



ENVISION

ICMA

FY 2019 Budget

FY 2019 BUDGET

ABOUT ICMA

Founded in 1914, ICMA, the International City/County Management Association, advances professional local government through leadership, management, innovation, and ethics. Our vision is to be the leading professional association dedicated to creating and supporting thriving communities throughout the world.

ICMA's members are the professional city, town, and county managers who are appointed by elected officials to oversee the day-to-day operation of our communities. The association promotes and embraces diversity among its members, including a governing board that reflects ICMA's membership and the communities served.

ICMA provides member support; publications; data and information; peer and results-oriented assistance; and training and professional development to over 11,000 city, town, and county managers, their staffs, and other individuals and organizations throughout the world. The management decisions made by ICMA's members affect millions of individuals living in thousands of communities, from small villages and towns to large metropolitan areas.

ICMA is a 501(c)(3) nonprofit organization that offers a wide range of services to its members and the local government community. It also performs mission-driven grant and contract-funded work both in the U.S. and Internationally, which is supported by federal government agencies, foundations, and corporations.

ICMA

TRANSMITTAL LETTER

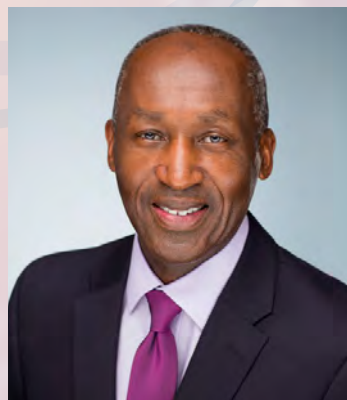
May 18, 2018

To: ICMA Executive Board
From: Executive Director Marc Ott
Re: FY 2019 ICMA Budget

Dear Members of the ICMA Executive Board:

I am pleased to recommend the FY 2019 budget for your consideration.

The proposed budget includes approximately \$32.3 million in operating revenues and \$31.8 million in operating expenses, resulting in a budgeted contribution to net assets from operations of approximately \$506,000. This includes resources to deliver on the key strategic priorities identified in Envision ICMA. In addition, the budget proposes funding certain one-time expenses totaling approximately \$394,000 directly from net asset reserves.



Given our commitment of building an organization of excellence from the inside out, our approach to the budgeting process was different this year. To set an aspirational tone, we began by visioning what “best in class” means for ICMA as an organization and for each business team. We then budgeted the revenues for FY 2019, and business teams determined how resources could be allocated effectively to move closer to the vision of best in class while delivering on the Envision priorities. The energy was palpable as each business team made its budget presentations in this context. This is an example of the kind of changes we are making that will ultimately affect the quality of our products and member services.

As I have stated before, ICMA is a complex organization. While we provide a wide range of services to our members, we also engage in several domestic and international business lines, and we do so notwithstanding significant financial uncertainties. The organization’s revenue structure is diverse but volatile in some areas. Of the proposed \$32.3 million in operating revenues, 41% is to be

continued

TRANSMITTAL LETTER, cont.

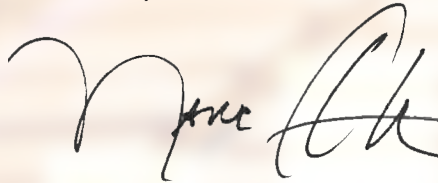
generated from grant- and contract-funded activities, with the remaining 59% to be generated from core membership activities and other sources.

Last year, I observed that there are inherent structural limitations caused by ICMA's reliance on grant- and contract-funded activities to support basic operations and noted that to become a financially robust organization, we must reduce this reliance so that our core operations are less susceptible to fluctuations in funding caused by external factors outside our control. We are actively pursuing new revenue strategies to make ICMA more structurally balanced, and I am glad to report that we are moving the needle toward reducing this reliance. The gap in core operations that needed to be covered by the grant- and contract-funded activity was approximately \$816,000 in FY 2017; down to \$553,000 in the FY 2018 budget; and \$344,000 in the FY 2019 budget. Given this trend, we should be completely self-reliant by FY 2021 when fluctuations in grant and contract funding will not have a material impact on core operations.

Envision ICMA continues to be the foundation on which this FY 2019 budget was developed. We are implementing a solution in partnership with our strategic partner, Corporater, that will allow us to track and report on progress against the budget and against Envision ICMA. This will be a powerful business intelligence tool that will enable us to assess the impact of our strategies and make changes as needed.

