communicate the value that professional associations contribute to the enhancement of local government excellence and identify key areas for collaboration to help achieve mutual goals	Q2: ICMA delivered a workshop on the importance of regional local government associations in Africa at the Afri-Cities conference held in Morocco.

Professional Development	
1. Position ICMA at the forefront of local government leadership and professional development through the ICMA University.	
Tactics	FY 2010 Progress to date
Develop a mechanism to coordinate all ICMA offerings under the ICMA University umbrella	
Create and acquire new and expanded professional development offerings to focus on reaching additional audiences, building on content and formats that have proven to be successful, and filling in information gaps with new offerings	Q1: Developed content of "Leadership 101: Creating a Culture of Leadership" Web workshop. Q2: Web workshop will take place February 17, 2010. As of 30 days out, 17 sites have registered. ICMA has been invited to deliver a training session at the World Urban Forum to be held in March 2010 in Brazil on "City Competitiveness in Vulnerable Environments" in collaboration with the World Bank Institute. ICMA is developing emergency management training manuals on flood prone areas in Guatemala for the U.S. Department of Defense. ICMA has been contracted to deliver a Solid Waste Management course in Pakistan. ICMA is collaborating with a science park in China to deliver training on "Methane to Markets."

<p>Establish an e-learning component to give ICMA an online learning presence</p>	<p>Q1: Developed the RFP for a joint-venture e-learning platform and submitted it to two potential vendors prior to the conference. List of potential ventures was to be expanded post-conference, but was delayed. Entered into discussion with another potential partner and the timeline is being reworked. Q2: Expanded RFP to a total of 10 vendors. Evaluated responses and narrowed to three. Still working toward having the platform launched by March 31, 2010. ICMA has been requested to develop a “distance-learning” curriculum on municipal finance to be delivered to the ASEAN member countries through the World Bank Center of Excellence for Municipal Finance in Singapore.</p>
<p>Continue and refine existing offerings to ensure relevancy and utility</p>	<p>Q1: Developed training and audio conference using the Peter Block segment of the Leading Ideas series. Q2: Developed a related workshop to be presented at the four regional summits.</p>
<p>Continue and enhance leadership development programs</p>	<p>Q1: At the Annual Conference, conducted meetings with individuals from each career level, and we are also using Go-To Meetings (an online tool) to determine leadership development needs.</p>
<p>2. Establish a broad network of partners to develop and promote leading practices in professional and personal development.</p>	
<p>Tactics</p>	<p>FY 2010 Progress to date</p>
<p>Enhance partnerships with state associations, affiliates, and regional and individual localities to provide workshops and additional initiatives at convenient locations</p>	<p>Q1: Completed an affiliation agreement with the National Association of Regional Councils. The agreement, signed October 6, 2009, includes opportunities to produce professional development products and services to NARC members. Q2: Held joint planning meeting with ICMA and NARC staff to develop components of work plan. Work plan will include heavy emphasis on joint training products. Virtual workshop offering is planned for the Transforming Local Government (TLG) conference.</p>
<p>Identify strategic partners and opportunities for new ventures that will be financially profitable for ICMA, bring value to members, and attract nonmembers to ICMA</p>	<p>Q1: The CPM team signed an agreement with the National Research Center to provide a standardized employee survey to local governments and to provide comparative data. ICMA will receive approximately 20% – 30% of gross revenue depending on the mix of services selected by the local government at the time of sale.</p>
<p>Implement products and programs to assist members and their families with personal development issues.</p>	

<p>Partner with public administration academic community to ensure ICMA leadership programs and services are communicated to academic faculty and students</p>	<p>Q2: The National Brownfields Conference has partnered with the Chase Community Foundation and the Enterprise Foundation to incorporate new programming into the event. Student teams from several universities are proposing new projects related to sustainability. These were presented during the Brownfields Conference, with award winners getting research grants from the Chase Foundation.</p>
<p>3. Create opportunities for participants with diverse backgrounds to engage in ICMA training and development activities and programs.</p>	
Tactics	FY 2010 Progress to date
<p>Strengthen relationships with state associations as well as domestic and international affiliates to broaden participation in professional development programs</p>	<p>Q1: Provided three workshops to state associations. CPM signed an agreement with the Colorado Municipal League for the joint marketing of CPM to Colorado municipalities and to provide training and assistance in performance measurement. Q2: Provided five workshops.</p>
<p>Make annual conference content available, via other media, to members and non-members unable to attend the event</p>	<p>Q1: Offered the Annual Conference content virtually. Q2: Working on RFP for virtual Annual Conference 2010: The RFP will be completed by February 1; the response reply deadline is February 15; and selection notification will be on March 1.</p>
<p>Provide credit for ICMA training to other professional credentialing programs</p>	<p>Q1: In discussion with the American Planning Association, and waiting to hear back from APA. Q2: We have reached out to APA via phone and e-mail; awaiting return call to set up a meeting to begin the process. Also, have a meeting scheduled to discuss the Brownfields certification process to see if we can get more traction there.</p>
<p>Engage stimulating speakers, develop a program addressing diverse needs and interests, offer a variety of networking opportunities, and plan enjoyable social opportunities for the annual conference</p>	<p>Q1: 2009 Annual Conference in Montreal attracted 1,644 main registrants (1,402 members), the lowest attendance since the early 1980s. Q2: With all bills paid and in receipt of an unbudgeted financial contribution from Tourism Montreal, the conference's net contribution is projected to fall short of budget by approximately \$130,000. Responses received (435, 31%) to the online evaluation survey included 85.6% of attendees who gave the Montreal event an overall rating of excellent or very good.</p>
<p>Broaden marketing of leadership programs to a wider audience to ensure outreach to a diverse participant pool including core local government employees, individuals in non-traditional career paths, and other public administration professionals</p>	
<p>Promote the International School of Local Governance to prepare members to be successful in international work while increasing participation and revenues</p>	<p>Q1: Worked with marketing team to develop outreach and promotion strategy for FY2010. Q2: Conducted pre-conference workshop. Conducted USMC pilot training at Quantico Marine Base.</p>

4. Develop a formal path to credentialing that spans the career stages of a member.	
Tactics	FY 2010 Progress to date
Create tiered credentialing approach for less experienced and non-traditional managers	Q1: Identified and invited members—particularly those who had signed up for complimentary membership or who were new managers or individuals at the department-head level—to participate in a focus group. Thirty accepted. Q2: Held three webinars to identify needs and how their needs differ from those of new or existing CAOs. Eighteen of the participants took the Applied Knowledge Assessment in preparation to identify strengths and weaknesses. Then we developed the framework for a series of certificates (much like certificates offered by colleges and universities) to help members strengthen their credentials. The certificates will cover areas of practice, and the first pilot program will be a Certificate in Finance.
Promote the value of credentialing to local governments as they recruit for managers and senior staff	
Improve ICMA’s online credentialing system to make it more user-friendly, add new functionality, and develop a new tracking system.	Q1: Maintained system improvements made in FY2009. Project on target to be completed by the end of FY2010. Q2: This project could fall behind due to competing priorities in IT. To avoid this (or to at least reevaluate priorities), we are working on a timeline that shows exactly which tasks are left and approximately how many hours will need to be dedicated to each one.
5. Ensure that ICMA serves as a vehicle for personal development and renewal.	
Tactics	FY 2010 Progress to date
Provide opportunities to keep retiring and retired members actively involved in ICMA and the profession	Q1: West Coast Regional Director reached out to two potential Senior Advisor candidates for additional coverage in Southern California; selection to be made in 2nd quarter. Q2: New senior advisor is in place in Southern California.

Knowledge Sharing	
1. Promote ICMA as the premier clearinghouse for information on local government management practices.	
Tactics	FY 2010 Progress to date
Implement the Knowledge Center and its accompanying technology platform to facilitate global transfer of knowledge and best practices	Q1: On track for beta launch in November 2009. Q2: Technical issues have required the beta launch to be postponed. We hope to have these issues resolved by February 1 st .
Leverage the technologies of the Knowledge Center and social networking to support the Leadership strategies to three audiences: <ul style="list-style-type: none"> • Membership • Nonmembers in local government profession • External audiences and “influencers” including media and the general public, and local government at-large 	Q1: On track for launch in the 2 nd quarter. Groups and strategies have been identified. Q2: Launch has been delayed due to technical difficulties.
Reduce the time to make available new, leading practices	Q1: This tactic will be facilitated by the Knowledge Center scheduled to launch in 2 nd quarter. Q2: Launch is rescheduled for 3 rd quarter.
2. Create innovative, worldwide opportunities connecting members to increase knowledge transfer and experience sharing around good local government management values and practices.	
Tactics	FY 2010 Progress to date
Improve the effectiveness of ICMA outreach vehicles, including the Web site and newsletters, to create higher impact in the worldwide marketplace	Q2: As of 1/23/10, generated 28.5 million online and 4.7 million print media impressions for a total of 33.2 million impressions or roughly 16% of annual goal of 200 million. Local Government Matters received an average of 3,066 hits per issue (an increase of 266 over 1st quarter); Academic Matters received an average of 1,005 hits (an increase of 305 over 1st quarter); Performance Matters had a 13% open rate, and the opt-ins have increased by 1,250 over last year’s 2nd quarter results. Website visits increased by 21% compared to last year’s 2nd quarter. Website had an average of 118,000 visitors per month. We targeted the international market through new International Insights e-mail series.
Partner with the Alliance for Innovation to create communities of practice in various fields of importance to local government	Q1: Have identified three communities for launch of Knowledge Network. Q2: Communities of practice have been identified. Strategies to engage subject matter experts have been developed. The Alliance and ICMA may share some communities of practice, while others may be specific to the membership of each organization.

<p>Create a virtual community to engage members, in the ways and at the levels they prefer, to facilitate knowledge transfer</p>	<p>Q1: On track for launch. Groups and strategies have been identified. Q2: Knowledge Network functionality will include Q&A, a group wall, wikis, and other opportunities for engagement in the almost 300 topic areas.</p>
<p>Provide assistance and training resources for local governments. For developing and transitional countries, provide those services in partnership with USAID and other alternative funders</p>	<p>Q2: Consulting services conducted 10 workshops, provided training in five jurisdictions, and conducted training under the DHS emergency management project.</p>
<p>Develop a center for excellence in community building that would focus on the role of the manager in building citizen capacities for developing good communities</p>	
<p>Develop a center for sustainability that would focus on policies, practices and the role of local government professionals (especially the local government manager) in creating sustainable communities</p>	<p>Q1: The Center for Sustainability has been institutionalized, and a director for sustainability has been hired. Q2: The Center and 40-member Sustainable Communities Advisory Committee have started a new column in <i>PM</i> magazine on creating more sustainable communities.</p>
<p>3. Create a model of collaboration with other local government professional associations, affiliate organizations, members, and nonmembers that facilitates access to ICMA expertise and leadership development around professional management, ethical practices, and sustainability.</p>	
<p>Tactics</p>	<p>FY 2010 Progress to date</p>
<p>Build strategic and non-traditional partnerships with affiliates and other associations to capture and share information, market existing products, and develop new ones</p>	<p>Q1: International team collaborated with the Sri Lanka ICMA affiliate to win a USAID grant in Sri Lanka and participated in a Commonwealth Local Government Forum conference in Jamaica focused on decentralization. We are in conversation with APA, NRPA, and the Ontario Municipalities Association. Have also traded ad space with IPMA (International Personnel Management Association) to promote our new <i>HR Management</i> book. Completed negotiation of an affiliation agreement with the National Association of Regional Councils. The agreement signed October 6 includes opportunities to sell and jointly develop publications. Q2: Reached out to Commonwealth Center for High Performance Organizations to develop collection of cases of HPO in local and state governments. Arranged an ad trade with GFOA to feature the new edition of <i>Capitol Budgeting</i> in GFOA's magazine. Co-sponsored an audio conference with IPMA-HR, and IPMA-HR promoted the audio conference to its members. Partnered with NLC to develop a national survey on Local Government Economic Development Practices. The Vietnam Association of Cities has become ICMA's most recent affiliate.</p>
<p>4. 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.</p>	

Tactics	FY 2010 Progress to date
Partner with the Alliance for Innovation to provide evaluation methodologies to assess leading practices	Q2: This is an activity that ASU is taking the lead on with the Alliance. It's in development.
Identify foundation funding for priority projects	Q1: Planning discussions were held to collaborate in international programs with USC, MIT, Frostburg State University, UC Berkeley, Monterey Tec in Mexico and CEPT in India. Q2: Continued work with existing foundation funding for several projects, such as 311/CRM and community building.
Increase and diversify promotion to the academic community	Q1: Have exhibited at two academic conferences (NASPAA and the Association of Schools and Collegiate Planning), getting several good author and topic leads and positive brand recognition. Q2: Working with the Chase Community Foundation and the Enterprise Foundation, ICMA— through the Brownfields Conference—is engaging the academic community. ICMA staff in coordination with the Vietnamese Academy for City Managers delivered a training session to 40 Vietnamese mayors on local economic development. ICMA staff held a training session on leadership for approximately 15 Chinese University exchange students.
Identify new subject matter experts and create partnerships to provide examples of US and international best practices	Q1: Finding new subject matter experts through other organizations and the Alliance. Q2: ICMA staff have partnered with faculty at Cornell University to submit a proposal to study disaster resiliency in rural communities. Two national surveys are included. Awards will be announced in September 2010. Development and publication of a collection of homeland security best practices is moving forward. ICMA has partnered with the University of Georgia to develop tourism promotion training for Chinese local governments.

Member Engagement and Support	
1. Create opportunities to gain entry into the profession and into the association and its leadership.	
Tactics	FY 2010 Progress to date
Reposition the “Next Generation” as we currently understand it to include young people and those from non-traditional backgrounds	Q1: New pages were developed on the Career Network (JobCenter); a revised next-generation report was issued in the September 2009 board book. Q2: Continue to offer one-year complimentary membership to CPM primary coordinators in the hope that some will become long-time ICMA members as they move up in their careers.
Create and strengthen relationships with members who have transitioned from non-traditional career paths into senior local government management by focusing on recruitment, retention, and mentoring	
Engage managers of small communities in assessing and developing solutions to encourage membership and participation	Q2: Groundwork laid and moderators identified to launch ‘Small Communities’ discussion/ interest group on Knowledge Network early in 3 rd quarter.
2. Enhance communication and dialogue to develop synergistic relationships with state and affiliate organizations and other professional associations.	
Tactics	FY 2010 Progress to date
Create formal agreements or seek alternative ways to collaborate with state and affiliate organizations to emphasize the value of both affiliate and ICMA membership for each member, and develop an action plan to enhance member value	Q1: Three affiliation agreements signed at the ICMA Annual Conference in Montreal: Arizona, Maryland, and International Hispanic Network. Active dialogue in progress with Florida, Illinois, Missouri, Ohio, Minnesota, Utah, and Virginia. Q2: During 2 nd quarter, Virginia, Wisconsin, and Ohio agreements were finalized. Washington and North Carolina have been added to those in active discussion. Discussion with NFBPA was also initiated.
Create/Strengthen relationships with other local government professional associations	Q2: Affiliation agreement signed with National Association of Regional Councils (NARC) and first meeting held with full NARC staff during 2 nd quarter. Meeting with NARC membership director scheduled for early 3 rd quarter.
Enhance and promote the regional summit meetings in order to encourage broad participation and build stronger relationships and awareness of ICMA	Q1: Promotion for the FY 2010 regional summits began during the Montreal conference with dates and locations announced. Q2: Online registration became available in November 2009. Alternative pricing structure was added to attract additional registrations, and the ability to apply the e-debit card was included in registration options.

<p>Strategically deploy ICMA resources to work with state associations as well as domestic and international affiliates to build effective relationships and maximize the advancement of services to members and potential members</p>	<p>ICMA Senior Advisor and staff have attended meetings in:</p> <ul style="list-style-type: none"> • California, Missouri, Ohio, and Washington. (Q1). • Indiana, Tennessee, Utah, and Mississippi (Q2).
<p>3. Foster inclusion, engagement, and support throughout a member’s life of public service.</p>	
<p style="text-align: center;">Tactics</p>	<p style="text-align: center;">FY 2010 Progress to date</p>
<p>Create a personal online network using state of the art technology to engage members with the association and each other</p>	<p>Q1: Knowledge Network launching in 2nd quarter. Web2 team chartered in late FY 2009 and progressing toward goals. Q2: Knowledge Network will launch in 3rd quarter due to technical challenges. Recruited members to serve as moderators for two new members-only online discussion groups on career mentoring and small communities to enhance perceived member value. Planned another member-only group for first-time administrators. Continued and expanded outreach on Twitter, Facebook (by moving ICMA’s presence from a group to a fan page), and GovLoop.</p>
<p>Expand and enhance the Senior Advisor program and consider other program models to better engage members including those who have left traditional local government service</p>	<p>Q2: Additional senior advisor added in Southern California.</p>
<p>Identify and develop opportunities for members to contribute time and talent to the association and the profession</p>	<p>Q1: Three task forces are staffed, and members have been recruited.</p>
<p>Celebrate the accomplishments and legacy of members</p>	<p>Q1: Recognized 745 service award recipients at the conference. Offered 25+ recipients the option to have a Fund donation made in their name instead of receiving a physical award. Approximately 40% of services award recipients took advantage of this, contributing \$4,000 to the Fund. All award recipients were recognized in the October issue of <i>PM</i> magazine.</p>
<p>Ensure that members and their families are supported in a way that demonstrates caring and that maintains an unbroken connection to the association and its resources, especially those in transition</p>	<p>Q1: Continued to offer monthly conference calls and complimentary audio conference registrations for Members in Transition (MIT). Updated Range Rider policies and procedures manual for discussion at the conference meeting. Engaged Range Riders in helping to staff the member area of the ICMA Pavilion and the popular “Spin the Wheel” at the Montreal conference.</p>
<p>Identify our least engaged members and determine what issues contribute to their lack of involvement in ICMA and create opportunities to enhance involvement</p>	<p>Q1: Offered economic crisis e-debit card and continued to promote it. Q2: As of December 2009, 802 members had redeemed \$142, 975 in debit cards.</p>
<p>4. Be the leader in offering career services to local government professionals throughout their lives.</p>	

Tactics	FY 2010 Progress to date
<p>Improve the interactive functionality of the website to include such functions as résumé building and uploading, and provide more opportunities for members to connect with the career services resources</p>	<p>Q1: On target, but with caution. IT resources dedicated to launch of new KN and Web site has postponed activities, and all non-emergency programming on the Job Center has ceased. This is not unexpected, but any delay in one area necessarily delays others. All other aspects functioning normally. Q2: Behind target. The delay in the Web site revision and launching of the Knowledge Network has delayed any progress on this goal. IT and the CS team are meeting to discuss alternatives to getting this done within the requested timeline.</p>
<p>Grow opportunities for entry-level professionals, including the Local Government Management Fellowship and Local Government Management Internship programs and targeted job opportunities.</p>	<p>Q1: The 2010 LGMF program launched on schedule, and applications are being submitted. Record number of hits on application this early in the process. Host recruitment is slow as expected. We have one confirmed host. Q2: The program is on target for flat growth over last year. We have a good number of hosts signed up, given the economic climate, provided they all follow through on their pledge. We had a near-record number of applicants this year.</p>
<p>Identify career stages and career services to help members create a personal career plan while providing the appropriate delivery method</p>	<p>Q1: Held a meeting in Montreal with a group of state leaders in the areas of coaching and next generation. Q2: Senior Advisor is working with next-generation groups in Ohio and Michigan. Included in affiliation agreements will be the request that states designate a point person on next-generation issues. Will also test members-only coaching group in Knowledge Network. A meeting will be set during the 3rd quarter to explore how mentoring and coaching programs including ELDP (Emerging Leaders Development Program), LGMF, Leadership ICMA, Legacy Leaders, and others can be unified or organized.</p>
<p>Ensure continuous improvement and evaluation of career resources to serve members at all levels of their local government career</p>	<p>Q1: Three new task forces were launched to update existing career resources.</p>
<p>5. Promote work/life balance as part of attracting and retaining members and achieving organizational sustainability.</p>	
Tactics	FY 2010 Progress to date
<p>Develop information on best practices and other resources to help members, their families and local governments promote and support appropriate work life balance and personal sustainability</p>	<p>Q1: Introduced a new column in <i>PM</i> magazine called “Balancing Act” that directly addresses work-life balance issues.</p>

Hi Tom and Noelene!

Please find attached information on ICMA Executive Board expenses as prepared by ICMA staff. The first document includes an overview on some of the areas where we may be able to reduce expenditures and the second document is a spreadsheet reflecting overall board expenditures for fiscal year 2009.

To achieve a five percent (5%) reduction in expenditures, we could return to the previous board policy of not reimbursing for Thursday dinner as well as make some modifications in the supply of alcohol at our events that would maintain the ability for us to have hospitality, yet still contain costs. This latter suggestion would be to maintain wine with dinner on Friday and Saturday and provide limited hors d'oeuvres at these functions. It would also include the full bar setup for Friday, with a cash bar on Saturday. After dinner hospitality would be limited to wine, beer and soda with hospitality on Thursday limited to one hour to allow everyone to "reconnect."

To achieve a ten percent (10%) reduction would require us to consider meeting in the Washington, DC area in February as well as in May/June. This would reduce the cost of the February venue as well as contain staff travel costs for the board meeting. Another option for this, although it would be slightly less of a savings, is to simply look for a less-expensive venue in February than the "destination" locations where we have been meeting.

Obviously, we are well into the current 2010 fiscal year and are already booked for our February meeting. However, I would like for us to consider implementing the 5% cost reduction concepts as early as the February board meeting. We could do this by providing this information in advance of our Finance Committee conference call next Tuesday and allowing the committee and the board to review the information and hopefully concur on this as an appropriate course of action given our current fiscal issues at ICMA and the economic climate for all of our members.

I also believe that we should consider a less expensive venue for our February 2011 and subsequent meetings to achieve a higher savings in fiscal year 2011 and beyond.