I see endless possibilities for positioning ICMA as the standard bearer for leadership and excellence in local governance globally. I remain committed to working with all of you in the coming year as we continue our relentless pursuit of that goal.

Sincerely,

A handwritten signature in black ink, appearing to read "Marc A. Ott". The signature is fluid and cursive, with a large initial "M" and "A".

Marc A. Ott
Executive Director, ICMA

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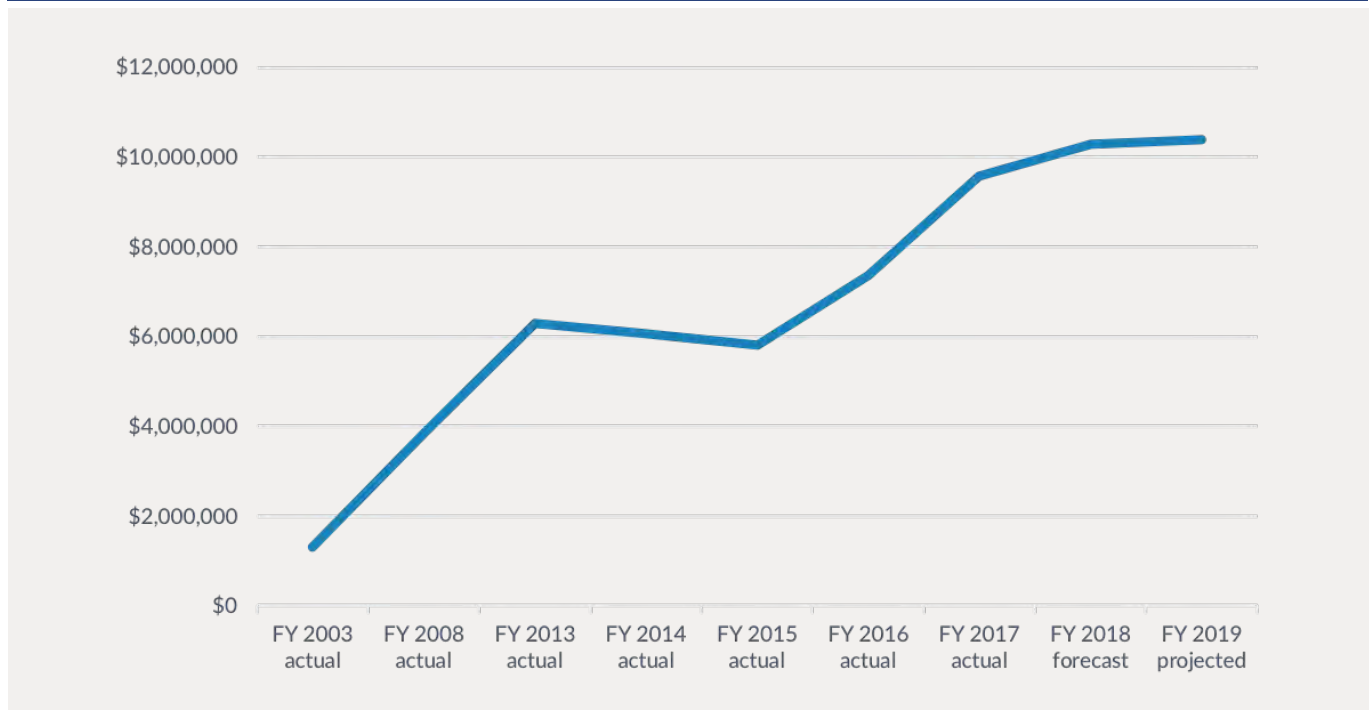
Budget Overview

BUDGET OVERVIEW

ICMA's strategic plan, Envision ICMA, approved by the Executive Board in February 2017, continues to serve as the foundation for all ICMA's activities. The FY 2019 budget is built upon this plan and the implementation workplan, which sets forth concrete strategies for achieving the priorities identified in the strategic plan. The proposed budget, with operating revenues of approximately \$32.3 million and operating expenses of approximately \$31.8 million, includes resources to deliver on key strategic priorities while making a contribution to net assets from operations of approximately \$506,000. In addition, the budget proposes funding certain one-time expenses totaling approximately \$394,000 directly from net asset reserves rather than from ongoing operations. The resources included in the budget will continue to propel us toward our goal of building an organization of excellence from within.