It is also possible that after a review of the numbers in the attachment that we could come up with some other ideas to reduce costs, although I believe that the five and ten percent targets are some good ways to start the process now. As an example of these "extras," we also discussed mailing costs for board materials and I believe that staff is looking to email materials to us to avoid the overnight shipping rates. We may also look at emailing these materials to board members so they may be printed and/or downloaded to our laptops. Another area is achieving some more consistency among board members as to how extra expenses are charged to ICMA. For example, some of us do not bill ICMA for meals when we travel to and from the meetings; others do. This isn't a large expense, but I think it is something we could look at not only to achieve cost savings, but to achieve consistency with how the board members address billing ICMA not only for board meetings but for travel to state associations as well. These are just some examples of board expenses on the attachment that could be addressed differently.

If the recommendation to immediately work toward implementing the five percent (5%) reduction is amenable to you, **I would suggest that Tom send this recommendation to the Finance Committee (and all board members) so that we can talk about it at the conference call on Tuesday. That would allow us to begin the reduction at our February board meeting. (Tom, Bob also is willing to send this recommendation out to everyone if you would prefer. Just let me and/or him know so that it can be included in the email later this week.)** We could also then talk at the February meeting during our committee meeting about the desirability of working toward further reductions for the 2011 budget that we will be discussing later this year.

I am hopeful this information is helpful to everyone in analyzing what contribution we can make as an Executive Board to the budget issues being faced by ICMA as well as its membership. I want to thank the ICMA staff—Bob O'Neill, Uma Ramesh, Betsy Sherman, and Gina Anderson-Ford for all their help to me on this project to date. Please let me know how you would like to proceed on this matter.

Cheryl

Cheryl A. Hilvert
City Manager
City of Montgomery
10101 Montgomery Road
Montgomery, Ohio 45242
513-891-2424 (o)
513-891-2498 (fax)
www.montgomeryohio.org

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OVERVIEW OF BOARD EXPENSES AND OPTIONS

January 2010

STAFF ATTENDANCE

Primary staff to the board (Bob, Gina, Uma, Martha, Betsy) attend all board meetings. For the November and February board meetings, additional staff has attended in the past, but now only come for the purposes of a presentation or a substantive discussion for which they are key staff. The conference and May/June board meetings provide other opportunities for staff participation since minimal or no travel expense is involved.

Staff support to the board partners and the Partners Program was shifted from Julie Butler to Gina after the Montreal conference reducing one regular attendee to board meetings. (Since Julie's travel expenses were charged to the Partners Program, however, this is a savings to ICMA but not to the board budget.)

Recommendation:

- Maintain current policy where primary staff to the board attend and additional staff come to the November and February meetings only when needed for substantive participation.

THURSDAY DINNER

Prior to 2003 no expenses were reimbursed for Thursday evening dinner. After discussion on the desirability of having some reimbursement since arrival by Thursday evening required eating either en route to the board meeting or at the board meeting site, the italicized language was added to the policy for board members only (not partners):

1. Catering

ICMA will pay for organized meals for board members as follows:

- At the conference: All day Friday and Saturday dinner for the current and incoming board; Saturday morning for the new board.
- For other board meetings: Breakfast, lunch and dinners on Friday and Saturday. *In addition, reasonable and necessary expenses for Thursday dinner will be reimbursed.*

Since 2003, these expenses have grown as group dinners at restaurants have been included in reimbursement requests. Some board members submit no reimbursement requests for Thursday dinner.

Options:

- Return to policy of not reimbursing expenses for Thursday dinner
- Establish a fixed amount for reimbursement based on the federal per diem dinner rate for the location. This is the policy followed by staff

FOOD AND BEVERAGE

Location is a key factor in the costs of food and beverage. For example, a breakfast at last February's meeting was \$34. In November in Detroit, it was \$22.

Food:

Options for organized meals are somewhat limited when the location itself is more expensive. The board has expressed preference for a full-option breakfast. Buffet style is the most economical approach and is \$5-7 more per person than a continental breakfast (\$350 – 490 plus tax and tip per board meeting assuming 10 partners.) Buffet style lunch as currently served is \$3-5 more per person than boxed lunches. (\$150-\$200 plus tax and tip per meeting)

Friday dinner with invited guests ranges from \$50 to \$75 per person depending on the location.

Saturday dinner has been off-site with a fixed menu that is less costly than a hotel. It has ranged from \$40 to \$60 per person. Locations have usually been within walking distance unless transportation is sponsored.

Alcohol:

Costs for receptions, wine at dinner, and after dinner hospitality can be considerable and amounted to over \$10,000 in FY2009. The price differential between different beverages at a reception has gone down in recent years so cocktails are usually only \$1-2 more than beer or wine. For the Friday receptions before dinners with guests, hors d'oeuvres have cost about \$1,000 and alcohol has ranged from \$1300 - \$2,000.

Options:

- Maintain wine with dinner on Friday and Saturday. Provide nibbles instead of hors d'oeuvres. Continue the full bar set-up for the Friday reception with guests, but shift to a cash bar reception for Saturday. Limit after-dinner hospitality on Thursday and Friday to wine, beer and soda. Limit the Thursday hospitality to one hour.
- Avoid resort or destination locations for the February meeting in order to reduce food and beverage costs.

MEETING LOCATION

Location is the major factor in meeting costs.

Board policy states the following:

Since most member dues come from public funds, ICMA board meeting expenses should be in keeping with the professional goals and image of the Association. Meeting locations should be selected so as to facilitate interaction with leaders of the profession (e.g. state association presidents, former board members) with the board. The incoming President will select/recommend sites in conjunction with this policy and within the approved budget for Board meetings (including hotel, air travel and on-site functions.)

Recent practice has been to visit a board member's local government or state in a lower cost venue for the November meeting (Wichita, Kansas; Plano, Texas; Detroit, Michigan). The February meeting has been in the southern part of the country and usually in a "destination" location. (Tucson, Arizona; Ponte Vedra Beach, Florida; San Diego, California). This results in higher costs for lodging and for food and beverage. Room costs have ranged from \$129 to \$249 per night. Total costs for November board meetings have been \$45-48,000 and February meetings have been \$62,000-\$65,000.

Options:

- Meet in the D.C. area in February as well as the May/June meeting. This could save \$2000 in staff travel costs and \$5,000 in general meeting costs.
- Select a lower cost venue for the February meeting other than DC (but still out of likely snow country, but in airport or downtown hotels) in order to retain interaction with members in different parts of the country saving \$5,000.

RECOMMENDATIONS:

To achieve 5% savings in food and beverage costs:

- Return to policy of not reimbursing expenses for Thursday dinner
- Maintain wine with dinner on Friday and Saturday. Provide nibbles instead of hors d'oeuvres. Continue the full bar set-up for the Friday reception with guests, but shift to a cash bar reception for Saturday. Limit after-dinner hospitality on Thursday and Friday to wine, beer and soda. Limit the Thursday hospitality to one hour.

To achieve closer to 10% savings in lodging, food and beverage costs:

- In addition to the savings above, meet in the D.C. area in February as well as for the May/June meeting

FY 2009

Executive Board expenses

	TOTAL	901.100.00 General Operations	901.301.00 Nov.Dec Plano, TX	901.302.00 Sept Richmond, VA	901.303.00 Feb/Mar Jacksonville, FL	901.304.00 June Annapolis, MD	901.305.00 Orientation Washington, DC	901.400.00 Elections	901.500.00 President travel	901.600.00 Strategic Planning
By category										
staff labor	69,937.72	47,708.63						1,214.58		21,014.51
Fringe	26,710.34	18,220.69						463.87		8,025.78
Staff travel	7,471.42		2,252.98	1,004.63	2,669.81	749.00				795.00
Lodging	54,976.03		11,079.00	9,653.99	22,614.00	10,404.04			956.00	269.00
Board member travel + exp reimb	65,270.22		14,430.00	445.00	14,328.00	12,978.75	5,197.47		17,891.00	
Food and Beverage paid to hotel	74,315.46		17,409.10	18,816.09	20,455.00	15,812.27	1,474.00	349.00		
AV and room rental	3,102.91		1,356.00	656.00	233.00	857.91				
Alcohol	10,129.77		1,928.00	1,882.00	2,854.00	3,465.77				
Reception Dinner	11,911.11					5,893.11	6,018.00			
Facilitator travel expenses	2,593.00			2,593.00						
Printing: awards, ballot etc	5,308.63	2,666.56						1,573.07		1,069.00
Board books	2,006.03		281.00	748.53	384.50	592.00				
Mailings to board	2,951.02	2,951.02								
Transportation to Staunton, VA	1,807.00			1,807.00						
Group photo	782.00	782.00								
Other	1,183.27	568.90		337.50	176.00	100.87				
Supplies	886.34	886.34								
Votenet solutions	2,755.00							2,755.00		
	-									
TOTAL COSTS	344,097.27	73,784.14	48,736.08	37,943.74	63,714.31	50,853.72	12,689.47	6,355.52	18,847.00	31,173.29

Partners Program

Staff labor + Fringe	3,500.00
Travel Stipend for President partner	500.00
Travel Stipend for Australia/NZ VP partner	750.00
Staff travel to board meetings	1,250.00
Conference t-shirts and give aways	2,600.00
Travel for partner of VP conf planning	300.00
Conf Monday partners session	1,200.00
TOTAL COSTS	10,100.00

FINANCE AND BUSINESS OPERATIONS COMMITTEE

AGENDA COMMUNICATION

NO. 2853

**FEBRUARY 25-28, 2010
SAN DIEGO, CALIFORNIA**

- SUBJECT:** Registration fees and budget for 2010 conference
- INTRODUCTION:** At the first meeting of the new calendar year the Board traditionally reviews the estimated revenues and expenses for the upcoming annual conference as a basis for approving the registration fee and other related fees.
- BACKGROUND:** Staff provides estimated revenue and expense information for the upcoming conference based upon a projected attendance level. Projections are based upon familiarity with the conference site and prior attendance history. Staff uses this information to propose the registration fees to the Board. This decision takes place at this meeting to allow for advanced marketing of the conference prior to the financial plan meeting. Staff will also discuss the preliminary accounting for the prior year's conference.
- POLICY:** The Executive Board:
- Reviews and approves registration fees proposed by staff.
 - Reviews and approves any policies affecting how conference activities are funded (i.e., including the Sunday Welcoming Reception price in the conference registration fee).
 - Holds staff responsible for meeting conference budget projections.
 - Determines the nature and scope of exhibits at an annual conference.
 - Reviews and approves substantive amendments to the exhibitor guidelines established with the expansion of exhibits in 1984.
 - Advises on the expectations for the contribution to net assets from the conference activity.

Recommendations from the Task Force on Financing ICMA adopted by the board in 2004:

- **Conference registration fees for ICMA members and partners will not increase at a level greater than the rate of inflation anticipated for the conference at the time the registration rate is established.**
- **Provide a high quality professional development and networking opportunity at the lowest cost possible to the membership while generating a profit (after indirect costs) to the Association of 10%-20% of total conference direct expenses.**
- **Establish a spread between member and non-member registration fees that is large enough to avoid creating disincentives for joining ICMA.**
- **Increase corporate support of the conference as long as sponsorships demonstrate support for Association values, generate revenue, and are clearly explained to the membership.**

PAST PRACTICE:

The annual conference is a fee-based activity. Prior to 2004, practice was to pursue a pricing strategy that initially anticipated a member dues subsidy with the intent to break even as conference revenue and expense estimates were refined through the budget process. This practice was modified by the recommendations from the Task Force on Financing ICMA, which were approved by the board in 2004. The conference now looks to generate a profit while minimizing the burden on member registration fees.

FINANCIAL IMPLICATIONS:

Conference revenues account for approximately 5% of the FY 2010 ICMA annual revenue budget.

RISK ASSESSMENT:

Inaccurate attendance projections will affect registration revenue, the major revenue item in the conference. Member attendance in Pittsburgh and Richmond was stronger than expected for second tier tourist destinations. Attendance in Montreal was among the lowest since the early 1980s as a result of the economic environment and the site being outside the U.S. Though back in the U.S. for 2010, attendance in San Jose is projected to be no better than Montreal because

of the expanding impact of economic woes on local governments.

Exhibit hall revenues climbed for several years with the hall in Richmond selling out and exceeding budget. Sales in Montreal suffered because of the economy but are budgeted to rebound somewhat in San Jose in the absence of the logistical and financial complications of exhibiting outside the U.S.

RECOMMENDATION:

Approve the proposed registration fees recommended on page 7 of the attachment.

Discussion Leader:

Tom Muehlenbeck, Chair

Registration Fees and Budget for 2010 Annual Conference

San Jose, California

Background

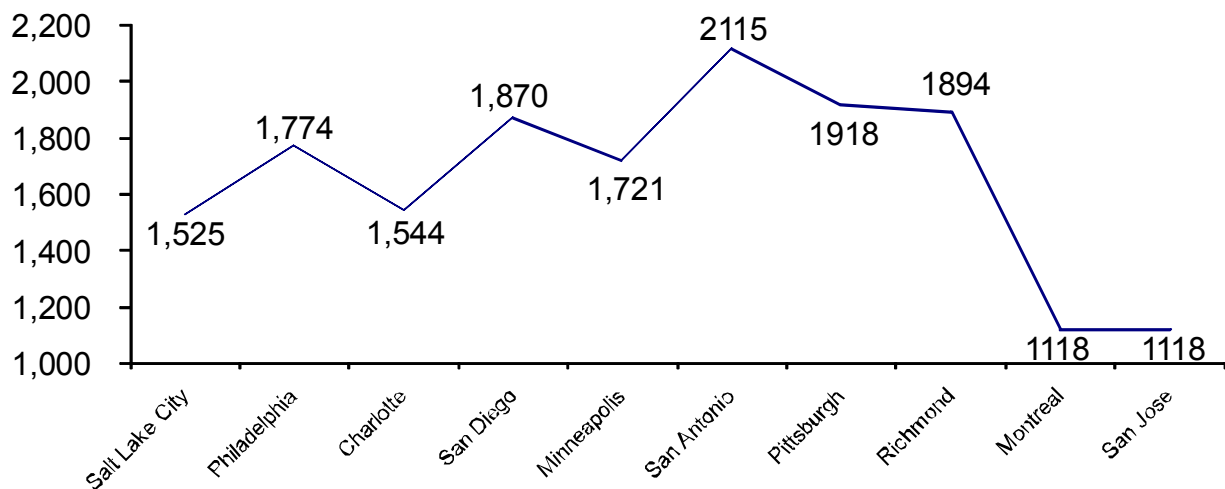
Member attendance at the 2009 annual conference in Montreal was the lowest since 1980—19% lower than attendance at the Salt Lake City conference, which took place ten days after the terrorist attacks of September 11, 2001. Though bringing the conference back to the United States in 2010 might be expected to have a positive impact on conference attendance, the steadily worsening local government fiscal situation nationwide is likely to dampen conference attendance for the coming two to three years.

The deepening fiscal crisis is the greatest challenge for the conference and would be a factor regardless of the venue. Travel restrictions and spending cuts threaten members' ability to attend such events. Again this year, our marketing of the event will focus on the importance of the tools, tips, information, and resources received from attending high-quality conferences and that the professional and personal renewal and networking opportunities are more than worth the cost of attendance. We also will use testimonials from attendees at past ICMA conferences, who have said they've saved their communities thousands of dollars from just one idea that they picked up during an educational session or other conference program event.

Attendance Projections

Because of the severity of the current economic downturn and the expanding number of local governments feeling the impact, this budget assumes 2010 conference attendance at the same level as in Montreal/2009. (See chart below.)

Trend in Paid Member Attendance



Staff projects a total attendance of approximately 2,200 in San Jose and paid member attendance of 1,118. In addition to having a dampening effect on registration revenue, a drop of this magnitude will cause hotel attrition clauses to kick in.

Projected paid attendance is shown below.

	ACTUAL PAID ATTENDANCE				ESTIMATED PAID ATTENDANCE
	Pittsburgh	Richmond	Montreal	Average	San Jose
<u>Members</u>					
First Pre-registration Cut-off					
Paper	243	157	69	156	69
Online	1252	1261	768	1,094	768
Second Pre-registration Cut-off					
Paper	81	103	51	78	51
Online	241	294	215	250	215
Final Pre-registration Cut-off					
Paper	35	41	15	30	15
Online	66	38	0	35	-
	<u>1,918</u>	<u>1,894</u>	<u>1,118</u>	<u>1,643</u>	<u>1,118</u>
Life Members	25	25	21	<u>24</u>	<u>21</u>
Retired Members	22	25	21	<u>23</u>	<u>21</u>
<u>Non-Members</u>					
First Pre-registration Cut-off	35	28	9	24	9
Second Pre-registration Cut-off	44	32	22	33	22
Final Pre-registration Cut-off	15	9	2	9	2
	<u>125</u>	<u>69</u>	<u>33</u>	<u>76</u>	<u>33</u>
Academics	23	27	17	<u>22</u>	<u>17</u>
Partners	<u>469</u>	<u>461</u>	<u>416</u>	<u>449</u>	<u>416</u>
Total	<u>2,582</u>	<u>2,501</u>	<u>1,626</u>	<u>2,236</u>	<u>1,626</u>

Revenue and Expense Areas

These are the major revenue and expense areas for the conference. While some costs are variable in nature, many are fixed to a degree in advance due to requirements to lock-in the necessary resources for a conference of our size. The figures presented here reflect the assumption that the economy will again this year have a negative impact on attendance. An additional risk to be aware of is the possibility of hotel attrition penalties if the contracted number of hotel rooms is not met. To offset the impact on the bottom line, budgeted expenses reflect significant cost containment efforts in areas over which we have control and revenue projections that assume aggressive efforts to increase attendance, bring in new sponsorships, grow the exhibit hall, and sell content to members and others who are unable to attend the event. Comparative revenue and expense figures for 2009 and 2010 are shown on the attached schedules.

Program and Administration

Registration. Projected registration revenue assumes keeping rates at the 2008 and 2009 level and realizing attendance equal to that in Montreal. We will continue to heavily market the importance of professional development and networking during challenging times and are making special outreach to members of the Municipal Management Assistants of Northern California, which has scheduled their annual event in San Jose in the days leading up to the ICMA conference. Registration expenses are relatively low due to the in-house capacities we have developed. The budget for temporary staff has been cut back to a minimum.

Operations. This includes general expenses involved in planning the upcoming conference including all staff labor charges and other direct expenses at the home office. Staff travel related to planning the event has been reduced for 2010. Though the budget assumes the same reduced on-site staff as in Montreal and no increases in salaries charged to the conference account, staff labor charges are expected to be higher for San Jose than for Montreal, since the conference is five weeks later in the year. Expenses for hotel shuttle busing are normally included here, but for San Jose have been cut due to the proximity of conference hotels to the convention center and/or San Jose's light rail system.

A risk is our liability if hotel room pick up does not meet contracted obligations. As of early February, if the same number of hotel rooms are booked in San Jose as were booked in Montreal, we would be liable to hotels for as much as \$123,000 in liquated damages. We are working with Team San Jose to limit our exposure by negotiating with hotels to further decrease the hotel block size (one round took place in October) and will have more information about the potential liability when the final conference budget is done at the time of the association-wide budget. The budget presented here includes a \$60,000 contingency for hotel attrition penalties.

On-site Administration. These expenses, which have been pared back to minimal requirements, include convention center related fees (e.g., facility rental—cost free in San Jose, labor—twice as expensive as in Montreal, telephones, office equipment, security); travel, lodging, and per diem expenses for 18 staff (the same as for Montreal, down from 25 in years before Montreal; as many staff will likely attend paid for by other budgets); lodging expenses for conference vendors (decorator, A/V, exhibition management, and conference logistics consultants); publications distributed onsite (final program, a scaled-down daily newspaper, business meeting exhibits, various other flyers and programs); scaled-down signage; freight; and insurance. With the support of the Conference Planning Committee, most session handouts will be eliminated in San Jose, which will save money and contribute to the greening of the

conference. Options are being researched for funding and producing flash drives containing session materials in lieu of paper handouts. Expenses for on-site administration will exceed last year's, since unionized labor in San Jose is more than twice as expensive as in Montreal.

Speakers. This includes honoraria and expenses for keynote speakers for the four daily plenary sessions and non-member speakers for the concurrent educational sessions and ICMA University forums. The budget for keynote speakers is \$25,000 lower than it typically would be at this stage in the process, before any of the speakers has been engaged.

Audio Visual. This is a high-cost item that increased over the years as we expanded the educational sessions into the exhibit hall in the Solutions Track Theaters. Budgeted expenses for the sophisticated needs of the plenary sessions, which represent over half of total A/V expenses, have been cut back by 30% from the pre-2009 level and will have a noticeable visual impact in San Jose (e.g. two instead of four iMAX screens).

Food and Beverage. These cover food and/or beverages for institutional and conference-related committee meetings (e.g. Conference Evaluation, Planning, and Host Committees) and have been cut back across the board. Food and beverage expenses for ticketed social events are accounted for in those event budgets.

Partners Program. Expenditures for this activity are modest in comparison to the total conference, and largely for food and beverages served at functions for partners attending the conference. The number of attending partners varies greatly from year to year based on each site's relative attraction as a tourist destination.

ICMA tv. ICMA incurs no expenses from the vendor that captures conference news, interviews and speech highlights and broadcasts them on plasma screens around the venue and in attendees' hotel rooms. The conference benefits from a 15% commission (budgeted at \$60,000 for San Jose, on par with Montreal) on the vendor's sale of their video production services to local government purchasers.

Sponsorships. ICMA-RC's principal sponsorship and CIGNA's diamond sponsorship (both \$300,000, 16% of which is diverted to the Strategic Partner and PM budgets), are expected to continue for San Jose. Given the current economic environment, the Strategic Relations team feels that it is unwise to budget for more than \$10,000 in additional sponsorships, though the team intends to be aggressive in pursuing sponsorship leads. Sponsorship totals were higher for Montreal because of contributions from the city and provincial tourism organizations.

Social Events

Major Evening Social Events. These include the Saturday and Sunday evening receptions, the optional evening social events on Tuesday, and ticketed luncheons and breakfasts. These activities are priced to break as close to even as possible, given the estimated attendees. The costs are variable and dependent upon attendance; however, attendance guarantees are required three days before each event. We estimate attendance and sell tickets up to the time of each event. In recent years, host committees and/or corporate sponsors have significantly subsidized the costs of these events, allowing us to use venues and/or serve food and beverages the cost of which would otherwise result in a prohibitively expensive ticket price.

Field Demonstrations and Sporting Events. These activities are also priced to break even based on the estimated attendance. Host committees usually make financial or in-kind contributions to the field demos and sporting events.

Exhibit Hall

Main Hall. Revenues come from booth sales, break sponsorships, and the Solutions Track presentations. Recognizing the sales success, rising costs, and the upcoming international location (when price increases were discouraged due to the additional costs of exhibiting), we increased the booth rate for 2008 by \$100 per 10 x 10 booth. Given the current financial challenges, there will be no increase in the price of exhibit hall space for the San Jose conference. We try to stay within the same price range as NLC and NACo.

We adjust the exhibit hall layout every year to bring new life to it and build exhibitor interest. Responses to the changes have been positive from both attendees and exhibitors. In 2005, ICMA sold out the exhibit hall for the first time in its history and had the highest participation in onsite booth reservations since 9/11. In addition, exhibitor survey ratings for the hall increased across the board. The 2008 hall set records for both booth sales (\$369,050) and square footage. The international location and economic decline caused a drop in sales for the 2009 exhibit hall (\$222,713).

Since 2005, a subcommittee composed of volunteers from the Conference Planning Committee and selected Strategic Partners has planned the Solutions Track educational sessions. Until 2009, the opportunities sold out each year and were a strong draw for attendees with many being standing room only. In 2007, we increased the number of theaters from two to three. In 2008, we increased the fees to range from \$2,500 for Executive Level Strategic Partners to \$5,000 for non-Strategic Partners. The 2009 Solutions Track did not sell out and several timeslots were given to partners and organizations as an additional benefit for their relationship with ICMA. Because of the challenges last year, the Solutions Track committee will determine whether there should be two or three theaters this year.

Boosting traffic in the hall is key to maintaining exhibitor interest and boosting booth sales. In this vein, the Sunday opening reception continues to be a hit with exhibitors and starts the show off on a positive note. This will continue in San Jose. The floor plan also includes the ICMA Pavilion and Bookstore.

As noted for on-site administration, convention center labor is more than twice as expensive in San Jose as in Montreal. Food and beverage expenses will be about the same in San Jose as last year. Consequently, the lunches and break expenditures (if not sponsored) also are high cost components for the exhibit hall. These activities are prime traffic draws for the hall.

Planning and Marketing

Conference Planning: This includes staff and board liaison travel/lodging expenses and meeting expenses for the Conference Planning Committee meeting, which is held at the conference site approximately ten months prior to the conference and has already taken place for San Jose. Experience has shown that conference promotion is enhanced by meeting at the conference site as opposed to a meeting in Washington, D.C., where there would be no expenses for staff travel.

Preliminary Promotion: This includes expenses for marketing the conference including the production, printing, and mailing of pre-registration materials to members; special attendance promotions to attract non-members; and the conference Web site. To save money in this area and to be greener, staff are actively considering merging most of the preliminary program details into the July issue of *PM* with more information included on the conference web site.

Summary of Key Budget Assumptions and Contingencies

Revenues for San Jose assume attendance equal to that in Montreal. Expense areas expected to be higher in San Jose than in Montreal include: convention center labor (approximately double the costs in Montreal) and staff labor (since this year's conference is 5 weeks later in the year). In addition, operational expenses include \$60,000 hotel attrition penalty contingency, based on current contractual obligations. Staff will work to manage expenses below budget and are negotiating with hotels to further decrease the hotel room block in San Jose to limit our exposure to hotel contract attrition clauses.

In light of the challenging fiscal environment again this year, staff has incorporated into the budget a number of additional cost-reduction and revenue-enhancement tactics, some of which were first implemented for Montreal:

Reduce costs:

- scale back general session AV and set
- engage lower cost and/or fewer keynote speakers
- continue scaled back conference newspaper implemented in Montreal
- minimize signage
- eliminate most paper session handouts (to be green as well as cost saving)
- eliminate hotel shuttle bus service
- scale back food and beverage offerings in the exhibit hall, partners events, and staff events
- enlist help of host committee volunteers in lieu of hiring on-site temporaries, as practicable
- continue reduced number of staff traveling to conference
- scale back pre-conference staff travel related to planning the event
- scale back onsite offices (e.g., equipment, telephones, food & beverage)

Enhance revenue:

- market heavily in California, including to members of MMANC, which has scheduled its annual meeting in San Jose on the days leading up to ICMA's conference
- work with exhibition management company to sell out exhibit hall (budgeted at 85%)
- aggressively seek new sponsors
- promote virtual conference to those unable to attend in person (Note: Revenues and expenses for the virtual conference are not included in the conference budget. The net contribution for Montreal's virtual conference was \$19,000 (budgeted to be \$40,000). A higher contribution will be budgeted for the San Jose virtual conference based on improvements to the content, pricing, and promotion of last year's event.)

Registration Fee Recommendations

Staff recommends keeping the registration fees for the 2010 conference the same as they were in 2009 and 2008. This is prudent in light of the economic hardships being experienced by more and more local governments and even though a board policy exists allowing an increase the registration fee for members up to the rate of inflation (which increased by 2.7% in the 12 months before December 2009). We also recommend holding the price of the Sunday reception ticket price at \$35.

We propose:

- Member base online registration fee of \$565; those registering by hard copy form will pay \$590. These fees will increase for each of the two additional registration deadlines.
 - Offer a payment plan to members who pay for conference registration themselves.
- Maintain the substantial difference between member and non-member base registration fees to provide a greater incentive for membership in the pricing of non-member rates. The non-member base registration fee for the three registration deadlines will be \$990, \$1,050, and \$1,100.
- Price the Sunday reception ticket (included with paid registrations) at \$35 (the same as for the past three years).
- Partner base registration fee of \$55 for a total fee (base plus Sunday reception ticket) of \$90 (the same as for Montreal).
 - New: Based on feedback from the 2010 Conference Planning Committee, restrict eligibility for the partner registration fee to individuals who are not ICMA members and not local government employees.
- Complimentary registration for:
 - Student Members
 - Honorary Members
 - Range Riders
 - Non-member speakers
- Registration discounts for:
 - Members in the conference region (Alaska, California, Hawaii, Nevada, Oregon, and Washington) attending their first conference (\$200 discount)
 - Members outside North America attending their first conference (50% discount)
 - Retired Members (\$150 fee)
 - Life Members (\$150 fee)
 - Full-time academics (\$230 fee)
 - New members attending their first conference and registering as a result of special promotions encouraging current members to promote the conference (\$100 discount)
 - Early-career professionals, defined as Affiliate Members with 3 years or fewer as a member (\$300 discount).
 - Members of Municipal Management Association of Northern California attending ICMA conference in conjunction with attendance at the MMANC conference (2-day discount)
 - Eligible members who have not yet cashed in on all of their Economic Crisis E-Debit cards may apply remaining amounts to conference registration.
- Distribute conference scholarship money among more recipients by covering less than 100% of the costs of each.

ICMA Annual Conference
Proposed Fees with Comparison to Prior Year
2010 San Jose

	Montreal Opening			San Jose Opening		
	Base	Reception	Total Fee	Base	Reception	Total Fee
Members						
PAPER REGISTRATION (\$25 Premium)						
First Pre-registration Cut-off	\$ 590	35	625	\$ 590	35	625
Second Pre-registration Cut-off	\$ 650	35	685	\$ 650	35	685
Final Registration Rate	\$ 700	35	735	\$ 700	35	735
ONLINE REGISTRATION						
First Pre-registration Cut-off	\$ 565	35	600	\$ 565	35	600
Second Pre-registration Cut-off	\$ 625	35	660	\$ 625	35	660
Final Registration Rate	\$ 675	35	710	\$ 675	35	710
Life Members	\$ 150	35	185	\$ 150	35	185
Retired Members	\$ 150	35	185	\$ 150	35	185
Student Members	\$ -	35	35	\$ -	35	35
Note: Reception ticket for students is optional. They need only purchase if they plan to attend the reception.						
Non-members						
First Pre-registration Cut-off	\$ 990	35	1,025	\$ 990	35	1,025
Second Pre-registration Cut-off	\$ 1,050	35	1,085	\$ 1,050	35	1,085
Final Registration Rate	\$ 1,100	35	1,135	\$ 1,100	35	1,135
Academics	\$ 230	35	265	\$ 230	35	265
Partners	\$ 55	35	90	\$ 55	35	90
Cancellation Fees						
Conference registration	\$ 75			\$ 75		
ICMA University Workshop	\$ 35			\$ 35		

ICMA ANNUAL CONFERENCE

Comparative Revenues and Expenses

	2009 Montreal (Actual)	2010 San Jose (Proposed)
Program and Administration		
<i>Revenues</i>	\$ 1,357,427	1,322,000
<i>Expenses</i>	888,916	924,352
<i>Net Contribution</i>	<u>468,511</u>	<u>397,648</u>
Social Events		
<i>Revenues</i>	189,450	149,350
<i>Expenses</i>	189,736	149,350
<i>Net Contribution</i>	<u>(286)</u>	<u>-</u>
Exhibit Hall		
<i>Revenues</i>	271,725	315,200
<i>Expenses</i>	219,392	265,273
<i>Net Contribution</i>	<u>52,333</u>	<u>49,927</u>
Planning and Marketing		
<i>Revenues</i>	-	-
<i>Expenses</i>	72,847	79,451
<i>Net Contribution</i>	<u>(72,847)</u>	<u>(79,451)</u>
<i>Contribution to Net Assets</i>	<u>\$ 447,711</u>	<u>368,124</u>

More detail is shown on the next page.

	2009 Montreal (Actual)		2010 San Jose (Proposed)		
	Revenues	Expenses	Revenues	Expenses	
I	Program and Administration				
	Registration	696,828	4,452	700,000	3,350
	Operations	-	444,011	-	505,555
	On-site Administration	-	152,911	-	170,322
	Speakers	-	85,975	-	92,500
	Audio Visual	-	189,190	-	143,000
	Food and Beverage	-	4,459	-	2,225
	Partners Program	-	7,918	-	7,400
	ICMA TV	59,550	-	60,000	-
	Contributions and Sponsorships (Includes ICMA RC)	601,049	-	562,000	-
	Subtotal	1,357,427	888,916	1,322,000	924,352
II	Social Events				
	Social Events	183,296	184,143	133,450	133,450
	Demonstrations	2,600	2,039	3,600	3,600
	Sports Events	3,554	3,554	12,300	12,300
	Subtotal	189,450	189,736	149,350	149,350
III	Exhibit Hall				
	Main Hall	222,713	180,405	265,200	233,773
	Solutions Track	49,012	38,987	50,000	31,500
	Subtotal	271,725	219,392	315,200	265,273
IV	Planning and Marketing				
		-	72,847	-	79,451
	<i>Totals</i>	\$ 1,818,602	1,370,891	1,786,550	1,418,426

Note: Revenues for San Jose assume attendance equal to that in Montreal. Expense areas expected to be higher in San Jose than in Montreal include convention center labor (the compensation rate for which is approximately double that in Montreal) and staff labor (resulting from the fact that this year's conference is 5 weeks later in the year; the number of onsite staff is budgeted at the same reduced level as in Montreal). Also included as an operations expense is \$60,000 in hotel attrition penalties, which is approximately half of the potential penalties calculated based on contractual obligations in January. Staff will work to manage expenses below budget and will negotiate with hotels to further decrease the hotel room block in San Jose to limit our exposure to hotel contract attrition clauses.

FINANCE AND BUSINESS OPERATIONS COMMITTEE

AGENDA COMMUNICATION

NO. 2854

**FEBRUARY 25-28, 2010
SAN DIEGO, CALIFORNIA**

- SUBJECT:** Selection of Cities for 2018 Conference Site Visits
- INTRODUCTION:** When more than two proposals are received to host the Annual Conference eight years hence, the board narrows the locations for staff site visits to two or three at the winter meeting.
- BACKGROUND:** In May 2009, the board designated the Northeast membership region for the 2018 conference. In October, a request for proposals was sent to state association officers and key convention and visitors' bureaus in the region and was publicized to the entire membership. Since there were no responses by the deadline for preliminary expressions of interest, ICMA staff reached out to several state associations. Proposals to host the 2018 conference were ultimately received from Baltimore City/County, Maryland; New York City, New York; and Philadelphia City/County, Pennsylvania.
- Baltimore offers a compact, affordable hotel package and convention center. Conference-related expenses for attendees and the association would be less than in the other two cities. New York offers a compact hotel package and functional meeting and exhibition space in two large hotel properties. New York offers two date options: September 20–October 3, which is high season and would be prohibitively expensive for attendees and the association; and August 26–29, which would be two weeks earlier than any other conference in recent history and more expensive than the average ICMA conference, but worth considering given the city's unique attractions. Philadelphia offers an excellent hotel package and convention center. Expenses in Philadelphia would be higher than in Baltimore but lower than in New York City. New York City and Philadelphia are first-tier convention cities and historically draw high attendance.
- All three proposals offer good hotel packages, ample event space, evening social event and tour options, and good to excellent air accessibility. All three proposals

have the required backing of prospective host committees, including a commitment of funds to produce a successful conference. In addition, all three cities have the support of their respective state associations.

POLICY: The Executive Board selects the region for the Annual Conference nine years hence. Staff solicits proposals to host the conference from all members in the region in addition to state association presidents and key convention and visitors bureaus. Staff evaluates the proposals for the board, which at the winter meeting narrow the choices to two locations for staff site visits. Based on the site visits, staff prepares a report describing how each site could accommodate an ICMA conference and the board makes the final selection at the summer meeting. (Policy first approved by the board in 1987.)

PAST PRACTICE: The conference site selection process begins nine years in advance in order to have the best choice of dates. In addition to the availability of preferred dates, criteria reviewed include the size and cost of meeting and exhibit facilities; number, quality, and rates of hotels; financial and in-kind commitments offered by prospective host committees and convention and visitors' bureaus; social event and field demo potential; tourist appeal; transportation accessibility; and previous conferences hosted.

FINANCIAL IMPLICATIONS: The annual conference is ICMA's largest annual event with major implications for the budget. The site selection for the conference has a direct impact on cost and revenues.

RISK ASSESSMENT: Attendance level has a direct impact on net contribution.

RECOMMENDATIONS: Select Baltimore City/County, Maryland, and Philadelphia City/County, Pennsylvania, as finalists for the 2018 Annual Conference and approve staff visits to both sites. If the board is willing to consider the August 26–29 dates for the 2018 conference, approve New York City as a third finalist for a staff site visit.

Discussion Leader:
Tom Muehlenbeck, Chair

FINANCE AND BUSINESS OPERATIONS COMMITTEE

AGENDA COMMUNICATION NO. 2855

**FEBRUARY 25-28, 2010
SAN DIEGO, CALIFORNIA**

- SUBJECT:** Annual Review of Financial Policies.
- INTRODUCTION:** The Chief Financial Officer reviews the Board approved financial policies, goals and objectives annually and recommends adjustments to the Executive Board.
- BACKGROUND:** Sound, clear policies effectively applied, can reduce the risk of financial loss. ICMA has maintained or enhanced its existing policies annually since they were first approved in 1997. The Finance and Business Operations Committee will review the policies related to the financial operations of the Association. The Audit and Evaluation Committee will review the policies related to financial reporting and internal control.
- POLICY:** Review the policies annually for adjustments.
- PAST PRACTICE:** Same as the policy.
- FINANCIAL
IMPLICATIONS:** None.
- RISK
ASSESSMENT:** None.
- RECOMMENDATION:** Review the policy. No changes recommended at this time.

Discussion Leader:

Tom Muehlenbeck, Chair

**INTERNATIONAL CITY/COUNTY
MANAGEMENT ASSOCIATION**

Financial Management Policies

Revised February 2009

I.	PURPOSE STATEMENT	1
II.	COMMITTEE OVERSIGHT	1
III.	ACCOUNTING.....	1
IV.	AUDITING.....	2
V.	FINANCIAL REPORTING	3
VI.	INTERNAL CONTROLS	3
VII.	FINANCIAL PLANNING AND MEASUREMENT	4
VIII.	REVENUE MANAGEMENT	4
IX.	EXPENSE CONTROL.....	5
X.	BINDING THE ASSOCIATION	5
XI.	ASSET MANAGEMENT	5
XII.	DEBT MANAGEMENT	6
XIII.	FINANCIAL CONDITION AND RESERVES	6
XIV.	FINANCIAL MANAGEMENT OF GRANTS AND CONTRACTS.....	7
XV.	ANNUAL REVIEW OF POLICIES	7
XVI.	INVESTMENT POLICY, OBJECTIVES AND GUIDELINES.....	7
XVII.	ENTREPRENEURIAL VENTURES, INITIATIVES AND ACTIVITIES.....	13
XVIII.	RISK MANAGEMENT	14
XIX.	EXCESS BENEFIT TRANSACTIONS.....	15
XX.	CONFLICT OF INTEREST.....	15

I. PURPOSE STATEMENT

The Financial Management Policies guide the Executive Board and staff in the effective stewardship of the Association's assets. The policies and related procedures are intended to establish an environment that safeguards Association assets and ensures the credibility and accuracy of reported financial information.

ICMA will establish net asset and liquid reserves sufficient to ensure the financial stability and continuity of the organization in the event of unforeseen circumstances, and to provide capital for investment in new products, programs and services for our members and customers.

ICMA will establish operating policies and internal controls that ensure its operations comply with all applicable federal, state, and local laws, rules, and regulations.

II. COMMITTEE OVERSIGHT

Matters related to the audit process, the system of internal controls, fraud, the organization's process for monitoring compliance with laws and regulations; and maintaining consistency between the annual report and the organization's stated mission and objectives are under the oversight of the Audit and Evaluation Committee in accordance with its charter.

Matters related to internal accounting transactions and policies, financial planning and budgeting, investments and cash management, internal financial reporting, joint ventures, business initiatives, and financial matters are under the oversight of the Finance and Business Operations Committee. Matters related to external financial reporting, auditing, internal controls, risk management, intermediate sanctions, and document retention and destruction are under the oversight of the Audit and Evaluation Committee.

III. ACCOUNTING

A. ***Accounting Practices and Policies*** - The Association's accounting practices will conform to generally-accepted accounting principles as promulgated by the Financial Accounting Standards Board (FASB). The Director of Finance will ensure that an accounting manual is created and maintained to document the internal practices of the Association. Internal accounting practices will be designed to ensure effective internal controls and to implement and support the financial management policies as approved by the Executive Board.

B. Classifications

- i. **Funds** – Self-balancing groups of accounts are used to account for the financial transactions of ICMA. The current funds include:
 - 1. General fund: to record all transactions related to the Association’s general operations.
 - 2. Endowed funds: these funds are created for special purposes whose support is derived from direct contributions and investment income:
 - a. ICMA Fund for Professional Management
 - b. Awards Fund
 - c. Babs Elwell Conference Scholarship Fund
 - d. Kennedy Shaw Fund
 - e. John Garvey Scholarship Fund

IV. AUDITING

A. Audit and Evaluation Committee: The Audit and Evaluation Committee shall exist and function in accordance with its charter as approved by the Executive Board.

B. External Auditing

- ii. **General Requirements** - ICMA will be audited annually by an independent certified public accounting firm licensed to practice in the District of Columbia. The firm must demonstrate that they have the breadth and depth of staff to conduct ICMA’s audit in accordance with generally accepted auditing standards, generally accepted government auditing standards, and specific contractual requirements. The auditor’s report on ICMA’s financial statements will be completed within 90 days of ICMA’s fiscal year end. The audit report, management letter and all required communications will be presented to the Audit and Evaluation Committee at the annual conference immediately following the fiscal year end. The auditors’ report shall include an accounting for all fees received by them or their holding company for any non-audit services rendered during the fiscal year.
- iii. **Auditors' Responsibility** - The auditors are accountable to the Audit and Evaluation Committee and will have direct access to the Committee at all times.
- iv. **Auditor Rotation** - The Audit and Evaluation Committee will address the selection of an auditing firm every five years through a request for proposal for audit services. Unless otherwise stated, the incumbent firm is eligible to re-bid for the audit. If the incumbent firm is selected, the audit engagement partner cannot continue for more than five (5) consecutive years in that capacity.

V. FINANCIAL REPORTING

A. *Financial Reporting*

Financial reports will be provided to the Executive Board at intervals and of sufficient detail to enable them to effectively monitor the Association's financial affairs. The following reports will be provided at a minimum.

1. Monthly financial brief - a snapshot monthly balance sheet and year-to-date statement of revenues and expenses with brief comments highlighting issues of significance. Monthly reports should be distributed within 30 days of the month end.
2. Quarterly financial report- a comparative balance sheet, a comparative statement of revenues and expenses by strategic objective, narrative of significant information, a report on the progress toward achieving financial goals, a financial report on endowed funds, and a report on all cash investments.
3. Annual audited financials - audited financial statements with footnotes and an audit opinion, an A-133 audit report covering federal grants and contracts, a management letter and any other required or requested information.
4. Annual financial report – a presentation by the Director of Finance highlighting the annual financial results compared to the budget and to established goals.
5. Fund for Professional Management – an annual financial report on the Fund for Professional Management. The report will include the basic financial statements, an update on the investment portfolio, and program information on the activities funded during the year. The report is to be provided to the Executive Board and all Fund contributors.