With these assumptions, net asset balance is expected to be in excess of \$10 million at the end of FY 2019, as shown in Figure 1.

FIGURE 1 | Net asset balance 2003–2019



For details of the strategic priorities and initiatives funded in the FY 2019 budget, refer to Appendix 4, Envision ICMA Implementation Plan, FY 2019.

Figure 2 shows the FY 2019 budgeted sources of revenue.

FIGURE 2 | FY 2019 budgeted sources of revenue

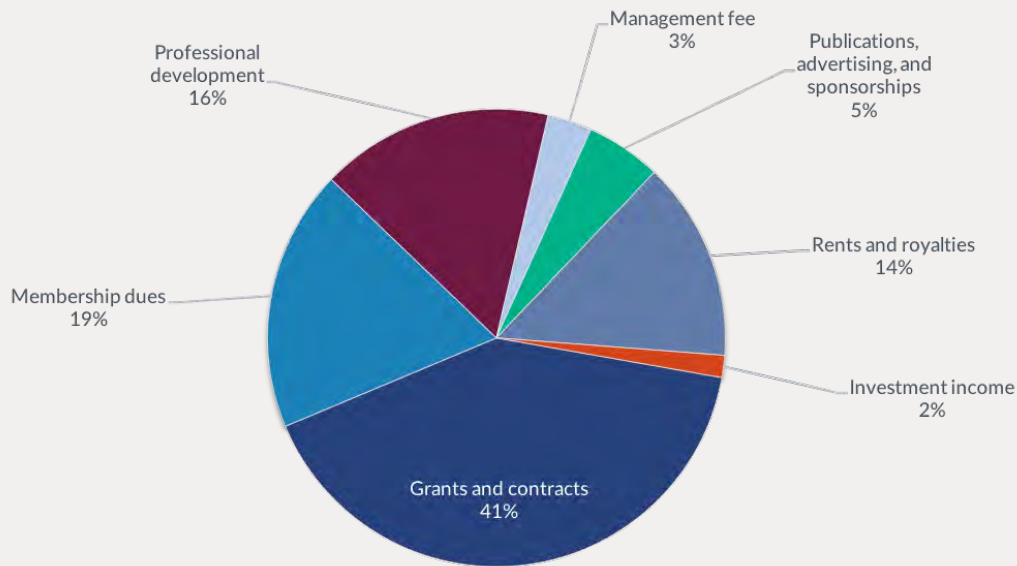


Figure 3 shows the allocation of resources to three major outcome areas: member services, global programs, and organizational support. In addition, member services are further broken down into member support, professional development, strategic development, international programs, research and policy, outreach, and other.