VI. INTERNAL CONTROLS

A. The Association will establish and maintain a control environment that safeguards Association assets and ensures the credibility and accuracy of reported financial information. The cost of internal controls will not exceed the benefits to be received. The Director of Finance will ensure that internal control procedures are created, documented, and implemented toward this end.

B. Internal control areas will include :

1. Grant and contract administration and management
2. Cash receipts and disbursements
3. Payroll and benefits
4. Investments
5. Technology
6. Fixed Assets

VII. FINANCIAL PLANNING AND MEASUREMENT

- A. ***Three-Year Financial Plan*** - ICMA staff will prepare a projected financial plan for the coming fiscal year and two subsequent years. The projected figures will be based upon the strategic priorities determined by the Executive Board at its December meeting. The Plan document will include sections detailing proposed work plans, financial assumptions, financial schedules with revenues, expenses, and labor allocations, and "Board Decisions" expected to impact the coming budget. The Plan will be prepared for the June meeting. The Board will approve the financial plan and budget along with any recommended changes. The Board may establish goals and guidelines beyond the stated three year window as they determine necessary and appropriate.

The Executive Director may authorize at his/her discretion an organization-wide and/or individual variable pay within the annual budget guidelines approved by the Executive Board. The amount of the variable pay will be based on both the employees' and the Association's performance.

- B. ***Performance Measurements*** - Upon approval of the operating budget, staff will prepare a set of performance measurements to be used to monitor plan implementation. These measures will be presented to the Board at the annual conference meeting.

VIII. REVENUE MANAGEMENT

- A. ***Administration*** – As a matter of financial management principle, the benefits of revenue should exceed the cost of producing the revenue over a reasonable period of time. The Association may adopt a multi-year view for a product or venture depending upon the nature of the product or venture producing the revenue, the required start-up time, the expected rate of return, and the amount of any required investment. It is expected that staff will consider these factors in measuring and reporting the success of products and ventures. An exception may also occur in activities that are funded by grants or contracts where, due to mandatory cost share requirements, direct and indirect expenses may exceed revenues. In these cases, the programmatic benefit to members as well as the financial benefit of overhead absorption will be considered in evaluating the continuation of the project. Where appropriate and financially prudent the Association will use the administrative processes of commercial collection agencies in order to improve revenue collections. The Director of Finance in cooperation with the appropriate internal teams will develop accounts receivable and customer credit policies that will maximize collected revenue without exceeding the cost of collection.

IX. EXPENSE CONTROL

- A. **Direct Expenses** - The level of budgetary control is the project level. Team leaders will be responsible for the management of all direct charges to their projects for which they exercise control.
- B. **Infrastructure Cost Allocation and Management** - ICMA shall maintain an infrastructure cost allocation program that cost-effectively allocates infrastructure costs to all programs in a rational, logical, and acceptable manner. The Association's cost allocation plan for federal government grants and contracts shall be in compliance with OMB Circular A-122 "Cost Principles for Nonprofit Organizations" and subsequent promulgations as necessary.

X. BINDING THE ASSOCIATION

The Executive Director can sign contracts and other agreements binding the Association. In his absence, the Executive Director can delegate this authority to a member of the Management team.

XI. ASSET MANAGEMENT

- A. **Cash Management** - The Association's priorities for investments, in order, are legality, safety, liquidity, and yield. The scope of cash management is concerned with the process of managing moneys in order to ensure the maximum cash availability and maximum yield on short-term investments of idle cash. ICMA shall maintain a comprehensive cash management program that includes the collection of accounts receivable, processing of accounts payable in accordance with invoice terms, and prudent investment of available cash. The Executive Director can authorize the Director of Finance to open and close bank accounts to facilitate Association business as needed.
- B. **Fixed Assets and Inventory** – The Association capitalizes assets over \$1,000 with an estimated useful life in excess of a year except for laptops and desktops which are capitalized in excess of \$500. These assets will be reasonably safeguarded, properly accounted for and prudently insured. Inventory valuation shall be reviewed quarterly with appropriate adjustments made for write-downs in valuation or write-offs of obsolete goods.
- C. **Capital Expenditures** - The Executive Director is authorized to approve lease financing for all purchases that have been approved during the budget and financial plan and for ad hoc purchases not exceeding 25% of total general fund net assets as of the most recent fiscal year end. The Director of Finance Administration is granted authority to sign authorized lease paperwork on behalf of the Association. Staff will provide to the Executive Board an annual report of

all outstanding lease obligations and will notify the Board of future commitments. The annual report will be provided in the annual financial statements. Notification of future commitments will be highlighted in the quarterly financial reports.

XII. DEBT MANAGEMENT

- A. **General** - The Association may utilize long term debt (leases with terms greater than one year) to finance the acquisition of capital assets where financially prudent. The term of such debt shall not exceed the expected useful life of the capital asset being financed and, shall not exceed five years without Executive Board approval. Long-term debt will not be used to finance current expenditures.

ICMA shall maintain a minimum debt service coverage ratio of 1.3 times as defined in the 777 North Capitol refinancing loan agreements.

- B. **Line of Credit** - The Executive Director is authorized to establish a continuing line of credit upon such terms as he may determine and to execute and issue in the name of the Association its promissory note or notes in such form or forms as may be required by the issuing banks; to renew any line of credit as required; to secure payment by pledge on behalf of the Association the proceeds from the specific trade receivables, grants and contract receivables, and other intangibles specified as collateral against the lines of credit; that the line of credit is to be used solely in emergencies; and, that cash receipts from pledged collateral will be used to immediately reduce the balance on the line of credit. The Executive Director will notify the ICMA President and the Chair of the Finance and Business Operations Committee at the time the line is accessed and will provide updates on outstanding balances on a quarterly basis.
- C. **Borrowing from Endowed Funds** – The Executive Director is authorized to borrow from endowed funds (in lieu of investing the endowed funds) for working capital cash flow needs at rates and terms to be specified when sufficient available liquid funds exist within the endowed funds and if the Executive Director determines that such borrowing would be in the best interest of the Association and the endowed funds. The intent of this policy is to provide for the working capital needs of the Association while also providing a better than market return on the endowed funds. The Executive Director will inform the Executive Board via electronic mail when such borrowing is exercised.

XIII. FINANCIAL CONDITION AND RESERVES

- A. **Liquid Reserves** – The Executive Board will review and establish liquid reserve targets during the annual financial planning process. Liquid reserves include cash and investments that can be quickly converted to cash. The desired target is to achieve a liquid reserve level of 40% of annual non grants-and-contracts expenses and 25% of annual grants-and-contracts expenses. The specific targets for each

year as approved by the Executive Board can be found in the annual Budget and three year financial plan document.

- B. **Net Assets** - The Executive Board will review and establish net asset targets during the annual financial planning process. The desired target is to achieve net assets of 50% of non grants-and-contracts expenses and 25% of grants-and-contracts expenses. The specific targets for each year as approved by the Executive Board can be found in the annual Budget and three year financial plan document.
- C. **Valuation Allowances** - ICMA will maintain valuation allowances for trade accounts receivable equal to 6% and for obsolete inventory equal to 3%.

XIV. FINANCIAL MANAGEMENT OF GRANTS AND CONTRACTS

- A. **Accounting and Management Policies** - All grants and contracts shall be managed to comply with the laws, regulations and guidance of the funding agency.
- B. **Contract Management** – Project teams will oversee the day-to-day operations of grant and contract activities and monitor performance and compliance.
- C. **Contract Administration** – The Contract Administration team will serve as liaisons with the financial management personnel of the funding agencies, prepare invoices, review all budgets for new funding prior to submission to the funding agencies, review all contracts for funding and services, maintain the accounting records for all grants and contracts, manage overhead rates, and act as the liaison with outside auditors for all grant and contract audits and inquiries.
- D. **Overhead Management** - The Finance team will prepare and submit the annual provisional rate request to the cognizant funding agency.

XV. ANNUAL REVIEW OF POLICIES

These policies will be reviewed annually and amended as necessary by approval of the Executive Board.

XVI. INVESTMENT POLICY, OBJECTIVES AND GUIDELINES

A. GENERAL INFORMATION

ICMA is a non-profit organization that is responsible for implementing a comprehensive cash management program.

B. PURPOSE

The purpose of this investment policy is set forth by the Executive Board in order to:

1. Define and assign the responsibilities of all involved parties.
2. Establish a clear understanding for all involved parties of the investment goals and objectives for invested assets.
3. Offer guidance and limitations to all investment managers regarding invested assets.
4. Establish a basis for evaluating investment results.

In general, the purpose of this statement is to outline a philosophy and attitude that will guide the investment management of the assets toward the desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical.

C. DEFINITIONS

1. “Plan” shall mean the investment portion of the ICMA comprehensive cash management program.
2. “Investment Manager” shall mean any individual or group of individuals, employed to manage the investments of all or part of the Plan assets.
3. “Investment Management Consultant” shall mean any individual or organization employed to provide advisory services, including advice on investment objectives and/or asset allocation, manager search and performance monitoring.
4. “Securities” shall refer to the marketable investment securities that are defined as acceptable in this statement.
5. “Investment Horizon” shall be the time period over which the investment objectives, as set forth in this statement, are expected to be met.

D. DELEGATION OF AUTHORITY

The Executive Board is authorized to delegate certain responsibilities to professional experts in various fields. These include, but are not limited to the following:

1. Investment Management Consultant. The consultant may assist the Executive Board in establishing investment policy, objectives and guidelines; selecting investment managers; reviewing such managers over time; measuring and evaluating investment performance; and other tasks deemed appropriate.

2. Investment Manager. The investment manager may choose the specific securities that will be used to meet the Plan's investment objectives. Such services also include economic analysis, and deciding when to purchase, sell or hold individual securities.
3. Investment Officer. The investment officer is the Association staff member responsible for the comprehensive cash management program, including the administration of the investment policies. The investment officer will be responsible for authorizing investments in conformance with Board-approved investment policies. The Director of Finance is the investment officer.
4. Custodian. The custodian will physically (or through an agreement with a sub-custodian) maintain possession of securities owned by the Plan, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Plan accounts.
5. Additional specialists such as attorneys, auditors and others may be employed by the Executive Board to assist prudently.

The Executive Board will not reserve any control over investment decisions, with the exception of specific limitations described in these statements. Managers will be held responsible and accountable to achieve the objectives herein stated. While it is not believed that the limitations will hamper investment managers, each manager should request modifications that they deem appropriate.

E. GENERAL INVESTMENT PRINCIPLES

1. The Association's investment priorities, in order, are legality, safety, liquidity, and yield.
2. The plan shall be invested with the care, skill, prudence, and diligence under the circumstances that a prudent man acting in a like capacity and familiar with such matters would use in the investment of a fund of like character and with like aims.
3. Investment of the plan shall be so diversified as to minimize the risk of losses, unless under the circumstance, it is clearly not prudent to do so.
4. The Executive Board may employ one or more investment managers of varying styles and philosophies to attain the plan's objectives.

F. INVESTMENT OBJECTIVES

i. Operating Cash Balances

Primary investment objective: achieve returns in excess of the rate of inflation over the investment horizon in order to preserve purchasing power of Plan assets.

ii. Endowed Investments

Primary investment objective: emphasize long-term growth of principal while avoiding excessive risk. Short-term volatility will be tolerated in as much as it is consistent with the volatility of a comparable market index.

Secondary investment objective: achieve returns in excess of the rate of inflation over the investment horizon in order to preserve purchasing power of Plan assets.

G. SPECIFIC INVESTMENT GOALS FOR ENDOWED INVESTMENTS

Over the investment horizon of **7 years**, it is the goal of the aggregate plan assets to:

Meet or exceed an index comprised of 30% S&P 500, 60% Lehman Brothers Government/Corporate Intermediate Bond Index and 10% 90 day T-bills.

H. LIQUIDITY

To minimize the possibility of loss occasioned by the sale of a security forced by the need to meet a required payment, the Executive Board will periodically provide the investment counsel with an estimate of expected net cash flow. The Executive Board will notify the investment consultant in a timely manner, to allow sufficient time to build up necessary liquid reserves. This review will take place at the first meeting following the Association's annual conference.

I. INVESTMENT GUIDELINES

i. Allowable assets

1. Cash Equivalents (Operating and Endowed Funds)
 - Treasury Bills
 - Commercial Paper (A-1, P-1)
 - Certificates of Deposits (FDIC insured)
 - Money Market Funds (AAA rated)
 - Weekly Floaters (AAA rated)
 - Repurchase agreements using the above investment vehicles

2. Fixed Income Securities
 - U.S. Government and Agency Securities (Operating and Endowed Funds)
 - Corporate Notes and Bonds - Investment grade A or better (Endowed Funds)
 - Collateralized Mortgage Obligations (CMOs) - AAA rated (Endowed Funds)
 - Convertible Securities - A rated or better (Endowed Funds)
3. Equity Securities (Endowed Funds)
 - Common Stocks (Exchange Traded Funds)
4. Mutual Funds (Endowed Funds)
 - Mutual Funds which invest in securities as allowed by this document

ii. Guidelines for Fixed Income and Cash Equivalents

1. Plan assets may be invested only in investment grade bonds rated A or better.
2. Fixed income maturity restrictions are as follows:
 - Maximum maturity for any single security is 10 years (average life is used for CMOs).
 - Weighted average portfolio maturity may not exceed 7 years.

iii. Stock Exchanges

To ensure marketability and liquidity, investment advisors will execute equity transactions through the following exchanges:

1. New York Stock Exchange
2. American Stock Exchange
3. NASDAQ over-the-counter market

iv. Prohibited Assets

Prohibited investments include, but are not limited to the following:

1. Commodities and Futures Contracts
2. Private Placements
3. Options
4. Guaranteed Investment Contracts

v. Prohibited Transactions

Prohibited transactions include, but are not limited to the following:

1. Short Selling
2. Margin Transactions

J. ASSET ALLOCATION GUIDELINES FOR ENDOWED INVESTMENTS

Investment management of the association’s assets shall be in accordance with the following asset allocation guidelines:

	Minimum	Maximum	Target
US Large-Cap Equities	12.8%	19.2%	16.0%
US Mid/Small-Cap Equities	4.0%	6.0%	5.0%
International Equities	4.8%	7.2%	6.0%
Real Estate	2.4%	3.6%	3.0%
Fixed Income	48.0%	72.0%	60.0%
Cash or Equivalents	0.0%	20.0%	10.0%

K. DIVERSIFICATION FOR INVESTMENT MANAGERS

The Executive Board does not believe it is necessary or desirable that securities held in the Plan represent a cross section of the economy. However, in order to achieve a prudent level of portfolio diversification, the securities of any one company or government agency should not exceed 15% of the total fund, and no more than 35% of the total fund should be invested in any one industry. Individual treasury securities may represent 50% of the total fund.

L. SELECTION OF INVESTMENT MANAGERS

The Executive Board’ selection of Investment Managers must be based on prudent due diligence procedures. A qualifying investment manager must be a registered investment advisor under the Investment Advisors Act of 1940.

M. PERFORMANCE REPORTING, REVIEW, AND EVALUATION

Consolidated, monthly statements and transaction confirmations will be provided by the investment managers to the Association on a timely basis. The Asset Allocation of the Endowed Funds will be compared to the Asset Allocation Guidelines set forth in section J above and reported to the Executive Board quarterly. The investment performance of the total portfolio will be measured against the benchmarks specified in section G above and reported to the Executive Board quarterly. Consideration shall be given to the extent to which the investment results are consistent with the investment objectives, goals, and guidelines as set forth in this statement. The Executive Board intends to evaluate the portfolio every year.

XVII. ENTREPRENEURIAL VENTURES, INITIATIVES AND ACTIVITIES

- A. The ICMA Executive Director is fully authorized by the Executive Board to assess, pursue, and develop entrepreneurial ventures and revenue sharing initiatives with the private sector and other associations and entities on behalf of ICMA. These ventures and initiatives shall be consistent with the ICMA mission, “To create excellence in local governance by developing and fostering professional local government management”
- B. Such ventures and initiatives may involve, but not be limited to:
 - 1. Licensing the ICMA name and logo to brand, or otherwise promote designated services and products;
 - 2. Developing, producing, marketing, and or selling, services and products to local governments or the ICMA membership;
- C. The Executive Director shall use the following criteria to determine when a venture, initiative, activity or program is entrepreneurial. Such activities must:
 - 1. Offer services and/or products to local governments and/or the ICMA membership.
 - 2. Generate a positive return on investment in a reasonable term. The term is to be established by the Executive Director.
- D. Prior to executing any final or binding contract or agreement for entrepreneurial activity, the Executive Director shall conduct a due diligence assessment of all potential partners, contractors, and or associates to determine their experience, stability and performance. This assessment will include but not be limited to the following areas:
 - 1. Customary and acceptable business practices;
 - 2. Executive and senior managers;
 - 3. Evaluation of risks to ICMA;

4. Legal review by general counsel;
 5. Financial assets and credit; and,
 6. Financial management.
- E. Profit (defined as revenues less direct and indirect costs) generated from entrepreneurial activities are to be included in the general fund until the activity or initiative covers all direct and indirect costs for two consecutive years, after which the profits can be dedicated to the ICMA reserve funds or other such purposes as the board determines.
- F. The Executive Director shall inform the Executive Board of all entrepreneurial initiatives before executing any contract or agreement. A minimum of four (4) Board members is necessary to schedule a telephone conference meeting of the Board to discuss the initiative within five (5) business days of receiving notice from the Executive Director. If the President is not one of the four Executive Board members requesting a telephone conference, the Executive Director will notify the President that four members have made such a request and the President will proceed to coordinate with the Executive Director to schedule the telephone conference. During such time, the pending action shall be held until acted upon by the Executive Board.

XVIII. RISK MANAGEMENT

Risk management is defined as the identification, assessment, and mitigation of risks that may interfere with the Association achieving its objectives.

Risks may be entity oriented and threaten Association assets, profitability, people, and property. These risks may result from internal change, rapid growth or expansion, or other factors both within and outside the control of the Association. They may be market oriented arising from competition, attacks on our reputation, and technological changes. They may be environmentally oriented arising from the economy, crime, politics, legislation, elections, zoning, and natural catastrophes.

The potential risks are numerous, but must be identified and cost-effectively managed wherever possible. The Association will continually identify, assess, and mitigate the risks facing its business. Qualitative and quantitative methods shall be used to identify risk and determine relative risk rankings on a scheduled and periodic basis.

1. Insurance: the Association shall perform an annual review of its insurance coverages and provide a risk analysis and summary report of coverages to the Audit and Evaluation Committee.
2. Grant and Contract Revenues: the Association shall perform an annual risk and sensitivity analysis on grant and contract revenues. The purpose of the analysis is to determine ICMA's level of dependence upon grant and contract funding to support core program operations in the event such funding were catastrophically terminated or significantly curtailed.

3. Business Operations Risks: the Association will consider risks to achieving its strategic and financial goals and objectives during the annual financial planning process. The types and degrees of risk associated with specific revenue sources will be discussed in the financial plan narrative.
4. Business Continuity and Disaster Recovery: the Association will develop and maintain a business continuity and disaster recovery plan that includes an essential records policy.
5. Building Ownership and Leasing: the Association will report on the state of its building ownership and leasing operations, at a minimum, on an annual basis in the financial plan and budget.

XIX. EXCESS BENEFIT TRANSACTIONS

An excess benefit transaction is a transaction in which an economic benefit is provided by the Association, directly or indirectly, to or for the use of a disqualified person, and the value of the economic benefit provided by the Association exceeds the value of the consideration received by the organization. A disqualified person is any person who was in a position to exercise substantial influence over the affairs of the organization. It is not necessary that the person actually exercise substantial influence, only that the person be in a position to do so. Family members of the disqualified person and entities controlled by the disqualified person are also disqualified persons.

The Director of Human Resources will ensure that any economic benefit provided in exchange for services to any disqualified person will be based on fair and comparable market rates and will ensure that an excess benefit transaction does not occur. If an excess benefit transaction is identified, corrective action will be taken immediately.

XX. CONFLICT OF INTEREST

The Association places great importance on ensuring the continued confidence and trust of its members and the public at large. Among other things, and in that regard, the Association requires that any action taken by members of its Executive Board or its staff be free from even the appearance of impropriety and free from any conflict of interest. Specifically, the Association prohibits any (i) member of the Executive Board or (ii) staff person, from participating in any decision-making process or approval of any ventures or activities that the Association may engage in, for which such individual may gain an economic benefit.

In addition, before recusing himself or herself from said decision-making process, the individual must fully disclose every and all economic benefit that the individual may expect to receive as a result of the venture or activity and must provide the Association's Executive Director and Human Resources Director with full copies of any contracts, agreements, or other documents with third parties that relate to such ventures or activities. Board members and members of the Association's Management Team should

annually disclose involvement with other organizations, with vendors, or any other associations that might produce a conflict.

**FINANCE AND BUSINESS OPERATIONS COMMITTEE
MEMBERSHIP AND EXTERNAL OUTREACH
COMMITTEE**

**AGENDA COMMUNICATION
NO. 2856
FEBRUARY 25-28, 2010
SAN DIEGO, CALIFORNIA**

SUBJECT: Salary cap on dues

INTRODUCTION: When the salary cap was approved in 2004 as part of the recommendations from the Task Force on Financing ICMA, the intent was to create: “A cap at \$175,000 salary that decreases by \$5,000 increments over five years to \$150,000 and then increases at the rate of inflation after that.”

Full implementation of all task force recommendations was contingent on meeting established benchmarks for membership growth. Since eligibility for the \$175,000 cap, which was made effective with the January 2005 cycle has been growing rapidly, it has been maintained instead of being reduced.

The board reviewed and chose to retain the \$175,000 salary cap in February 2008 but encouraged annual review of the cap. In November 2008, the Board agreed that in light of the economic situation, it was not wise to make any changes at that time. The Board then extended the cap through the end of the January 2010 dues cycle.

The Finance Committee’s 2009-2020 work plan includes reviewing the salary cap in February in a joint meeting with the Membership and External Outreach Committee.

BACKGROUND: Profile of members currently under or approaching the cap: When the task force developed its report, only 72 members were under the cap. The task force report assumed that only 200 members would be under the cap as of 2007, and that was assuming a decline in the cap to \$165,000.

The number of members under the cap, over time, is as follows:

2004:	72
Feb-2008:	392
Aug-2008:	448
Feb-2010:	537

The number of members approaching the cap continues to grow. Here is a current snapshot:

\$170,000 - \$175,000:	68
\$165,000 - \$170,000:	94
\$160,000 - \$165,000:	97

Members currently under the cap are now in 32 states, compared with 28 states in August 2008. The majority (240) are in California. The next largest groups are Florida (60) and Texas (54). Five other states have ten or more participants. The remaining states have one to eight participants.

POLICY:

**Article X. Annual Dues of the ICMA Constitution states:
Section 1. Inside the United States and Its Territories.**

- a. For Full Members inside the United States and its territories who are still in the service of a local government, the annual dues shall not exceed 1 percent of a person's salary; the exact percentages will be established by the Executive Board.
- b. For Full Members inside the United States and its territories who are no longer in the service of a local government and for Life Members, the annual dues shall be established by the Executive Board.
- c. For Affiliate Members inside the United States, the annual dues shall be established by the Executive Board.

In considering dues changes in approving the Task Force on Financing ICMA's recommendations in 2004, the Board approved a cap on salary-based dues at \$175,000

PAST PRACTICE: Excerpt from Task Force on Financing ICMA's final report: Prior to submitting recommendations to the board in July 2004, members were given an opportunity, through a survey, to provide feedback on the task force's key recommendations. The survey generated over 1,230 responses (16%) and their demographics were very representative of the total membership.

The following excerpt from the task force's final report to the board discusses the survey results:

“Almost all of the recommendations received support from a large percentage of respondents. The recommendations were presented in a series of statements with three response options: support, neutral, or oppose. All but one recommendation received at least 66% of respondents expressing support. The one exception was the proposal for a dues cap for members with salaries of \$175,000 or more. There were 46% in support; 24% neutral; and 30% in opposition. The task force has decided to retain this proposal. The purpose is to lower the top end of dues rates in recognition of concerns from high-salaried states, particularly California, that their high cost of living creates an unfair inequity in dues payments. Future success in soliciting non-dues revenue and in recruiting new members to share the costs of providing desired programs and services will determine whether the cap can actually be lowered.”

FINANCIAL

IMPLICATIONS:

Dues revenue has increased at a healthy level due more to salary increases than significant increases in members. In the last four years, annual dues increased as follows:

FY2005-6: 4.6%
FY2006-7: 5.3%
FY2007-8: 6.7%
FY2008-9: 3.95%

Since twenty percent of the members under the dues cap (116) do not report their actual salary, there is no way to know the financial impact of increasing the cap.

RISK

ASSESSMENT:

There is a risk that raising the cap during a continued time of economic stress in most parts of the country could produce a negative reaction and a feeling that dues are too high for the value of membership.

RECOMMENDATION: No action is necessary.

Discussion Leader:

Tom Muehlenbeck, Chair

MEMBERSHIP AND EXTERNAL OUTREACH COMMITTEE

AGENDA COMMUNICATION NO. 2857 FEBRUARY 25-28, 2010 SAN DIEGO, CALIFORNIA

SUBJECT: Progress on membership recruitment and retention

INTRODUCTION: This is a status report on activities and progress since the September 2009 board meeting with a focus on U.S. in-service members.

BACKGROUND: Highlights on recruitment:

- **CAO and Acting CAO Outreach:** We continue to use Google and other news sites to identify city and county manager positions where a non-member is newly appointed or serving in an acting or interim position. Most of these positions were previously held by our members. Kevin Carter alerts board members to outreach in their state. Please follow up on these leads when you receive an email from Kevin.

Since September, 11 of 63 CAOs contacted have joined and 2 of 20 Acting CAOs have joined.

- **Young professionals:** We continue to offer a one-year, complimentary membership in ICMA to LEAD participants though the numbers have declined substantially in this economy. The partnership developed with the Center for Performance Measurement (CPM) in 2007 to offer a one-year, complimentary membership to the Primary Coordinator in each CPM jurisdiction continues and has been extended so that at renewal the same offer is extended to another nonmember Affiliate in that jurisdiction.

For Emerging Leaders Development Program (ELDP), we now offer member and nonmember pricing to encourage joining instead of a on-year complimentary membership. Starting with this past year's fall class, ELDP is using

member/nonmember pricing with a \$300 differential. The nonmember fee includes a two-year membership.

- Numbers as of January 31st are provided in the attachments. Recruitment is slow with only 69 new Full Members and 41 new Affiliate members since August 31st.

Board members are asked to be alert to any new appointments in your state and reach out to them to join. Information is available on the <http://icma.org/join> site which you can link to in an email. Applications are there as well. Also, before you go to a state meeting other than your own, work with your state liaison on trying to identify nonmembers who are good prospects to talk to. A former board member in the state or a Range Rider can also be good sources once you're there.

Highlights on retention:

- The “e-debit card” has been promoted with every renewal reminder for in-service members. As of January 31st, 510 members (Full 425; Affiliate 85) have used their “card” in renewing.
- A year ago, staff worked with the Committee to develop options for helping members continue their memberships during these challenging economic times. They include quarterly payment plans, providing a comp membership to Affiliates who have been laid off, allowing current entry-level to mid-management Affiliates to “restart” under the new flat dues rate, and offering student rate dues for Affiliates who are also in school full-time. A small number of members are taking advantage of these options but those who do are very appreciative.
- The last “drops” for nonpayment were processed in October for the July 2009 dues cycle. Of the 3,071 U.S. in-service members who were invoiced, 312 were dropped – a 89.84% retention rate. The retention rate was lower than the July 2008 renewal rate of 92%, but slightly higher than the January 2009 rate of 88.67%. Board members were asked to review the list and to do outreach particularly to those we did not hear from and to those who indicated that they intended/considered renewing.

Retention rates for new members are always lower and ICMA was no exception. Almost half of the drops were in their first two years of membership. We are working with a

member task force and a staff group to initiate more personal outreach to first year members. This also reinforces the importance of board members sending an email to new members in their assigned states each month. We know it's well received.

Membership statistics for January 2010:

- The first attachment provides U.S. in-service membership statistics as of January 31, 2010 compared to August 31, 2009. Higher drops in October and lower year-to-date new members have improved the overall negative number of (300) right after the drops were processed to (184) now.
- The second attachment is the list of new members for the month of January so you can see names and types of members. There were 21 New Full Members and 12 new entry to mid-management Affiliate Members.
- The third attachment provides international numbers. There were no new members in January.

PAST PRACTICE: Until 2005, board members were not as a group actively engaged in membership growth activities. The Nominating Committee's "Expectations of Board Service" that is shared with every candidate makes it clear that board members are expected to make a personal commitment to recruit members in their regions.

POLICY: In July 2004, the board adopted recommendations from the Task Force on Financing ICMA to increase ICMA's membership over the next five years. The goal was for ICMA to retain its current membership, attract managers and assistants who are currently not members, and encourage the next generation of managers to join the Association.

This chart shows the significant progress that was made in that five year period compared to the targets that were set in 2004:

<i>Members</i>	<i>8/31/04</i>	<i>8/31/05</i>	<i>8/31/06</i>	<i>8/31/07</i>	<i>8/31/08</i>	<i>8/31/09</i>	<i>8/31/09 (Target)</i>
Full	4528	4566	4748	4886	4982	4867	5025
Affiliate	566	583	621	705	1077*	1174	1300
Interns	----	<u>30</u>	<u>81</u>	<u>113</u>	<u>131</u>	<u>102</u>	---
		613	702	818	1208	1276	1300
TOTAL	5094	5179	5450	5704	5781	6143	6325

* The Affiliate numbers jump from 2007 to 2008 as a result of including the entry to mid-management members in the California pilot for the first time.

At the September 2009 meeting, the board adopted tentative membership recruitment goals for the board year ending August 31, 2010 as follows:

200 new Full members

175 new Affiliate members in the new flat rate dues category for those in entry-level to mid-management (below department head) positions.

The following shows current status:

United States In-Service	8/31/09	1/31/2010	Net Gain		New Members	New Members as of 8/31/10
	(Actual)	(YTD)	(YTD)		(YTD)	(Target)
Full members	4867	4763	(104)		69	200
Affiliate members (all)	1276	1196	(80)		75	
<i>Sr Mgmt</i>	321	305	(16)		28	
<i>Entry-Mid Mgmt</i>	853	794	(59)		41	175
<i>Intern</i>	102	97	(5)		6	
Total	6143	5959	(184)		144	

RECOMMENDATION: Review progress.

Discussion leader:

Simon Farbrother, Chair

ICMA Membership Numbers, U.S. In Service Summary By Region

2/4/2010

		Midwest	Mountain Plains	Northeast	Southeast	West Coast	Total
Full Members							
	Aug-09	1,285	988	684	1,204	706	4,867
	Jan-10	1,261	968	675	1,179	680	4,763
	Net Change	(24)	(20)	(9)	(25)	(26)	(104)
Affiliate Members Subtotal (Senior + Entry-Mid Mgmt + Intern)							
	Aug-09	218	316	88	313	341	1276
	Jan-10	205	292	75	306	318	1196
	Net Change	(13)	(24)	(13)	(7)	(23)	(80)
Total							
	Aug-09	1,503	1,304	772	1,517	1,047	6,143
	Jan-10	1,466	1,260	750	1,485	998	5,959
	Net Change	(37)	(44)	(22)	(32)	(49)	(184)

ICMA Membership Numbers, U.S. In Service (Full, Affiliate, & Intern), By Region

2/4/2010

		Midwest	Mountain Plains	Northeast	Southeast	West Coast	Total
Full Members							
	Aug-09	1,285	988	684	1,204	706	4,867
	Jan-10	1,261	968	675	1,179	680	4,763
	Net Change	(24)	(20)	(9)	(25)	(26)	(104)
Senior Mgmt Affiliate Members							
	Aug-09	53	79	29	91	69	321
	Jan-10	56	73	26	93	57	305
	Net Change	3	(6)	(3)	2	(12)	(16)
Entry-Mid Mgmt Affiliate Members							
	Aug-09	139	212	53	202	247	853
	Jan-10	124	188	44	198	240	794
	Net Change	(15)	(24)	(9)	(4)	(7)	(59)
Intern Members							
	Aug-09	26	25	6	20	25	102
	Jan-10	25	31	5	15	21	97
	Net Change	(1)	6	(1)	(5)	(4)	(5)
Total							
	Aug-09	1,503	1,304	772	1,517	1,047	6,143
	Jan-10	1,466	1,260	750	1,485	998	5,959
	Net Change	(37)	(44)	(22)	(32)	(49)	(184)

	Full Members			Senior Mgmt Affiliate Members			Entry-Mid Mgmt Affiliate Members			Intern Members			Total			
	Aug-09	Jan-10	Chng	Aug-09	Jan-10	Chng	Aug-09	Jan-10	Chng	Aug-09	Jan-10	Chng	Aug-09	Jan-10	Chng	
MW	IA	108	110	2	2	5	3	7	8	1	1	2	1	118	125	7
	IL	298	294	(4)	10	10	0	59	48	(11)	12	8	(4)	379	360	(19)
	IN	17	15	(2)	0	0	0	3	3	0	0	0	0	20	18	(2)
	MI	246	232	(14)	10	10	0	19	16	(3)	3	5	2	278	263	(15)
	MN	184	180	(4)	4	6	2	15	13	(2)	2	2	0	205	201	(4)
	MO	134	133	(1)	5	5	0	9	9	0	2	2	0	150	149	(1)
	OH	166	165	(1)	15	15	0	17	17	0	2	2	0	200	199	(1)
	WI	132	132	0	7	5	(2)	10	10	0	4	4	0	153	151	(2)
	Reg total	1,285	1,261	(24)	53	56	3	139	124	(15)	26	25	(1)	1,503	1,466	(37)
MP	AR	11	11	0	0	0	0	1	1	0	0	0	0	12	12	0
	AZ	119	114	(5)	19	17	(2)	48	37	(11)	2	5	3	188	173	(15)
	CO	151	147	(4)	10	9	(1)	25	25	0	4	4	0	190	185	(5)
	ID	17	16	(1)	0	0	0	1	1	0	0	0	0	18	17	(1)
	KS	131	132	1	9	10	1	29	26	(3)	8	10	2	177	178	1
	MT	10	9	(1)	0	0	0	1	1	0	0	0	0	11	10	(1)
	ND	4	5	1	1	1	0	0	0	0	0	0	0	5	6	1
	NE	44	46	2	2	2	0	3	3	0	0	1	1	49	52	3
	NM	29	24	(5)	5	5	0	6	4	(2)	0	0	0	40	33	(7)
	OK	63	66	3	2	3	1	2	2	0	1	1	0	68	72	4
	SD	12	12	0	1	1	0	2	2	0	0	1	1	15	16	1
	TX	324	313	(11)	23	21	(2)	80	73	(7)	10	8	(2)	437	415	(22)
	UT	57	57	0	2	2	0	6	5	(1)	0	1	1	65	65	0
WY	16	16	0	5	2	(3)	8	8	0	0	0	0	29	26	(3)	
Reg total	988	968	(20)	79	73	(6)	212	188	(24)	25	31	6	1,304	1,260	(44)	
NE	CT	46	49	3	8	5	(3)	4	4	0	0	0	0	58	58	0
	DC	2	3	1	0	0	0	3	2	(1)	1	1	0	6	6	0
	DE	9	8	(1)	1	1	0	0	0	0	0	0	0	10	9	(1)
	MA	123	122	(1)	7	5	(2)	5	5	0	2	1	(1)	137	133	(4)
	MD	65	63	(2)	4	4	0	12	9	(3)	0	0	0	81	76	(5)
	ME	57	54	(3)	0	0	0	2	1	(1)	0	0	0	59	55	(4)
	NH	45	42	(3)	1	1	0	1	1	0	0	0	0	47	44	(3)

	NJ	77	76	(1)	2	1	(1)	7	6	(1)	1	1	0	87	84	(3)
	NY	52	51	(1)	3	4	1	11	11	0	0	0	0	66	66	0
	PA	170	168	(2)	1	3	2	8	5	(3)	1	1	0	180	177	(3)
	RI	14	15	1	2	2	0	0	0	0	0	0	0	16	17	1
	VT	24	24	0	0	0	0	0	0	0	1	1	0	25	25	0
	Reg total	684	675	(9)	29	26	(3)	53	44	(9)	6	5	(1)	772	750	(22)
SE	AL	21	21	0	1	2	1	3	3	0	0	0	0	25	26	1
	FL	335	333	(2)	25	26	1	49	51	2	3	2	(1)	412	412	0
	GA	130	126	(4)	13	14	1	19	22	3	9	7	(2)	171	169	(2)
	KY	23	23	0	2	1	(1)	3	3	0	0	0	0	28	27	(1)
	LA	7	5	(2)	1	1	0	0	1	1	0	0	0	8	7	(1)
	MS	6	6	0	1	1	0	0	0	0	0	0	0	7	7	0
	NC	297	297	0	7	9	2	35	33	(2)	6	4	(2)	345	343	(2)
	SC	99	97	(2)	12	10	(2)	12	13	1	0	0	0	123	120	(3)
	TN	62	62	0	3	3	0	5	8	3	1	1	0	71	74	3
	VA	210	195	(15)	25	25	0	76	64	(12)	1	1	0	312	285	(27)
	WV	14	14	0	1	1	0	0	0	0	0	0	0	15	15	0
	Reg total	1,204	1,179	(25)	91	93	2	202	198	(4)	20	15	(5)	1,517	1,485	(32)
WC	AK	15	18	3	1	1	0	4	3	(1)	1	0	(1)	21	22	1
	CA	453	427	(26)	56	47	(9)	205	200	(5)	14	13	(1)	728	687	(41)
	HI	0	0	0	0	0	0	1	1	0	0	0	0	1	1	0
	NV	34	29	(5)	3	2	(1)	8	8	0	2	1	(1)	47	40	(7)
	OR	107	110	3	4	3	(1)	14	14	0	1	1	0	126	128	2
	WA	97	96	(1)	5	4	(1)	15	14	(1)	7	6	(1)	124	120	(4)
		Reg total	706	680	(26)	69	57	(12)	247	240	(7)	25	21	(4)	1,047	998
Total																
	Total	4,867	4,763	(104)	321	305	(16)	853	794	(59)	102	97	(5)	6,143	5,959	(184)

US New Full, Affiliate, & Intern ICMA Members by Region: January 2010

		Full	Senior Affiliate	Entry- to Mid-Mgmt Affiliate	Total
<i>Midwest</i>	IL	1	0	0	1
	MI	2	0	1	3
	OH	0	1	1	2
	WI	1	0	1	2
	<i>Region Subtotal</i>	4	1	3	8
<i>Mountain Plains</i>	AZ	1	1	0	2
	CO	1	0	1	2
	KS	1	0	0	1
	ND	1	0	0	1
	OK	1	0	0	1
	TX	0	0	2	2
	<i>Region Subtotal</i>	5	1	3	9
<i>Northeast</i>	MD	1	0	0	1
	PA	0	1	0	1
	<i>Region Subtotal</i>	1	1	0	2
<i>Southeast</i>	FL	3	1	1	5
	NC	1	0	0	1
	VA	0	0	1	1
	<i>Region Subtotal</i>	4	1	2	7
<i>West Coast</i>	AK	1	0	0	1
	CA	1	1	3	5
	OR	3	0	0	3
	WA	2	0	1	3
	<i>Region Subtotal</i>	7	1	4	12
Total		21	5	12	38

Midwest

IL

Martin Lyons, Assistant City Manager/Treasurer, City of Evanston (Full)

MI

Eric B. Dodson, City Manager, City of St. Ignace (Full)
Patrick J. Fellrath, Civil Engineer, Charter Township of Plymouth (Entry- to Mid-Mgmt Affiliate)
Thomas J. Tilma, Manager, Gaines Charter Township (Full)

OH

William M. White, Director of Finance, City of Brunswick (Senior Affiliate)
Christopher Wulf, Records Retrieval Clerk, County of Geauga (Entry- to Mid-Mgmt Affiliate)

WI

Mathew A. Heiser, Village Administrator, Village of Kewaskum (Full)
Thomas G. Shircel, Assistant to the Administrator, Village of Pleasant Prairie (Entry- to Mid-Mgmt Affiliate)

Mountain Plains

AZ

David J. Kincaid, City Manager, City of Safford (Full)
*Brad Lundahl, Government Relations Director, City of Scottsdale (Senior Affiliate)

CO

*Kathy McGuire, Budget Officer, City of Boulder (Entry- to Mid-Mgmt Affiliate)
David D. Mitchem, Town Manager, Town of Pagosa Springs (Full)

KS

Rebecca G. Swain, Assistant City Administrator/City Clerk, City of Cherryvale (Full)

ND

James Neubauer, City Administrator, City of Mandan (Full)

OK

Joan P. Riley, Assistant City Manager of Operations, City of Enid (Full)

TX

*John E. Eaglen, Strategic Services Manager/Assistant to the City Manager, City of Frisco (Entry- to Mid-Mgmt Affiliate)
Eyenemi D. Hogue, Business Process Analyst, San Antonio Water System (Entry- to Mid-Mgmt Affiliate)

Northeast

MD

Conway Gregory, Town Manager, Town of Ocean View (Full)

PA

M. Elizabeth McBride, Director, Fiscal Affairs, Township of Cheltenham (Senior Affiliate)

Southeast

FL

*Jeeaneen P. Claus, Interim Town Manager, Town of Ponce Inlet (Full)
*Jeremy M. Hockenbury, Director, City of Seminole (Senior Affiliate)
Courtney King, Communications Manager, City of Dunedin (Entry- to Mid-Mgmt Affiliate)
James E. O'Reilly, City Manager, City of Gulfport (Full)
James A. Woods, City Manager, City of Blountstown (Full)

NC

Robert C. Jones, Jr., Executive Director, Brunswick Regional Water & Sewer (Full)

VA

*Kerry P. McCrickard, Policy, Planning, and Fiscal Manager, City of Hampton (Entry- to Mid-Mgmt Affiliate)

West Coast

AK

Bill Allen, City Manager, City of Palmer (Full)

CA

Carl Alameda, Senior Management Analyst, City of La Canada Flintridge (Entry- to Mid-Mgmt Affiliate)

David L. Matson, Director, Housing & Community Development, County of Santa Barbara (Senior Affiliate)

Danielle Noble, Assistant to the City Manager, Management Services, City of Santa Monica (Entry- to Mid-Mgmt Affiliate)

Jeannette Ortega, Management Analyst, City of La Puente (Entry- to Mid-Mgmt Affiliate)

Elaine M. Polachek, Deputy City Manager, City of Santa Monica (Full)

OR

Rodger E. Craddock, City Manager, City of Coos Bay (Full)

Craig M. Martin, Chief Administrative Officer, City of Sweet Home (Full)

Sean E. O'Day, Deputy City Manager, City of Salem (Full)

WA

Pamela N. Duncan, Risk Manager, Portland Development Commission (Entry- to Mid-Mgmt Affiliate)

Paul L. Ellis, Assistant City Administrator, City of Arlington (Full)

Stephen A. Taylor, City Administrator, City of Connell (Full)

* designates complimentary or reduced membership offered through partnerships with state and affiliate associations and ICMA programs (such as Center for Performance Measurement and Emerging Leaders Development Program.)