FIGURE 3 | FY 2019 budgeted allocation of resources to outcomes

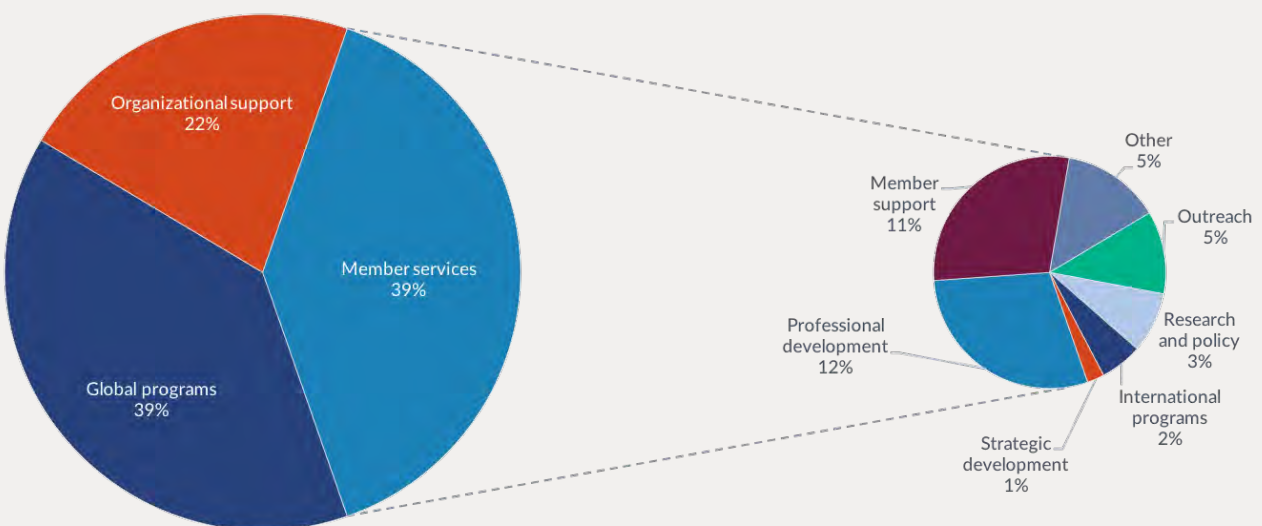



Figure 4 summarizes the FY 2019 budget.


FIGURE 4 FY 2019 budget summary	
	FY 2019 budget
Non-grants and contracts programs	
Revenue	
Membership dues	\$5,980,000
Professional development	5,321,665
Management fee	1,015,563
Publications, advertising, and sponsorships	1,725,500
Rents and royalties	4,560,580
Investment income	502,700
Total revenue	19,106,008
Allocation of resources	
Member support	3,610,828
Professional development	3,658,812
Research and policy	1,060,195
Outreach	1,444,666
Strategic development	295,623
International programs	735,800
Other (rent expense, SLGE management services)	1,719,449
Organizational support	6,924,755
Total expenses	19,450,128
Net from non-grants and contracts programs	(344,120)
Grants and contracts	
Revenues	13,225,929
Expenses	12,376,025
Net from grants and contracts*	849,904
Net from operations	505,784
One-time items	
Investment in the office space (FY 2019 impact)	(250,000)
Leadership assessment	(115,558)
Investment in ICMA Europe	(28,813)
Net from one-time items	(394,371)
Total net contribution	\$ 111,413


*Note: For purposes of tracking ICMA's progress toward becoming completely self-reliant and independent of grants and contracts, the grants and contracts expenses shown in Figure 4 include expenses directly related to securing, implementing, and managing those programs and do not include an allocation of general support expenses such as Executive Board, Executive Office, Finance, HR, and IT.


BUDGET ASSUMPTIONS

REVENUE ESTIMATES


 **Membership dues** are budgeted to grow by 4% compared with FY 2018. This reflects the combined effect of growing salaries of the full member population and the increasing membership count, which is a positive result of the implementation of the flat dues rate for department directors and other successful recruitment strategies.


 **Annual conference** revenues are budgeted to be higher than in FY 2018. This reflects projected increased attendance levels equal to those of the San Antonio conference, modest increases to registration fees, and projected increases in revenues from the virtual conference.

 **Other professional development offerings** revenues are budgeted at approximately the same level as in FY 2018.

 **Research and policy revenues** are budgeted at approximately the same level as in FY 2018. Revenues from sales of publications are projected to decline while revenues from funded and sponsored research are expected to increase.

 **Partnerships** revenues are budgeted to be at the same level as in FY 2018.

 **Grants and contracts** revenues are budgeted at \$13.2 million, in line with the FY 2018 projections. At \$4 million in budgeted revenue, SURGE will continue to be the largest project in ICMA's funded portfolio.

 **Other revenues** are budgeted higher than in FY 2018, primarily because of the projected increase in royalties received from ICMA-RC.

EXPENSE ESTIMATES

The FY 2019 budget includes resources to maintain ongoing services and to deliver on the key priorities identified in Envision ICMA. In addition, the FY 2019 budget includes investment in staff for professional development and recognition and an average 3% increase in total compensation.

RISKS

Risks inherent in the FY 2019 budget that may affect actual results include:

- The future level of royalty revenue expected from ICMA-RC for the use of ICMA's name and brand is uncertain as the two organizations are moving forward with an independent evaluation of ICMA's brand and its value to ICMA-RC.
- The amount of ICMA's investment in office space is unknown at this time because the evaluation of available options and their financial impact have not yet been completed.
- The level of attendance for the Baltimore conference may be lower than budgeted, affecting conference revenues adversely.

- Local governments' restrictions or freezes on discretionary spending continue to be a risk because they might adversely affect membership dues, participation in professional development programs, and members' and communities' ability to participate in direct technical assistance activities.