ICMA Membership Numbers, International In Service (Full, Affiliate, & Intern) by Country

2/4/2010

	Full			Affiliate			Intern			Total		
	Aug-09	Jan-10	Change	Aug-09	Jan-10	Change	Aug-09	Jan-10	Change	Aug-09	Jan-10	Change
Australia	35	36	1	3	3	0	0	0	0	38	39	1
British Virgin Islands	0	0	0	0		0	0		0	0	0	0
Canada	156	158	2	32	34	2	7	8	1	195	200	5
Cayman Islands	0	0	0	0		0	0		0	0	0	0
Cyprus	2	1	(1)	0	0	0	0	0	0	2	1	(1)
Denmark	1	1	0	0	0	0	0	0	0	1	1	0
France	0	0	0	0	1	1	0	0	0	0	1	1
India	0	0	0	0		0	0		0	0	0	0
Iran	1	1	0	0	0	0	0	0	0	1	1	0
Ireland	7	7	0	0	0	0	0	0	0	7	7	0
Nepal	1	1	0	0	0	0	0	0	0	1	1	0
Netherlands	28	25	(3)	0	0	0	0	0	0	28	25	(3)
New Zealand	19	17	(2)	1	1	0	0	0	0	20	18	(2)
Romania	1	1	0	0	0	0	0	0	0	1	1	0
Saudi Arabia	0	1	1	1	1	0	0	0	0	1	2	1
Sierra Leone	0	0	0	1	1	0	0	0	0	1	1	0
Slovakia	1	1	0	0	0	0	0	0	0	1	1	0
South Africa	1	1	0	0	0	0	0	0	0	1	1	0
Spain	1	1	0	0	0	0	0	0	0	1	1	0
Sweden	1	1	0	0	0	0	0	0	0	1	1	0
Thailand	1	1	0	0	0	0	0		0	1	1	0
Trinidad and Tobago	1	0	(1)	0		0	0	0	0	1	0	(1)
United Kingdom	6	3	(3)	0	0	0	0	0	0	6	3	(3)
Zimbabwe	0	0	0	0		0	0		0	0	0	0
Total	263	257	(6)	38	41	3	7	8	1	308	306	(2)

MEMBERSHIP AND EXTERNAL OUTREACH COMMITTEE

AGENDA COMMUNICATION NO. 2858 FEBRUARY 25-28, 2010 SAN DIEGO, CALIFORNIA

SUBJECT: Task Force on Organizational Structure and Governance
Recommendations

**INTRODUCTION/
BACKGROUND:**

At its November 2009 meeting, the Board identified issues that needed further exploration at the February board meeting before finalizing proposals to discuss with the membership and state and affiliate organizations. These issues included clearly articulating the core values and principles that all affiliation agreements should have in common, a further exploration of the impact of devolution on the nominating process, and further clarification on how an Advisory Council could be structured and how it would relate to the board.

The board also supported the addition of a third international vice president and stated that the necessary constitutional amendment ballot would be scheduled with a Nominating Committee election ballot or no later than January 2011.

The March/April Regional Summits were identified as important opportunities for regional discussion of these topics.

The report contains the following:

Page 1: an overview reminder of goals and key recommendations.

Page 2:

- Reminder on board action for February: Agree on proposals to discuss with the membership and state and affiliate organizations.
- The fundamental question for the board in February: Does the board support the recommended linkage

between affiliation agreements and the proposed governance changes in order to achieve closer alignment?

Pages 3-4: options depending on the answer to the question on page 2

Pages 5-8: a supplemental chart on nominations and elections

Page 9: next steps on the 3rd International Vice President proposal

Page 10: timetable for engagement of members and states/affiliates

POLICY:

At its September 2008 meeting, the board asked incoming President Limardi to create a committee to look at association governance and to consider governance recommendations from the International Committee for a third International Vice President and from the Task Force on Diversity in Governance

At its November 2008 meeting, the board agreed on the following charge for the committee that defined broad parameters for its work: “consider association governance models that will best address the present and future needs of member and association communities, implementation of the new strategic plan and the changing global environment. “

ICMA governance in terms of the make-up of the board and the Nominating Committee is defined in Articles IV and VII of the ICMA Constitution.

PAST PRACTICE: In December 2008, President Limardi invited a small group of former board members and state/affiliate leaders to work with him and President-elect Darnell Earley. The group was named: Task Force on Organizational Structure and Governance. The following members participated:

**Pam Brenner, Town Administrator, Peterborough, NH
Kevin Duggan, City Manager, Mountain View, CA
Mike Eastland, Executive Director, North Central Texas COG
Tom Fountaine, Borough Manager, State College, PA
Tom Lundy, County Manager, Catawba County, NC
David Morgan, Assistant City Manager, Richardson, TX
Lynn Tipton, Executive Director, Florida City and County Management Association
Michael Willis, Chief Executive, Surrey Heath Borough Council, U.K.**

Rashad Young, City Manager, Dayton, OH

The group conducted an organizational conference call on January 28th and met at ICMA March 14th and July 18th.

FINANCIAL

IMPLICATIONS:

There will be staff costs involved in the transition to a new nominating system, but the largest cost implications are for the ongoing staffing and other meeting costs associated with establishing an Advisory Council.

Even if the needed constitutional amendments were placed on the ballot in a separate election, the added costs would be modest (\$700) now that elections are conducted online.

RISK

ASSESSMENT:

The task force believes that some changes are needed, particularly in governance, in order to achieve the goals stated in its charge from the board. At the same time, regional nominating committees will need to be fully engaged in meeting the representation goals for the association as a whole as they carry out their responsibilities

RECOMMENDATION:

- Agree on what recommendations to explore further with state and affiliate associations and members.**
- Agree on the form and timeline for association and member engagement.**

Discussion Leader:

Simon Farbrother, Chair

ORGANIZATIONAL STRUCTURE AND GOVERNANCE RECOMMENDATIONS

OVERVIEW

Board charge to Task Force on Organizational Structure and Governance:

Consider association governance models that will best address:

- the present and future needs of member and state and affiliate association communities,;
- implementation of the new strategic plan; and
- the changing global environment.

Task Force Goals and Recommendations

Goals for Organizational Structure:

A relationship structure (relationships with state and assistant associations, international and domestic affiliates, and related public interest groups) that:

- adequately supports progress under the new strategic plan
- fosters connectedness, diversification, economic vitality, next generation outreach, and a worldwide ethical platform
- provides services to the profession in a complementary way without competing

Task Force Recommendation:

- Build on the current exploration of new affiliation agreements with state associations. This would involve the development of principles that would govern affiliations with all state associations in order to develop more synergistic relationships

Goals for Governance:

A governance structure and election process that adequately represents ICMA's membership; serves the mutual interests of ICMA and state associations; and of ICMA and its international and domestic affiliates (NFBPA, IHN, NACA)

Task Force Recommendations:

- Encourage closer alignment between state and affiliate associations and ICMA by
 - giving affiliated state associations and affiliates (NFBPA, IHN, NACA) direct involvement and responsibility for the identification and nomination of ICMA vice president candidates and
 - creating an advisory council to the board on issues of strategic direction.
- The addition of a third international vice president and the creation of a nominating committee for the international region would contribute to this alignment as well.

The task force identified key goals for changing the nominations process:

- Achievement of the current goals of diverse representation on the ICMA Executive Board: The ICMA Executive Board's policy is to recruit nominees who will provide a balanced board that represents the profession and those served by it.
- A universal structure and process
- A system that is more understandable to the membership, state associations and affiliates.

ISSUES FOR FEBRUARY

Board Action in February: Agree on proposals to discuss with the membership and state and affiliate organizations. The March/April Regional Summits will be important opportunities for regional discussion.

Fundamental Question

Does the board support the recommended linkage between affiliation agreements and the proposed governance changes in order to achieve closer alignment?

The Task Force saw a direct linkage between having an affiliate agreement and 1) giving direct responsibility for the nomination of ICMA vice presidents and 2) creating an advisory council to the board on issues of strategic direction.

ICMA is an individual membership organization with no formal defined role for states and affiliates. The Task Force sought a model that legitimized these important relationships without going to a more typical association model of chapters. The concept was to help ICMA address the dual loyalty of individual members to ICMA and to their states through stronger relationships/alignment that come from specifically defined roles and agreements.

The board needs to address the following options:

- Should the board propose a continuation of what is already in process (status quo option) – working on affiliate agreements and supporting three screening panels?
- Should the board propose an incremental approach of postponing devolution until there is more progress in each region on meeting the organizational structure goals?
- Should the board propose this linkage of taking on more responsibility as defined in an affiliation agreement in exchange for direct responsibility for nominations and participation on an Advisory Council?

	Status Quo	Incremental change	Linkage/exchange
Affiliation agreements	Continue discussions with states/affiliates on current affiliation agreements	Establish a deadline for having affiliations with all state/affiliate associations	Establish strong affiliation agreements with all state/affiliate associations
Nominations and elections	Continue current process with ICMA Nominating Committee and screening panels in 3 regions	Establish screening panels in all regions	Delegate nominations to 6 regional nominating committees who each place one nominee on the ballot. All participating associations have an affiliate agreement.
Advisory Council	N/A	Use other forums, such as the state officers' roundtable, to provide feedback to the board on issues of strategic direction	Establish a formal Advisory Council to advise the board on issues of strategic direction. All participating associations have an affiliate agreement.

1. Affiliation agreements with state and affiliate organizations

- Agree on proposed core values and principles that all affiliation agreements should have in common in order to achieve the organizational structure goals. These should be at the core of all relationships and then tailor agreements to individual states. It's important to confirm commonalities and emphasize mutual benefits, but there should also be a higher level of expectation than from the current process.

Commitment to ICMA Code of Ethics through adoption of ICMA version of the Code.

Alignment of memberships through development and implementation of a work plan to achieve agreed upon percentage of joint members – key opportunity targets would be professionals who belong only to the state association and those who belong only to ICMA. Having a high proportion of joint members provides broad and consistent enforcement of the Code by ICMA and the opportunity to deliver complimentary services.

Complementary services to the profession through identification of strengths of both ICMA and of state associations; assessing who can best deliver desired services; developing a portfolio of services that reflect those strengths and that clarify each other's roles. This would involve services such as professional development, information sharing, consulting services, and job ads.

Commitment to professional local government management through adoption and retention efforts on behalf of council-manager government and both financial and promotional support for the Fund for Professional Management and for the Value of the profession campaign.

Support for networking and personal support through such activities as the Range Rider program, support for members in transition, and assistance with employment agreements.

2. Nominations and elections process

The chart on pages 5-8 outlines the three options for nominations and elections that relate to status quo versus incremental change versus linkage/exchange:

- continuing the current process;
- making incremental changes to the current process;
- delegating nominations to regional committees. The third page of the chart describes how diversity goals would be addressed under the delegated nominations process.

3. Establishment of an Advisory Council to the board

A formal Advisory Council is only proposed for further discussion if there is a desire for requiring an affiliation agreement in exchange for direct responsibility for nominations and participation on an Advisory Council.

If the linkage/exchange option is to be proposed, the board can:

- Solicit feedback on what a formal Advisory Council could look like (see the next page for a description of a formal Advisory Council. It references issues raised by the board in November.)

If an incremental approach is to be proposed, the board can:

- Explore another way to achieve the programmatic benefit without establishing a formal body, such as a redesign and redefinition of the state officers' roundtable held at the annual conference and/or use of the Friday morning portion of the March/April Regional Summits.

Creation of an Advisory Council

Purpose: To create a formal linkage on important issues and strategic direction between affiliates and ICMA. The council would advise the executive board on issues of strategic direction. This could provide an ongoing forum for strategic issues in the Strategic Plan as opposed to pulling together ad hoc groups.

Description of Advisory Council as defined in the Task force recommendations

- Advisory Council composition
 - All appointees would need to be members of ICMA
 - Each state, assistant and affiliate (domestic and international) president of an association that has signed an affiliation agreement with ICMA could appoint one Delegate. (Potential number of affiliated associations as of now: 77)
 - The ICMA President could appoint additional Delegates for larger states or could address representation in some number of at large Delegates with staggered terms. It would be important to ensure representation of young professionals.
 - The board would define characteristics desired of Delegates (i.e. similar to representational goals for the ICMA Executive Board) as well as expectations of service and participation.
 - The Chair would be the President-elect or Past President.

Composition issues raised by the board in November:

- Should there always be a combination of experienced leaders, such as former board members, as well as newer leaders?
- Should there be other representation (i.e. Strategic Partners, academics, students) or should others only be added depending on the topic?
- Terms: Delegates would be appointed to one two-year term with the option for a second two-year term.
- Meetings: There would meet at each annual conference and, depending on need, an additional meeting could take place in the spring with a regional summit.
- This body could be seen as a key stepping stone for members interested in serving on the board. It could also provide an opportunity for members to gain organizational knowledge and to benefit from a leadership development experience.

What cost implications would there be for establishing an Advisory Council?

The Task Force recognized that additional resources would be required to make this successful. Based on other organizations experience, staff estimates that one staff person would be required to handle the appointment process, communications, materials development, and meeting planning. Meeting costs in terms of meeting rooms and staff travel would be reduced by holding the annual meeting in conjunction with the annual conference, but funds for refreshments and audio visual expenses would be required.

ICMA NOMINATIONS AND ELECTIONS OPTIONS FOR REGIONAL VICE PRESIDENTS

Current Process	Incremental changes to process	Delegating Nominations to Regional Committees
<p>Composition of ICMA Nominating Committee</p> <p>State and affiliate presidents in addition to the membership are asked to suggest members to the President to serve on ICMA’s Nominating Committee. The past president and president-elect represent their regions and three other Full Members are appointed who are from regions other than the board members.</p>	<p>Composition of ICMA Nominating Committee</p> <p>Same</p>	<p>Composition of regional nominating committees:</p> <p>All participants must be ICMA members.</p> <p>Each U.S. regional nominating committee would be composed of the state president or designee from each state association that has signed an affiliation agreement with ICMA. A representative of each domestic affiliate (currently IHN, NFBPA, NACA) would also have one ICMA member representative on each nominating committee.</p> <p>The International regional nominating committee region would be composed of the president or a designee from each country association that has signed an affiliation agreement with ICMA.</p> <p>The ICMA President or designee would be a member of each regional committee.</p>
<p>Nominations process</p> <p>Each January, the Nominating Committee issues the Call to Nominations to the membership with separate communications and personal contacts to state and affiliate presidents. Information on the regional screening panels was added this year.</p>	<p>Nominations process</p> <p>Same</p>	<p>Nominations process</p> <p>After each annual conference, a notification on the schedules and processes for all regional committees would be shared with all members. There would be one deadline (i.e. February 1) for all candidates to express interest to nominations@icma.org prior to any Regional Summits.</p>

Current Process	Incremental changes to process	Delegating Nominations to Regional Committees
<p>There are three avenues for consideration by the Nominating Committee:</p> <ol style="list-style-type: none"> 1. Suggestions from individual members; 2. Suggestions from state or affiliate associations, or 3. Identification by Nominating Committee members <p>State and affiliate associations are encouraged to submit multiple names of candidates.</p> <ul style="list-style-type: none"> • Screening panels of state presidents or their designees in the Northeast, Midwest, Southeast regions and for California each submit at least two candidates to the Nominating Committee. All must be ICMA members. The screening panels meet in conjunction with the Regional Summits. The other regions have submitted one to three candidates. • IHN, NFBPA, and NACA are encouraged to submit candidates and to have their candidates participate in the screening panels where they exist. <p>International associations with members who are eligible to serve are encouraged to submit candidates. There is a rotation between northern and southern hemispheres.</p>	<p>Same</p> <p>Same</p> <ul style="list-style-type: none"> • Develop screening panels for the Mountain Plains, West Coast, and International regions. 	<p>Same</p> <p>Same</p> <p>The U.S. regional committees would meet in conjunction with the Regional Summits.</p> <p>The international regional committee could have its first meeting in conjunction with a mid-year meeting of the International Committee. If the President or President-elect were not in attendance, a potential designee would be the International Vice President who is the board liaison to the International Committee.</p>

Current Process	Incremental changes to process	Delegating Nominations to Regional Committees
<p>Addressing representational goals in terms of diversity and regional expectations on state/country rotation</p> <p>The ICMA Nominating Committee is responsible for addressing these goals.</p> <p>The Nominating Committee receives a profile of continuing board members (i.e. race, sex, size and type of community), the history of geographical representation on the board, and the history of representation in terms of sex, race and ethnicity. The three regional screening panels will receive a profile of candidates for their region</p> <p>The Committee receives a profile of all candidates after the July deadline for submissions so that the Committee can assess the available pool and determine whether more candidates need to be identified.</p>	<p>Addressing representational goals in terms of diversity and regional expectations on state/country rotation</p> <p>Same</p> <p>State leadership would receive the same information on representation that the ICMA Nominating Committee now receives.</p> <p>N/A since the list can't be put together until after the July deadline for submissions.</p>	<p>Addressing representational goals in terms of diversity and regional expectations on state/country rotation</p> <p>The regional committees would be responsible for addressing these goals.</p> <ul style="list-style-type: none"> • The board would establish principles on geographical rotation, representation goals, and criteria for evaluating candidates that each nominating committee would follow. • Each nominating committee would need to address those principles in establishing or updating its protocols. Current protocols in the NE, MW and SE regions would form the basis for the new protocols. <p>The regional committees would receive the same information on representation that the ICMA Nominating Committee now receives.</p> <p>After the deadline for all candidate submissions, the ICMA Executive Board and every regional committee would receive the list of all candidates and their profiles. This would be a month before the first regional summit so that state and board leadership would know how representative the candidate pool was and so that other recruitment of candidates could take place if any problems are anticipated.</p>

Current Process	Incremental changes to process	Delegating Nominations to Regional Committees
		Having the Regional Summits staggered in time also allows for regional committees to learn from each other.
<p>Election process</p> <ul style="list-style-type: none"> • The Nominating Committee selects one candidate to nominate from each region. • Any Full member can appear on the ballot if 15 Corporate Member signatures are submitted by the established deadline. • All Corporate Members vote for a candidate in every region 	<p>Election process</p> <ul style="list-style-type: none"> • Same • Same • Same 	<p>Election process</p> <ul style="list-style-type: none"> • Each regional committee would select one candidate to nominate for that region. • Same • Same
<p>Nominations and Elections Schedule</p> <p>Nov/Dec: Nominating Committee formed Jan: Call for Nominations published; outreach to state and affiliate presidents Mar-April: Screening panels at Regional Summits July: Deadline for Nominating Committee to receive all candidate names, letters and petitions Sep/Oct: Nominating Committee interviews candidates and announces slate Jan-Feb: Ballots sent and results canvassed. Sep/Oct: Those elected take office at annual conference</p>	<p>Nominations and Elections Schedule</p> <p>Same</p>	<p>Nominations and Elections Schedule</p> <p>Sep/Oct: Call for Nominations published; outreach to state and affiliate presidents Feb: Deadline for all candidate names Mar-April: Screening panels at Regional Summits and for international candidates Apr/May: Nominees announced from each region June: Ballots sent and results canvassed Sep/Oct: Those elected take office at annual conference</p>

4. Addition of a third International Vice President

The board approved motion in November stated that the constitutional amendment ballot would be scheduled with a Nominating Committee election ballot or no later than January 2011. The board had discussed asking the International Committee for advice on:

- A communications strategy to achieve membership support and ensure approval of the necessary constitutional amendment

Examples of challenges raised by board members:

The proposed amendment to the ICMA Constitution would eliminate numerical criteria. This will raise questions about how regions compare and what's appropriate. Based on current numbers of voting members, the International region will have three vice presidents for 250 members. Large state associations, such as Texas with 326 members, are being asked to think regionally instead of having any guaranteed representation on the board.

Cost implications of amendments are always included in what the board provides in the ballot information. Depending on the location of the additional vice president (Europe versus Africa or Asia), the range of travel costs for the three non-conference meetings would be \$1500-3,000 per board meeting (\$4500 - \$9,000 annually). Room and meal costs vary depending on the location of the meeting.

- How the international process can build on the regional protocols in the U.S. that define a regional selection process for endorsement of candidates that includes geographical rotation

How could a screening panel be selected each year? How could geographical representation between the three seats be handled in order to ensure rotation of country representation as well as qualified candidates for each seat? The current two seats rotate between the northern and southern hemispheres. One proposal from the International Committee was the following:

- one for Canada, Mexico, Central and South America;
- one for Europe and the Middle East; and
- one for Africa, Asia, Australia, and New Zealand

- How the Committee can assist with recruitment of international members eligible to serve on the board.

Since the number of eligible members to serve on the board from outside those countries already represented is very small, how could the committee engage in active recruitment of members in countries not traditionally represented in order to achieve the goal of a broader and different international voice at the board table

Since the International Committee's mid-year meeting is in late April after the Regional Summits, they cannot assist on a communications strategy that could start after the February board meeting. Therefore, a group of members who have been active advocates have been asked to provide advice. The other two issues could still be addressed at the mid-year meeting and discussed further at the June board meeting.

TIMETABLE FOR ENGAGEMENT OF MEMBERS AND AFFILIATES

September 2009 – February 2010

- Executive Board discussions and recommended actions

March 2010 – August 2010

Structure a member and affiliate dialogue similar to the 2008 Strategic Plan process

- Make information broadly available on the ICMA Web site, in the *ICMA Newsletter*, and through other ICMA information sharing vehicles
- Provide a space for member comments on the ICMA Web site
- Make information available directly to state association leaders through targeted communications
- Vice presidents and liaisons will have talking points and a power point presentation to engage state and affiliate boards in providing comments.
- Engage in discussions at 2010 ICMA Regional Summits (March / April 2010) – This is a key opportunity for conversation by focusing the institutional business portion of the meeting on this topic. A good number of state representatives regularly attend the NE, SE, and MW Summits. Special outreach will be needed to state leadership in the Mountain Plains and West Coast to encourage attendance at that Summit.
- Engage International Committee at their April mid-year meeting on issues identified on the addition of a third International Vice President: participation in the communications strategy; process for development of a regional protocol; and plans for the Committee to identify and recruit members eligible to serve on the board.
- Coordinate a conference call with state presidents and state staff

August 2010 – December 2010

- Compile all of the 2010 discussions for review by the Executive Board in San Jose
- Confirm any ballot proposals at October 15, 2010 board meeting.

January 2011

- Any ballot proposals would be included with the January 2011 election ballot.

MEMBERSHIP AND EXTERNAL OUTREACH COMMITTEE

AGENDA COMMUNICATION NO. 2859 FEBRUARY 25-28, 2010 SAN DIEGO, CALIFORNIA

SUBJECT: Process for soliciting nominations for Distinguished Service Awards

INTRODUCTION: Nominations to the Distinguished Service Award are solicited from the general membership. The Executive Board annually reviews nominations and selects recipients for the Distinguished Service Award.

The current identification process relies entirely on submissions from members. There is no systematic review process to ensure that deserving members are considered for recognition. Particularly as a growing number of long-time local government and ICMA leaders are retiring, it seems appropriate to consider a more formal process of identification to complement submissions from individual members.

The current review process relies entirely on the Board and in particular, members of the Membership and External Outreach Committee. It could be helpful to the Board to involve other members in the assessment of submissions.

Proposal for Identification: ICMA could create a three-member panel comprised of the most recent past presidents no longer on the Board. This panel would review a list of Retired and Life members and identify those whose exemplary service and contributions to local government meet the DSA criteria and deserve to be considered for recognition. Colleagues, such as Range Riders, would be asked to submit nominations.

Proposal for Review: With an expanded nomination pool, the Board might consider enlisting the aid of the Annual Awards Evaluation Panel. The Panel, an independent 17-member committee, has a review process and schedule that would align well with the Distinguished Service Award. Instead of

selecting the recipients as it does for the Annual Awards, the Panel would recommend recipients to the Board.

POLICY: The Board has established criteria (See the first page of the attachment) for eligibility and selection and established the format for the nomination forms (See pages 2-3).

PAST PRACTICE: Any ICMA member may nominate a colleague to the Distinguished Service Award, but self-nominations are not accepted.

ICMA solicits nominations via the *ICMA Newsletter*.

The Board reviews all eligible nominations and may confer the award on as many or as few individuals as it deems appropriate.

RECOMMENDATION: As recommended by the Committee.

Discussion Leader:

Simon Farbrother, Chair

Distinguished Service Award Instructions

Background

The ICMA Distinguished Service Award is given to a manager who has retired from the profession and made an outstanding contribution to the management profession and local government. The award is not given to recognize years of service in local government. Rather, it recognizes a manager whose service in his or her community or communities has been judged by peers as strong or exceptional, and who has made major contributions beyond direct service to local government.

Specific career activities to be considered include:

- A consistent pattern of leadership in regional, state, and national management associations
- A pattern of support to peers, colleagues, and young people entering the profession as a mentor, counselor, or “sage”
- A history of developing and implementing innovative programs and sharing and disseminating these through writing, participation on conference sessions, or direct assistance through a one-on-one peer assistance program
- Teaching, lecturing, and/or supervising of interns through an undergraduate or graduate public administration program over an extended period of time
- Development of a special area of expertise that has been exhibited and recognized, both within the community and by peers.

In summary, the individual has to have made a lasting impact on the community and the profession.

Eligibility

- A nomination for the Distinguished Service Award may be made by any member of ICMA, but self-nominations will not be accepted
- Nominees must be ICMA members and retired from professional management.

Distinguished Service Award Nomination Form

SECTION 1: Who Is Being Nominated for the Distinguished Service Award?

Nominee name:			
Street address:			
City:		State/Province:	
Zip/Postal code:		Country:	
Telephone:		Fax:	
E-mail:			
Nominee is an ICMA member:			
Nominee is retired from professional management:		Years retired:	

SECTION 2: Who Should Be Contacted Regarding the Nomination?

Nominator name:	
Telephone:	
E-mail:	

SECTION 3: Descriptive Narrative

a. Description of nominee's career (positions held)
b. Honors, awards, other recognition
c. Leadership in regional, state, and national management associations
d. Pattern or examples of support to peers, colleagues, and young people entering the profession as a mentor, counselor, or "sage"

e. Examples of innovative programs developed by the nominee and how these were shared with others through writing, conference sessions, peer assistance programs

f. Teaching, lecturing, and/or supervising of interns through an undergraduate or graduate public administration program over an extended period of time

g. Special area(s) of expertise that the candidate has developed and how it has been demonstrated and recognized by the candidate's communities and by peers.

Distinguished Service Award Recipients

- 2009 — Dennis Beach
David B. Elder
- 2008 — W. Calvin Horton
Bryce A. Stuart
- 2007 — Thomas C. Kelly
- 2006 — Merrett R. Stierheim
Howard D. Tipton
- 2005 — George R. Schrader
- 2004 — John H. Kiracofe
Peter A. Korn
Robert McEvoy
- 2003 — William H. Hansell Jr.
- 2002 — C. Samuel Kissinger
- 2001 — Donald R. Marquis
Paul A. Reaume
- 2000 — Charles F. Church
Robert Coop
- 1999 — Albert G. Ilg
David R. Taylor
- 1998 — Norman W. Hickey
Richard G. Simmons
- 1997 — J. David Foell
Charles T. Henry
- 1996 — Osmond C. Bonsey
E. Allen Culverhouse
John H. Gray
A. Jeffrey Greenwell
Revan A. F. Tranter
- 1995 — Lowell J. Tooley
E. Robert Turner
- 1994 — J. Neil Nielsen
Graham W. Watt
- 1993 — Terrell Blodgett
Jacques Perreault
William Pitstick
- 1992 — C. T. C. (Cy) Armstrong
John E. Dever
Mark E. Keane
- 1991 — George H. Fellows
- 1990 — Leslie Fell
Robert B. Morris
Walter A. Scheiber
- 1989 — Robert L. Brunton
Deane P. Wiley
- 1988 — Leslie T. Allen
Thomas G. Dunne
B. Gale Wilson
- 1987 — Robert J. Eppley
- 1986 — W. Pete Knowles
- 1985 — Teena Clifton
O. Kenneth Erickson
Thomas Fletcher
- 1984 — Robert A. Kipp
Sir James Swaffield
Robert H. van Deusen
- 1983 — Virgil A. Basgall
- 1982 — David Rowlands
- 1981 — David Burkhalter
- 1980 — H. P. Clifton
- 1979 — Elder Gunter
- 1978 — Raymond P. Botch Sr.
Warren C. Hyde
Kent Mathewson
T. Edward Temple
- 1977 — Frank H. Backstrom
Udo Klaus
Wesley McClure
- 1976 — David Goodman
Thjelvar Hedberg
Walther Hensel
Bert W. Johnson
Stuart Lloyd Jones
Matthew Macken
John M. Patriarche
Andrew N. Walls
- 1974 — Tom Chenoweth
John D. Phillips
- 1973 — Roger Lord
W. Scott McDonald
C. E. Perkins
- 1972 — Russell E. McClure
Wayne F. Thompson
Samuel E. Vickers
- 1971 — F. R. Buechner
Robert L. Morrison
- 1970 — Woodbury E. Brackett
Horace Edwards
E. E. McAdams
- 1969 — John H. Ames
E. Royden Colter
Steve Matthews
Carleton F. Sharpe
- 1968 — Clarence H. Elliott
- 1966 — Ray W. Wilson
- 1965 — George E. Bean
L. P. Cookingham
J. R. French
C. A. Harrell
- 1962 — C. A. Miller

AUDIT AND EVALUATION COMMITTEE

AGENDA COMMUNICATION

NO. 2861

**FEBRUARY 25-28, 2010
SAN DIEGO, CALIFORNIA**

SUBJECT: Presidential Selection Process

**INTRODUCTION/
BACKGROUND:**

At the September board meeting, the board agreed on most aspects of the process for 2010 in reviewing the solicitation letter that went to former vice presidents (attached).

The following former vice presidents have expressed interest in serving as ICMA President-elect:

- Jim C. Blagg, Assistant City Manager, Southlake, TX
- Sam S. Gaston, City Manager, Mountain Brook, AL

Since no more than three former vice presidents expressed interest, both will be interviewed in June. (Their letters of interest and letters of support will be sent out via email, in advance of the February meeting.)

The board has followed a basic set of procedures since 1998 when the board first selected the ICMA President or President elect. These procedures are outlined under the Policy and Past Practice sections and are reviewed and confirmed annually.

POLICY:

In October 1997, the membership approved a constitutional amendment to have the board select the president from among former vice presidents who have been off the board for at least a year at the time of selection and who are still in service to local government. In March 2004, the membership approved a constitutional amendment establishing a formal position of president-elect effective in 2005.

Procedures:

In January 1998, the board established policies for the presidential selection process that have been followed ever since (The language has just been updated to reflect the selection of a president-elect.). These include the following:

- Board members will make no public declaration of their preference for a candidate until after the board interviews candidates and final selection is completed.
- The board will select the president-elect by secret ballot. A majority (11 members) vote will be required for election.
- Board discussion and voting on selection of the president-elect will remain confidential.

At the February 2004 meeting, the board added the following clarifications for board member participation:

- The board has a general policy for voting on board business when participating by phone. It states that a board member who is participating in a board meeting by telephone is allowed to have full voting privileges as long as he or she participates in the entire discussion of the item to be voted on. For the presidential selection process this would mean that a board member could vote as long as he or she participated in all of the interviews.

In February 2006, the board changed the policy for presidential selection. It was agreed that only board members who are at the meeting may vote on the selection since it is very difficult to fully participate in the process by phone.

- A question was raised about whether board members who have a supervisory and/or subordinate relationship with a candidate may participate in the selection process. It was decided that board members can participate in the interview and selection process unless there is a conflict based on family relationship.

PAST PRACTICE:

In 2009, the board followed these practices for the remainder of the selection process:

- The board clarified for the candidates that they expected each interview to start with an opening statement of no more than five minutes by the candidate.

- Staff provided information on candidate contributions to the ICMA Fund for Professional Management and on whether the candidate was credentialed.
- The entire board was involved in all aspects of the process; no formal information gathering was conducted by any individual board members.
- The president reviewed interview questions with the board through email prior to the May board meeting.
- The board provided a social opportunity for candidates to meet the entire board members the night before the interviews. Candidates were invited to meet informally with the board at a reception with light hors d'oeuvres from 6:00 – 7:00 p.m. on the Thursday evening. Following the reception, candidates were on their own for dinner.
- The interviews were conducted on Friday morning. The order of interviews was determined by a drawing conducted by the president as soon as the finalists were agreed upon by the board. An hour was provided for each interview with twenty minutes break in between. The board made its selection by lunchtime.
- All candidates were invited to join the board for dinner the Friday evening of the interviews.
- Only board members and the executive director were present during the interviews.

RECOMMENDATION: Reaffirm procedures for the remainder of the 2010 president-elect selection process.

Discussion Leader:

Dave Limardi, Chair

October 12, 2009

Name
Address
City, State

Dear:

You are one of **52** members who are eligible to serve as ICMA President-elect in 2010-2011. The President - elect serves a year as a board member before he or she assumes the responsibility as president. The purpose of this is to give the successful candidate a year to fully prepare for the role and to help shape the strategic initiatives that he or she will lead as president. This means that all potential candidates can be confident that they will have the opportunity to familiarize themselves with the board and current issues, irrespective of when they were last on the board.

The ICMA Executive Board would like to hear from any of you who are interested in being considered for election. The deadline for receipt of expressions of interest and letters of support is Friday, **January 15, 2010**. This communication should include the following:

1. A statement of no more than four pages on why you believe you should be selected as ICMA President-elect and what you think are the most important issues facing ICMA.
2. An indication that you have the support of the mayor, governing body, or manager, as appropriate, in seeking this honor.
3. A commitment that if you are selected as a finalist, you will come to Washington, D.C. to be interviewed by the board on June 4, 2010, at your own expense.
4. A current resume.
5. Up to twenty letters of support from members as noted in the guidelines on the next page.

Please address communications to me via letter or email as follows: Darnell Earley, City Manager, City of Saginaw, 1315 S Washington Ave, Saginaw, MI 48601-2567; email to dearley@saginaw-mi.com. Please "cc" Diane Snowden at dhsnowden@saginaw-mi.com. We will share the responses with the entire board.

An outline of the current duties and responsibilities of the ICMA President is attached for your information.

If no more than three applicants respond by January 15, the board will interview all three in June. If there are more than three applicants, a pre-selection process will be conducted at the February 25-28, 2010 board meeting. Following the board meeting, candidates will be notified of the board's decision.

In agreeing upon this process the board also established the following communication guidelines for candidate, member and board conduct throughout this time period:

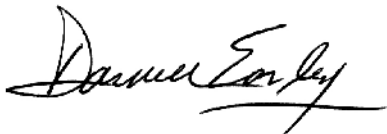
Communication Guidelines for Candidates and Other Members

- Petitions will not be part of this process since there is no provision to qualify independently for nomination.
- Thoughtful letters of support, **no more than twenty**, from ICMA members or groups of members who know the candidate personally, are familiar with the candidate's professional work, and/or have a good understanding of the responsibilities of the ICMA presidency are welcome, but not required. These letters are to be collected by the candidate and submitted in one mailing to me for receipt by the **January 15, 2010** deadline.
- Telephone calls of candidate support to individual board members are discouraged.

Guidelines for Board Members

- Board members will make no public declaration of their preference for a candidate until after the board interviews candidates and final selection is completed in June.
- The board will select the president by secret ballot. A majority (11 members) vote will be required for election.
- Board discussion and voting on selection of the president will remain confidential.

Sincerely,

A handwritten signature in black ink, appearing to read "Darnell Earley". The signature is fluid and cursive, with a long horizontal stroke at the end.

Darnell Earley
ICMA President

EXPECTATIONS OF SERVICE AS ICMA PRESIDENT-ELECT

The board proposed a formal one-year position of President-elect in order to improve the incoming President's ability to become familiar with board issues and with members of the board before serving as President. That will be the President-elect's focus, while also serving as a full voting member of the board. During the year, the President may choose to assign specific responsibilities to the President-elect. This could include representing ICMA when the President has a conflict. In recent years, the President-elect has also attended the March-April Regional Summits along with the President.

Financial commitments for President-elect travel will follow the same guidelines as the President and other board members.

EXPECTATIONS OF SERVICE AS ICMA PRESIDENT

Duties and Responsibilities

Essential:

- Approve board meeting agendas
- Preside at four board meetings and during periodic conference calls
- Preside at annual conference opening session, business meeting, and closing session
- Represent ICMA at a minimum of one state association in each U.S. region and one international meeting presenting a formal presentation to the members. Attend most, if not all, March-April Regional Summits
- Be in regular contact (at least weekly) with the Executive Director as the board's primary contact in overseeing the work of the ICMA staff
- Appoint:
 - ◊ members to member committees/task forces and designate chairs
 - ◊ board members to board committees and designate chairs
- Nominate to the ICMA Board:
 - ◊ three members to serve on the ICMA Nominating CommitteeAs needed:
 - ◊ a member to serve on the board of Public Technology, Inc
 - ◊ a member to serve on GASAC (Governmental Accounting Standards Advisory Council)
 - ◊ a member to serve on the board of the Alliance for Innovation
- Appoint members of the Credentialing Advisory Board as needed
- Attend up to four meetings of the ICMA-RC board
- Participate as a member of the ICMA-RC Board's nominating committee and transmit nomination(s) to the ICMA Board for approval

Desirable:

- Communicate with each board member in the two weeks prior to each board meeting to ensure that individual concerns are incorporated into the board's work
- Communicate with at least a sampling of the members in transition to express condolences and offer support
- Contact one or two state and affiliate presidents each month as a customer service outreach

Financial Commitments

ICMA pays for almost all travel obligations of the ICMA President. The only exceptions are the annual conference and the president's own state/country meeting. It is assumed that board members would be attending those anyway. ICMA does pay the hotel and group meal costs of the two extra days of the pre-conference board meetings. Travel expenses are reimbursed for all assigned travel and for non-conference board meetings.

VALUE OF THE PROFESSION CAMPAIGN

AGENDA COMMUNICATION

NO. 2863

**FEBRUARY 25-28, 2010
SAN DIEGO, CALIFORNIA**

SUBJECT: Update on Value of the Profession Campaign

INTRODUCTION: In November 2009, the board approved a \$500,000 to \$1 million investment from ICMA's reserves to fund the development and marketing of an infrastructure for the Value of the Profession Campaign. During a January 19 telephone meeting, however, the Finance Committee and other board members agreed that while fundraising efforts for the campaign should move forward, ICMA should defer the investment of reserves until staff can develop a clearer picture of the organization's overall financial situation.

BACKGROUND: Work on the Value of the Profession Campaign to date has included the following:

- Issuing a national RFP, which resulted in the selection of GMMB as the campaign agency partner
- Conducting research on two levels that include: (1) 18 one-on-one, in-depth interviews with managers, students, elected officials, media, affiliate organization leaders, and academics completed by GMMB; and (2) incorporation of awareness questions into a Harris national citizen opinion poll to provide an additional benchmark for the campaign. Findings indicated that while nearly a third of respondents were aware that city/county/town managers exist, less than five percent understood the functions of the job.
- The research resulted in the development of the campaign positioning and creative/media strategies.
- GMMB further refined the campaign elements through a stakeholder summit held on May 2, 2009, which included representatives from state leagues/

associations, ICMA board members, and other longstanding members of the profession. The board reviewed and commented on the campaign progress during their May 2009 meeting.

- Development of a final campaign presentation, which includes the creative approach for the campaign—titled “Life Well Run”—and how it would roll out on a national and local level. The campaign will include extensive online and social marketing components and a number of ways state leagues and associations could tie in. The presentation also includes a media expense flow chart and some recommendations on potential partners.
- Staff presented three implementation options for board consideration during their November 2009 meeting

POLICY: The second strategy in the 2008 ICMA Strategic Plan is to raise awareness of the value of professional local government management. It is also a key item in the FY2010-2012 Financial Plan.

PAST PRACTICE: None

FINANCIAL IMPLICATIONS: ICMA would be committed to raising \$3 to \$5 million to fully implement the campaign. Advancing monies to jumpstart the campaign would require a \$500,000 to \$1 million investment.

RISK ASSESSMENT: Higher than assessed at the November board meeting due to the challenges of ICMA’s current fiscal environment.

RECOMMENDATION: Confirm the recommendation offered by the Finance Committee on January 19 to move forward on campaign fundraising efforts, but defer the investment of reserves for 60 to 90 days, at which time staff have a clearer picture of the organization’s overall financial situation.

Discussion Leader:

Bob O’Neill, Executive Director

Value of the Profession Campaign Current Thinking on Campaign Implementation

Background

Based on the original creative strategy and roll-out plan, ICMA's proposed Value of the Profession (VOP) Campaign, which is intended to raise awareness of the benefits of professional local government management, would cost \$3 to \$5 million to execute over a two-year period. The campaign is expected to ultimately generate more than a billion media impressions.

At the board's November 2009 meeting, staff presented three financial options for implementing the campaign, including investing \$500,000 to \$1,000,000 to jumpstart development of the campaign infrastructure (i.e., "back-end" components such as a website, presentation materials for outreach agents, and a speaker's bureau) that would also allow for some limited social media engagement. The campaign fundraising objective remained at \$3 to \$5 million.

The board approved the investment of \$500,000 to \$1 million to jumpstart the campaign in November. Subsequent scrutiny of the organization's second-quarter financial projections, however, revealed that ICMA faces a financial challenge in FY10, in which revenues from all of business lines are expected to fall significantly short of budget. It is anticipated that this situation could have a major impact on FY11 as well.

Current Situation

As a result of the FY10 financial information, the Finance and Business Operations Committee convened via conference call on Tuesday, January 19, 2010, to discuss the organization's situation. Five additional board members and staff also attended the meeting.

The projected budget shortfalls led staff to implement a number of organization-wide cost-cutting strategies. One proposed strategy involved deferring the build out of the VOP campaign infrastructure for 60 to 90 days while moving forward on raising funds to initiate the campaign (see Appendix attached). Staff reached out to GMMB, the advertising agency ICMA partnered with to develop and execute the campaign, and they intend to continue to collaborate with the organization on the campaign. GMMB agreed to re-group with staff in April/May to determine next steps.

The members of the Finance and Business Operations Committee and other board members who participated in the January 19 call agreed that the strategy to defer further development of the campaign infrastructure would be the most prudent at this time. This material is presented to confirm approval within the entire ICMA Executive Board.

Appendix
Fundraising Strategy
in support of the
ICMA Value of the Profession Campaign
(updated January 2010)

Objectives

1. Raise at least \$1 million from members and affiliated local government associations by ICMA's 100th anniversary in 2014.
2. Raise \$2 to \$4 million from outside funders, including individuals, corporations, or foundations.

Activity to Date

Staff began fundraising in support of ICMA's Value of the Profession Campaign (VOP) in early 2009 by targeting state and affiliate associations. Those donations were cultivated specifically to raise \$65,000, which was half of the \$130,000 needed to finance the work of GMMB, the advertising agency that developed the campaign. Monies from the ICMA Fund for Professional Management corpus provided the remaining \$65,000 in development costs. As of this writing, 23 associations had donated or pledged \$61,350.

During the ICMA Annual Conference in September, Executive Director Bob O'Neill, then President Dave Limardi, and then President-Elect Darnell Earley spoke about the campaign at a variety of events including the State Officers Roundtable, the Fund Advisory Council meeting, the Fund for Professional Management Appreciation Luncheon, and the conference opening and closing plenary sessions. The goal of these strategic conversations was to generate general awareness of the campaign and to energize a targeted audience of stakeholders to serve as advocates for the effort.

At the end of October, staff sent an email to all U.S. members requesting support for the campaign. Executive Board and Fund Advisory Council members agreed to contribute an additional \$5 for every pledge or contribution made during the first 48 hours after the initial ask. That effort resulted in 109 individual donations or pledges totaling \$41,260. The Fund's end-of-year solicitation also included information on the campaign and provided an opportunity for donors to earmark their gift for this effort.

As of this writing, individual donors and associations have given or pledged a total of \$110,941 for the campaign; \$58,546 of which is already in hand.