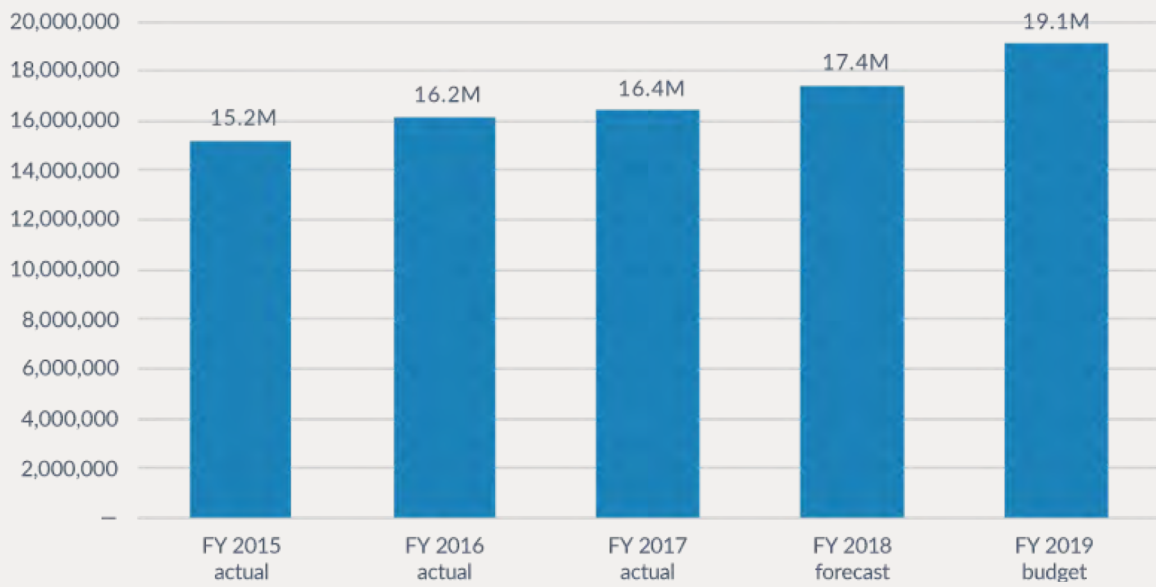
Grants and contracts (G&C) revenues, which account for 41% of total ICMA budgeted revenues and are budgeted to contribute approximately \$850,000 toward support costs, carry several risks:

- Continued reliance on funding from one primary source, USAID, for international G&C work is an area of high risk, as this funding source is volatile, influenced by changing political environments and other factors outside of ICMA's control, and requires resources to ensure compliance. Heavy reliance on revenues from a single project, SURGE (budgeted at \$4 million in FY 2019 and accounting for 30% of the budgeted G&C revenue and 12% of total ICMA budgeted revenue), further exacerbates this risk. ICMA's ability to meet budgeted financial targets will be at risk if the SURGE project work in the Philippines is interrupted or discontinued or if the contract is cancelled due to funding or project implementation challenges, political reasons, security concerns, or other factors.
- Risks associated with federal audits of funded programs continue to be high. A Special Inspector General for Afghanistan Reconstruction (SIGAR) audit of a major project in Afghanistan is still open, awaiting USAID's decision regarding \$1.8 million in questioned costs.
- Budgeted revenues from grants and contracts typically include projects in hand and an unfunded portion for projects that we expect to win during the year. The amount of unfunded G&C revenue included in the budget is approximately \$3.6 million, which is 27% of the total budgeted G&C funding and 11% of total budgeted revenue for ICMA. The unfunded amount fluctuates each year based on awards in hand and our average win rate applied to outstanding or pending proposals.

RISK MITIGATION

ICMA employs several measures to mitigate against the risks described above, including:

- Continual monitoring of progress against key metrics, making course adjustments as needed.
- Investment in compliance activities to reduce risks of program audit findings.
- Investment in business development and bids and proposals, to ensure a pipeline of new funded projects that are expected to close the funding gap and help realize revenue currently budgeted as unfunded.
- Pursuit of new sources of revenue and enhanced revenues from existing sources to reduce reliance on G&C funding. This strategy has been successful, as revenues from the non-G&C sources increased from approximately \$15 million in FY 2015 to more than \$19 million budgeted in FY 2019, as shown in Figure 5.

FIGURE 5 | Revenue from non-grants and contracts sources

FY 2019 Team Priorities And Budgets

FY 2019 TEAM PRIORITIES AND BUDGETS

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



The following pages describe the FY 2019 priorities, budgeted revenues, expenses, net contribution, and full-time equivalent positions for each of these teams. A detailed workplan for each team with linkages to Envision ICMA can be found in Appendix 4.