Proposed Value of the Profession Campaign Fundraising Plan

(Updated information is in boldface italics next to each strategy)

1. Outreach to Individual Local Government Professionals (October 2009 and ongoing)
 - a. Send initial solicitation to all members. ***Completed October 2009***
 - b. Use the end-of-the-year Fund solicitation to raise money for the campaign, as well as other traditional Fund activities. ***Incorporated into end-of-year campaign; other efforts ongoing.***
 - c. **NEW:** Based on consensus at the November board meeting, develop a grassroots strategy to educate local government professionals about the campaign and raise money. ***Staff will model a strategy after a highly successful personal selling initiative implemented in Illinois during FY09. Strategy will be rolled out in 3-4 targeted states and involve an ICMA member acting as the state lead to coordinate the outreach efforts of current donors to non-donors, all with support from ICMA staff. After this approach is tested and refined, staff will roll out the strategy nationwide.***

2. Solicitation of Major Gifts: Corporate, Foundation, or Individual (November 2009-Spring 2010)
 - a. Ask Executive Board and Fund Advisory Council to brainstorm connections they or their colleagues have to potential major donors. ***Continue to solicit possible connections.*** Compile and research these contacts before reaching out to those with the greatest potential. By that point, staff anticipate garnering sufficient support for the campaign from ICMA members to demonstrate strong internal buy-in to potential funders.
 - b. **NEW:** ***Bob will make individual calls to major donors in the spring.***

3. Outreach to State and Affiliate Associations (February-August 2010)
 - a. Following initial outreach to associations in early spring 2009, staff will contact state associations again to enlist their support. Associations that have already given will be asked to contribute to the ongoing effort. Those that have not given will be encouraged to make an initial commitment.
 - b. Consider contacting at least some municipal leagues for support.
 - c. **NEW:** ***Include language in affiliation agreements requiring state associations to make a contribution to the campaign. Also request that they facilitate contributions from their members, potentially by collecting donations along with dues, conference registrations, etc.***
 - d. **NEW:** ***Enlist current and former board members in making a presentation to every state association meeting in spring/summer 2010 concerning the VOP campaign and the Fund solicitation.***

In addition to the solicitation strategies outlined above, staff will utilize the *ICMA Newsletter*, blast emails, and the campaign website (icma.org/lifewellrun) to keep stakeholders informed of the campaign's progress and solicit contributions on an ongoing basis. Will also explore the use of social media (Twitter, Facebook, LinkedIn, etc.) to reach potential new donors.

CAL-ICMA UPDATE

**FEBRUARY 25-28, 2010
SAN DIEGO, CALIFORNIA**

SUBJECT: Update on Cal-ICMA Activities.

INTRODUCTION: Cal-ICMA was organized in late 2003. The last formal update was provided to the ICMA Board was in 2004. Since the Board meeting is in California, this provides an opportunity for an update on Cal-ICMA activities.

BACKGROUND: Cal-ICMA was created to better represent all ICMA members in California. The formal relationship between ICMA and Cal-ICMA is documented in a Financial Services Agreement signed in early 2009. Cal-ICMA is an association of associations including the League of California Cities City Managers' Department, the Municipal Management Association of Southern California, the Municipal Management Association of Northern California, the California City Management Foundation, and other constituency groups in the State. The Cal-ICMA Board has members from all constituent organizations and is composed of twenty (20) members:

- Five (5) from the League of California Cities' City Managers' Department;
- Three (3) from the California City Management Foundation;
- One (1) from the Municipal Management Association of Northern California (MMANC);
- One (1) from the Municipal Management Association of Southern California (MMASC);
- One (1) Principal Assistant, who serves as an Assistant City/County Manager, Deputy City/County Manager, Assistant to the City/County Manager, Department Head and/or Analyst in the City/County Manager's Office in California;
- One (1) from the County Administrative Officers' Association;
- One (1) from the Council of Governments (COG) Directors' Association of California;
- One (1) from the International Hispanic Network (IHN);
- One (1) from the National Forum for Black Public Administrators (NFBPA);
- One (1) from California Asian Public Administrators Network and Caucus of Elected Asians (CA-PANACEA);

- One (1) from Women Leading Government (WLG); and
- Three (3) ICMA at-large members (with a goal of maintaining one public administration academic as an at-large member) and two (2) retired ICMA members (including one who serves as an ICMA Range Rider).

The purposes of this Statewide collaborative as stated in its bylaws are to:

1. Represent ICMA as California's statewide organizational unit, and to maintain a close liaison and working relationship with ICMA. Also, to serve as the entity that develops and maintains a Scope of Services Agreement with ICMA;

2. Provide a structure through which the discussion of local government management and ICMA- related issues can be accommodated;

3. Maintain coordinating organizations' emphasis on matters unique to its members;

4. Promote professional development and networking among members of the coordinating organizations;

5. Promote ICMA membership in California;

6. Promote the high ethical standards of local government management;

7. Encourage and support the Council-Manager form of local government; and

8. Identify and implement programs and projects that recruit and retain talented individuals in the profession.

Among the more notable activities begun by Cal-ICMA is the Preparing the Next Generation initiative, now an ICMA endorsed and supported national activity. Current Cal-ICMA activities are organized in committee activities with the following areas of focus:

- Committee on the Profession
- Membership and Revenue Committee
- Governance and Nominations Committee
- Education and Professional Development Committee
- Preparing the Next Generation Committee
- Next Phase Manager Committee

During the last two years, the Cal-ICMA Next Phase Manager Committee has undertaken efforts to assess the potential for some structured program to work with management personnel

considering or beginning retirement – the next phase of their careers. The assessment has led to the development of a pilot program (Senior/Encore Managers Initiative) that will be further described during the Cal-ICMA report.

The Cal-ICMA board received initial recommendations in July 2009 which were supported. (Those are provided in the attached communications from then Cal-ICMA President, Rod Wood, to President Darnell Earley) Since then there have been further discussions with the Cal-ICMA board and updated recommendations will be provided at the board meeting. Cal-ICMA would appreciate feedback from the ICMA Board on the program and is seeking endorsement of the program including an indication of ICMA Board support for Cal-ICMA fundraising efforts for potential expansion of the program and its use not only in California but in other states. This request for endorsement is not a request for financial support.

The Cal-ICMA presentation on Friday afternoon will cover:

1. Brief history of Cal-ICMA including introduction of current leadership.
2. Membership Recruitment/Expansion
3. Current Cal-ICMA initiatives including the Next Generation efforts.
4. Senior / Encore Managers Initiative
5. Cal-ICMA Finances
6. San Jose Conference

PAST PRACTICE: The ICMA Executive Board commonly meets with the leadership of the state where an Executive Board meeting is being held.

FINANCIAL IMPLICATIONS: Cal-ICMA activities are supported by ICMA staff in Washington (Relationship Management) as well as the part-time ICMA West Coast Director. These costs are assumed in the annual ICMA budget. ICMA also supports the activities of three (3) Senior Advisors in California as well the national efforts of the Senior Advisor position dedicated to the Preparing the Next Generation Initiative.

RISK ASSESSMENT: Not applicable.

ATTACHMENTS:

1. Cal-ICMA Board Roster
2. Information regarding the Senior/Encore Managers Initiative

Discussion Leader:
Laura Biery, Cal-ICMA President

**CAL-ICMA Board of Directors, Committee Chairs
ICMA Officers and Staff
(As of January 2010)**

	Board of Directors						
1	Laura Biery - President	Administrative Analyst	City of Santa Clarita	CMD	Jul 10	LBIFERY@santa-clarita.com	661-286-4017
2	Rob Braulik - First Vice President	Assistant City Manager	City of Fairfield	Principal Assistant	Jul 11	Rob.Braulik@ci.fairfield.ca.us	707- 428-7398
3	Rita Geldert	City Manager	City of Vista	CCMF	Jul 10	rgeldert@cityofvista.com	760-639-6131
4	Kevin O'Rourke	Interim City Manager	City of Stockton	Retiree	Jul 10	Kevin.Orouke@ci.stockton.ca.us	209-937-8294
5	Christa Johnson	Assistant Town Manager	Town of Windsor	MMANC	Jul 10	cjohnson@townofwindsor.com	707-838-5330
6	Chet Newland	Duggan Distinguished Professor	USC (Sacramento)	At-Large	Jul 12	newland@usc.edu	916-442-6911 x 24
8	Susan Muranishi	County Administrator	Alameda County	CA-PANACEA	Jul10	countyadministrator@acgov.org	510-272-3862
9	Magda A. González	Deputy City Manager	City of Redwood City	IHN	Jul 10	mgonzalez@redwoodcity.org	650-780-7302
10	Matthew Hymel	County Administrator	County of Marin	CAOAC	Jul 11	mhymel@co.marin.ca.us	415-499-6358
11	Bob Hall	Deputy City Manager	City of Huntington Beach	AT-Large	Jul 11	bhall@surfcity-hb.org	714-536-5236
12	Troy Brown	Assistant City Manager	City of Livermore	NFBPA	Jul 10	TBrown@ci.livermore.ca.us	925- 960-4040
13	Darren Kettle	Executive Director	Ventura County Transportation Comm	COG Directors	Jul11	dkettle@govventura.org	805-642-1591 x 123
14	Marcia Raines	City Manager	City of Millbrae	CCMF	Jul 11	mraines@ci.millbrae.ca.us	650-259-2334
15	A.J. Wilson	Range Rider	Retired	Retiree	Jul 11	ajwcm@aol.com	760-723-8623
16	Tammy LeTourneau	Former CM, Yorba Linda	Management Partners	WLG	Jul 11	tletourneau@managementpartners.com	714-458-8410
17	Scott Mitnick	City Manager	City of Thousand Oaks	CMD	Jul 12	smitnick@toaks.org	805-449-2111
18	Greg Larson	City Manager	City of Los Gatos	CMD	Jul 12	glarson@losgatosca.gov	408-354-6832
19	Steve Solomon	City Manager	City of Visalia	CMD	Jul 12	ssolomon@ci.visalia.ca.us	559-713- 4312
20	Leon Churchill	City Manager	City of Tracy	CMD	Jul 10	lchurchill@ci.tracy.ca.us	
21	Carl Alameda	Senior Management Analyst	City of La Canada Flintridge	MMASC	Jul 10	calameda@lcf.ca.gov	818-790-8880
22	Hilary Straus	Deputy City Manager	City of Hanford	CCMF	Oct 10	hstraus@ci.hanford.ca.us	559-585-2521

Other Contacts (not board members)

Committee Chairs							
Kevin O'Rourke	Retired/ Consultant	Local Government Solutions	Committee on the Profession			kevin@kolgs.com	707-249-5356
George Carvalho		Retired	Education & Development Committee			georgecarvalho@gmail.com	949-280-9819
Scott Miller	Chief Financial Officer	City of Beverly Hills	ICMA Governance/ICMA Nominations Comm			sgmiller@beverlyhills.org	310-285-2419
Fran David	Assistant City Manager	City of Hayward	Membership & Revenue Committee			Fran.David@hayward-ca.gov	510-583-4302
Frank Benest		Retired	Preparing the Next Generation			frank@frankbenest.com	650-444-6261

ICMA Officers, Staff and Senior Advisors							
Pat Martel	City Manager	City of Daly City	ICMA Vice President	2012		pmartel@dalcity.org	650.991.8127
Karen Pinkos	Asst City Manager	City of El Cerrito	ICMA Vice President	2011		KAP@ci.el-cerrito.ca.us	510- 215-4302
Dave Mora		ICMA	Director ICMA West			dmora@ICMA.org	831-737-8133
Jan Perkins		ICMA	Senior Advisor (So. Cal)			jperkins@icma.org	949-202-8870
Pam Easter		ICMA	Senior Advison (So. Cal)				
Mike Garvey		ICMA	Senior Advisor (No.Cal)			garveycgs@yahoo.com	650-596-9047



October 1, 2009

Darnell Earley, President of ICMA and ICMA Board of Directors
777 N. Capitol Street, NE
Suite 500
Washington, D.C. 20002-4201

Dear President Earley and ICMA Board Members:

Cal-ICMA is requesting that the ICMA Board of Directors consider recommendations from Cal-ICMA regarding actions to support senior managers as they retire from full-time local government management and transition into their “encore” phase.

Specifically, we are requesting that the ICMA Board agendaize the Cal-ICMA report and recommendations at your February 2010 meeting in San Diego, California. Members of our Cal-ICMA Senior Manager/Encore Manager Committee would be pleased to attend the meeting and present the recommendations and respond to any questions.

Background

At the last two City Manager Department conferences in California, we have held dialogues with senior managers and managers who have moved into their next life phases. These dialogues generated a lot of hopes, issues, and concerns from senior managers who felt ill-equipped to thoughtfully craft a fulfilling next life phase plan.

Sensing that this issue was a big challenge for a whole generation of baby-boomer managers, the Cal-ICMA Senior Manager/Encore Manager Committee conducted four focus groups across the state. A summary of issues and fears expressed during these focus groups includes:

- Uncertainty, the “unknown”
- Personal isolation, being forgotten, not being able to maintain connection with my colleagues

- Losing a sense that I am contributing and adding value
- Working too hard in my next phase and therefore not being able to explore other aspects of my self
- Loss of organizational support
- Boredom, too much time on my hands
- Not having a plan
- Lack of competence in other areas that I may pursue
- The “moment of commitment” to something else previously unexplored
- Loss of authority and influence
- Lack of ability to “recalibrate” as I enter the last few years of my full-time local government career
- Concern about the possible lack of intellectual stimulation and sense of personal identity loss after years of having been on the forefront of community issues
- No longer contributing to the betterment of society
- Not planning properly for my financial needs for the rest of my life
- If I retire “badly,” problems could be created such as marital/family issues, alcoholism, depression, etc...
- Family disruption as I retire
- Inability to separate my self from my identity as a city manager
- Problems coping with physical, mental and emotional stress as I transition

Recommendations

As a result of the focus groups, the Committee drafted a report and a set of recommendations involving possible roles for ICMA, Cal-ICMA, the City Managers Department of the League of California Cities, and the California City Management Foundation. The recommendations are aimed at developing through our professional organizations tangible support for senior managers so they can experience a vital last few years as full-time local government managers and help them purposefully transition into their next life phase and any encore careers.

Recommendations for ICMA consist of the following:

1. Create a mini-track at the 2010 Conference on this broad issue
2. Provide an ICMA University Forum or course on “Encore Work and Self-Fulfillment”

3. Engage ICMA Consulting Services to work with the Senior/Encore Manager Committee of Cal-ICMA in developing a peer coaching program
4. Develop through ICMA Press a resource guide for transitioning members
5. Explore insurance at group rates for single practitioners and other member services for encore professionals
6. Use California as a beta site for program innovation in this area

Relationship to ICMA Strategic Plan

The recommendations related to this Senior Manager/Encore Manager effort are directly related to ICMA's new Strategic Plan. A key element of ICMA's recently adopted Strategic Plan is that ICMA needs to support our members during all phases of their careers and lives. The recommendations by Cal-ICMA would help ICMA test various programmatic responses to the Senior Manager/Encore Manager challenge, learn from that experience, and then grow these efforts across the country.

In addition, it is quite clear that ICMA needs to maintain connection with "encore" local government professionals. Over 50 percent of ICMA's current membership is over 50 years of age. The profession is at risk of losing all the skills, expertise and knowledge of baby-boomer managers over a short period of time. Moreover, ICMA as an association is at risk of losing half its members and thus must keep members who move into their next phase engaged in the Association.

Summary

The Cal-ICMA Board of Directors unanimously endorsed the Senior Manager/Encore Manager Committee recommendations at its meeting on July 30, 2009. We are very excited about ICMA's potential support of efforts to support senior and encore managers.

We look forward to the discussion with the ICMA Board in February. Thank you for your consideration.

Sincerely,



Rod Wood, President
Cal-ICMA

Kevin O'Rourke, Cal-ICMA Committee Chair
Senior Manager/Encore Manager Committee

July 2009

Cal-ICMA Senior Manager/Encore Manager Initiative

Chair: Kevin O'Rourke

Members: Mike Garvey, Jim Keene, George Carvalho, Frank Benest

Recommendations

Based on the input from four (4) focus groups conducted throughout the state, it is recommended that our professional organizations respond to the Senior Manager/Encore Manager challenge in various ways.

City Managers Department, League of California Cities

It is recommended that the Executive Committee of the City Managers Department form a subcommittee to identify ways to maintain the engagement of encore managers, including:

1. Expand Muni-Link to include non-traditional modes of employment
2. Maintain connection with encore managers via the Department list serve (for those desiring to maintain involvement)
3. Develop menu of service opportunities
4. Provide a reasonable and affordable conference and meeting fee structure to encourage continued participation by next phase professionals
5. Explore the use of Range Riders as key resource
6. Add a retired member to the Executive Committee who would be separate from the Range Riders and ICMA Senior Advisors and advocate for the needs of encore professionals

Cal-ICMA

It is recommended that Cal-ICMA make the Senior Manager/Encore Manager Committee an ongoing group which will secure resources and support to accomplish several objectives:

1. Create a web page on the Cal-ICMA web site, featuring technical resources and a blog which would help members share experiences (seek cooperation and support from CCMF in this effort)
2. Develop a “gallery” of one-to-one peer coaches
3. Serve as a seed-bed for innovation in this area for ICMA and other state associations
4. Conduct a session at the annual City Managers Department conference geared to managers wanting to explore a career change or transition to semi-retirement status
5. Formalize with the range riders a one on one counseling service for senior managers who are considering their next phase options
6. Engage the League in a conversation as how to allow retired members to attend the annual conference and other pertinent conferences/meetings during the year (Cal-ICMA should be addressing this issue for all Cal- ICMA members who might not otherwise qualify as a member of the CM Department of the League)
7. Approach ICMA and ask ICMA to recognize this effort as a “beta” site or test case for an effort that could go ICMA- wide
8. Support the committee in getting a meeting with the ICMA Board of Directors in the next year to discuss these issues

CCMF

It is recommended that CCMF:

1. Organize and host a pilot workshop for Senior and Encore Managers and their partners in order to share experiences and provide resources
2. Consider hosting a web site, blog and list serve for the senior/encore phase city managers

3. Prepare and distribute a handbook/checklist of resources, suggestions, and options in order to assist senior managers contemplating a transition to their next phase

ICMA

It is recommended that ICMA create a Board Committee to respond to the element of the new Strategic Plan that aims to support members at each stage of their life. With the guidance of the Board Committee, ICMA will develop programmatic responses, such as:

1. Create a min-track at the 2010 Conference on this broad issue
2. Provide an ICMA University Forum or course on “Encore Work and Self-Fulfillment”
3. Engage ICMA Consulting Services to work with the Senior/Encore Manager Committee of Cal-ICMA in developing a peer coaching program
4. Develop through ICMA Press a resource guide for transitioning members
5. Explore insurance at group rates for single practitioners and other member services for encore professionals
6. Use California as a beta site for program innovation in this area

Crafting Your Next Life Phase

A Workshop Sponsored by CCMF for Senior Managers Considering Retirement and Encore Employment

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|----------|---|
| 8:00 am | Registration / Coffee |
| 8:30 am | Welcome
<i>Rita Geldert, CCMF President</i> |
| 8:35 am | Framing the Next Life Phase Opportunity and Challenge
<i>Kevin O'Rourke, Chair, Cal-ICMA Committee on Senior/Encore Managers</i> |
| 8:40 am | "My Hopes and Concerns about My Next Life Phase"
<i>Dr. Frank Benest and Participants</i> |
| 9:15 am | "How This Great Recession Affects My Retirement Plans?"
<i>Girard Miller, PFM and Contributor to Governing on Pensions</i> |
| 10:15 am | Break |
| 10:30 am | Crafting Your Next Life Phase – Strategies for Self-Renewal <i>Dr. Frank Benest</i> |
| 11:45 am | Lunch and Luncheon Speaker
"Five Questions for the Journey Into Retirement"
<i>Patrick H. Davis, MSW, Founder and Director of i-ACT-now.com</i> |
| 1:15 pm | Three Different Journeys
<i>A panel of three Managers who have made the transition</i> |
| 2:15 pm | Resources for Managers Considering Their Next Life Phase
<i>Dr. Frank Benest</i> |
| 2:25 pm | Closing Comments
<i>Rita Geldert, CCMF President</i> |
| 2:30 pm | Adjourn |

RESOURCES AND OPPORTUNITIES FOR ENCORE MANAGERS

JOB RESOURCES:

JPA's: RGS, LGS (<http://www.rgs.ca.gov/index.html>)

Muni-Link (<http://www.cacities.org/munilink>)

Management Partners (<http://www.managementpartners.com/asp/index.asp>)

Urban Futures (<http://www.urbanfuturesinc.com/>)

WAYS TO GIVE BACK:

Serve as a coach on the Cal-ICMA "Coaches Gallery; contact don@donmuruska.com

Participate in City/County Manager in University Residence program; contact frank@frankbenest.com

Teach

Write

Serve on local non profit boards

Serve as a local government advisor through ICMA International Program; check out ICMA's Academy for International Development www.icma.org

READING MATERIAL:

Books

Bridges, William; *Transitions*

Crowley, Chris and Lodge, Henry S., MD; *Younger Next Year*

Freedman, Marc; *Encore: Finding Work That Matters In the Second Half of Life*

Gardner, John W.; *Self-Renewal*

Hudson, Frederic; *The Adult Years—Mastering the Art of Self-Renewal*

Leider, Richard J. and Shapiro, David A.; *Repacking Your Bags*

Leider, Richard J. and Shapiro, David A.; *Claiming A Place At the Fire*

Articles and Guides

Benest, Frank; "Keeping the Passion Alive," *Public Management*, Oct. 2006

Benest, Frank; "Renewing the Profession Through Next Phase Managers," *Public Management*, Aug. 2007

"Looking for an Encore Career? The Guide to Finding Work That Matters," 2009 (download from www.encore.org)

WEBSITES:

www.civicventures.org

www.idealists.org

www.encorecareers.org