MEMBER SERVICES AND SUPPORT

MISSION

To attract individuals to the local government management profession, recruit local government professionals in all positions and career stages to join ICMA, and provide excellent services and benefits throughout their career in public service. This team works in partnership with state and other affiliated organizations to advance this mission.

FY 2019 PRIORITIES

- Assist talented individuals in gaining entry into the profession.
- Expand and diversify ICMA membership.
- Support the professional needs of all members.
- Improve and sustain collaborative relationships with state and affiliate organizations.
- Promote equity and inclusion.
- Connect the profession's commitment to ethics to building public trust.
- Expand efforts to inform members about the role of the Executive Board and its election process.

FY 2019 BUDGET

	FTEs	Revenues	Expenses	Net
Membership dues revenue	-	\$ 5,980,000	-	5,980,000
Member recruitment, retention, and support	8.25	\$ 32,000	1,408,492	(1,376,492)
Ethics	1.99	10,000	289,349	(279,349)
Career services	2.06	643,000	622,976	20,024
Relationship management	3.78	78,350	958,740	(880,390)
Executive Board	0.50	-	331,270	(331,270)
	16.57	763,350	3,610,828	(2,847,478)
Allocation of membership dues	-	2,847,478	-	2,847,478
	16.57	\$ 3,610,828	3,610,828	-

This budget includes expenses related to member recruitment, retention, and personal support, as well as member committees, ethics programs, state liaisons, affiliate relationships, next generation activities, and expenses related to the Executive Board. As in prior years, these programs are projected to generate some revenues, such as sponsorships for events and fees for certain services. While these revenues cover a portion of the total costs related to member services and support, the rest of these expenses are covered by an allocation of membership dues.

PROFESSIONAL AND LEADERSHIP DEVELOPMENT

MISSION

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

FY 2019 PRIORITIES

- Recruit and retain members through professional development programs.
- Hold an energizing and successful annual conference.
- Enhance the content, format, and reach of the regional conferences.
- Continue implementing the Leadership Task Force recommendations.
- Expand LG 101 and 201 online certificate programs.
- Continue to improve the credentialing program.
- Continue and expand programming on diversity and inclusion.
- Increase awareness of ICMA's professional development programs.
- Maintain and build on existing professional development programs.
- Expand professional development offerings globally.

FY 2019 BUDGET

	FTEs	Revenues	Expenses	Net
Annual conference	4.97	\$ 3,051,875	2,282,184	769,691
Training, education, and leadership development	6.27	1,002,462	1,376,627	(374,165)
	11.24	\$ 4,054,337	3,658,812	395,525

Included in this budget are the annual conference and other professional development offerings, such as ICMA University workshops, ICMA credentialing program, webinars, assessments, senior managers' and emerging leaders' programs, as well as new product development and marketing expenses. As in the past, the annual conference is projected to make a substantial positive net contribution, a portion of which will be used to cover the expenses of other professional development programs.

RESEARCH AND POLICY

MISSION

To identify trends and issues affecting local governments and to conduct research and develop information resources important to local government professionals and government leaders.

FY 2019 PRIORITIES

- Conduct applied local government research and produce useful research-based content.
- Manage ICMA's digital and print publications business line.
- Advocate for public policy issues as they impact local governments and ICMA's members.
- Coordinate ICMA's performance management and analytics thought leadership, partnerships, and technical assistance.

FY 2019 BUDGET

	FTEs	Revenues	Expenses	Net
Public policy	0.33	\$ -	112,187	(112,187)
Research and content	4.45	651,500	948,008	(296,508)
	4.79	651,500	1,060,195	(408,695)
Allocation of membership dues	-	408,695	-	408,695
	4.79	\$ 1,060,195	1,060,195	-

This budget includes activities aimed at responding to public policy issues impacting local government, managing ICMA's publications, and conducting research and producing content on local government policies and practices. Some of the research is funded by external sources. The balance is funded through the allocation of membership dues.

OUTREACH

MISSION

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

FY 2019 PRIORITIES

- Develop and disseminate high-value content and resources.
- Optimize outreach channels.
- Expand the way ICMA delivers its message.
- Maintain the website as a highly effective local government leadership, management, and ICMA brand hub.
- Ensure an effective online presence for ICMA through the website, mobile apps, and social media channels.
- Promote ICMA thought leadership through media and content partners.
- Build awareness of the importance of the CAO role and the council-manager form of government.
- Attract and retain talented professionals as ICMA members.

FY 2019 BUDGET

	FTEs	Revenues	Expenses	Net
Form of government/advocacy	0.30	\$ -	31,611	(31,611)
PM Magazine	1.15	124,000	342,486	(218,486)
Outreach and communications	6.62	190,000	1,070,568	(880,568)
	8.07	314,000	1,444,666	(1,130,666)
Allocation of membership dues	-	1,130,666	-	1,130,666
	8.07	\$ 1,444,666	1,444,666	-

Outreach includes ICMA's activities related to raising awareness of ICMA's brand and content, as well as the advocacy efforts for the council-manager form of government. As in the past, the FY 2019 budget includes revenues expected to be generated from offering advertisement space in ICMA's communications channels, such as the website and PM magazine. The rest of the budgeted expenses are covered by an allocation of membership dues.

STRATEGIC DEVELOPMENT

MISSION

To generate business opportunities/innovations that boost membership value and foster professional local government management by identifying and aligning resources with the association's strategic goals, and to help ICMA business lines achieve their business capture and revenue targets.

FY 2019 PRIORITIES

- Maintain a steady stream of funding for ICMA's technical assistance activities.
- Maintain a strong network of strategic partners who work with ICMA on content and provide financial support.
- Encourage contributions to ICMA's Future of Professional Management fund.
- Implement the foundation strategy and secure foundation funding for research and other projects.

FY 2019 BUDGET

	FTEs	Revenues	Expenses	Net
Strategic partners and fundraising	2.08	\$ 760,000	295,623	464,377

Strategic Development includes various partnerships and sponsorships, as well as fundraising activities. As in prior years, in FY 2019 these activities are projected to result in a net contribution.

GLOBAL PROGRAMS

MISSION

To deliver high-quality technical assistance to local governments globally and to encourage sharing and replication of leading practices through peer exchanges and hands-on, practical training. To forge strategic partnerships with local government associations worldwide to further ICMA's mission globally by exchanging knowledge and best practices and collaborating on research and business ventures.

FY 2019 PRIORITIES

- Create learning opportunities for members in countries around the world.
- Promote member interest and maintain member engagement in funded programs.
- Implement funded programs efficiently and effectively, in compliance, on budget, and on time.
- Expand ICMA's footprint by working with international affiliates and partners in expanding ICMA's research, professional development programs, and services globally.
- Ensure a global perspective in all ICMA's activities and offerings.

FY 2019 BUDGET

	FTEs	Revenues	Expenses	Net
Team management and support	5.47	\$ -	973,836	(973,836)
Domestic grants and contracts	2.42	2,281,969	1,779,936	502,033
International grants and contracts	6.50	7,347,710	5,731,214	1,616,496
Anticipated funding	4.43	3,596,250	2,805,075	791,175
Business development, bids, and proposals	4.53	-	1,085,964	(1,085,964)
Total grants and contracts	23.33	\$ 13,225,929	12,376,025	849,904
International affiliates and partnerships	0.63	\$ 4,500	171,322	(166,822)
ICMA China	1.58	564,478	564,478	-
Total other international programs	2.21	568,978	735,800	(166,822)
Allocation of membership dues	-	166,822	-	166,822
	2.21	\$ 735,800	735,800	-

Global Programs includes international and domestic grants and contracts activities, together with the related support costs, such as team management, contract administration, and business development expenses aimed at securing future funding. As in prior year, grants and contracts are projected to make a net contribution in FY 2019. Other international activities include activities supported by membership dues and related to strengthening ICMA's relationships with international affiliates and partners, as well as the ICMA China program.

ORGANIZATIONAL SUPPORT

MISSION

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

FY 2019 PRIORITIES

- Ensure ICMA's financial resiliency.
- Ensure alignment of teams' priorities to the strategic plan and support their achievement.
- Pursue opportunities to enhance ICMA's revenues.
- Ensure that ICMA's work space is reflective of who we aspire to be and is a place that inspires creativity, productivity, and innovation.
- Position ICMA as a thought leader in innovation as it relates to associations and local governments.
- Ensure effective use of data from all systems through business intelligence and data analytics.
- Ensure efficient operations of support teams to provide timely and reliable services.
- Review and automate processes to enhance efficiencies.
- Ensure compliance with laws and regulations.
- Ensure a clean FY 2018 annual audit.
- Increase recruiting effectiveness.
- Retain staff by providing fair compensation, competitive benefits, an engaging orientation program, and ongoing career development opportunities.
- Ensure that all information technology infrastructure is robust and secure.
- Ensure that applications are being utilized effectively across the organization.

FY 2019 BUDGET

	FTEs	Revenues	Expenses	Net
Executive office	3.13	\$ -	1,187,644	(1,187,644)
Facilities and administration	1.49	132,000	1,733,006	(1,601,006)
Finance	6.53	2,700	1,131,961	(1,129,261)
Information technology	6.02	-	2,226,292	(2,226,292)
Human resources	1.99	-	645,852	(645,852)
	<u>19.16</u>	<u>\$ 134,700</u>	<u>6,924,755</u>	<u>(6,790,055)</u>

This budget reflects support provided to the organization by the administrative and financial services teams.

OTHER

CENTER FOR STATE AND LOCAL GOVERNMENT EXCELLENCE (SLGE) MANAGEMENT

ICMA provides staffing to the Center for State and Local Government Excellence (SLGE) for management and oversight. SLGE reimburses ICMA for all direct and related indirect costs incurred in providing this support.

ICMA-RC ROYALTY

In accordance with a licensing agreement with ICMA-RC, ICMA-RC pays ICMA a royalty for the use of the association's name and brand. This agreement is effective through December 31, 2036. Currently, the annual payment is calculated as 1.15% of ICMA-RC's consolidated gross revenues of up to \$200 million plus .75% of such revenues in excess of \$200 million. The two organizations are working to evaluate ICMA's brand and its value to ICMA-RC with the purpose of ensuring a fair royalty arrangement. This evaluation is ongoing at this time.

SUBTENANT SPACE

ICMA leases 49,419 square feet in the headquarters building, of which ICMA occupies 26,388 square feet. All of the remaining 23,031 square feet available for sublease are currently subleased. These subleases expire between December 31, 2018, and July 31, 2022. Depending on how ICMA decides to move forward with its office space plans, some of the currently subleased space may be repurposed to temporarily house ICMA staff as subleases expire and space becomes available.

REIT DIVIDEND AND OTHER INVESTMENT INCOME

Real Estate Investment Trust (REIT) dividend is the income expected from ICMA's investment in the building. Investment income is the earnings estimated on operating cash reserves.

FY 2019 BUDGET

	FTEs	Revenues	Expenses	Net
SLGE management	3.24	\$ 818,563	589,560	229,003
ICMA-RC royalty	-	3,400,000	-	3,400,000
Subtenant space	-	1,160,580	1,129,889	30,691
REIT dividend	-	460,000	-	460,000
Investment income	-	40,000	-	40,000
	<u>3.24</u>	<u>\$ 5,879,143</u>	<u>1,719,449</u>	<u>4,159,694</u>

APPENDICES

Appendix 1: Financial Goals

Appendix 2: Capital Investments and Depreciation

Appendix 3: Comparative Budget

Appendix 4: Envision ICMA Implementation Plan,
FY 2019

APPENDIX 1: FINANCIAL GOALS

NET ASSETS

Net assets represent accumulated earnings of an organization and are increased or decreased as a result of annual operating surpluses or deficits. It is a measure of an organization's long-term financial stability and capacity and is calculated as assets less liabilities. Net assets are built to help manage transitions and to make investments in the future as necessary.

The median net assets balance of nonprofit organizations, as reported by the American Society of Association Executives, is approximately 50% of the average operating budget.

ICMA's Executive Board establishes an overall net assets goal as well as interim net assets targets in five-year increments. These targets are reviewed and adjusted annually based on actual performance. The overall net assets are further divided to ensure that reserves are established for various kinds of risks and purposes.

ICMA has been building its net assets with steadfast fiscal discipline. ICMA's net assets have grown from \$1.3 million in FY 2003, when the Executive Board began setting net assets targets, and are projected to exceed \$10 million by June 30, 2018, the end of the current five-year period, compared with the target of \$7.75 million, as illustrated in Figure 6.

FIGURE 6 | Net assets: actual vs. target, FY 2003–2018

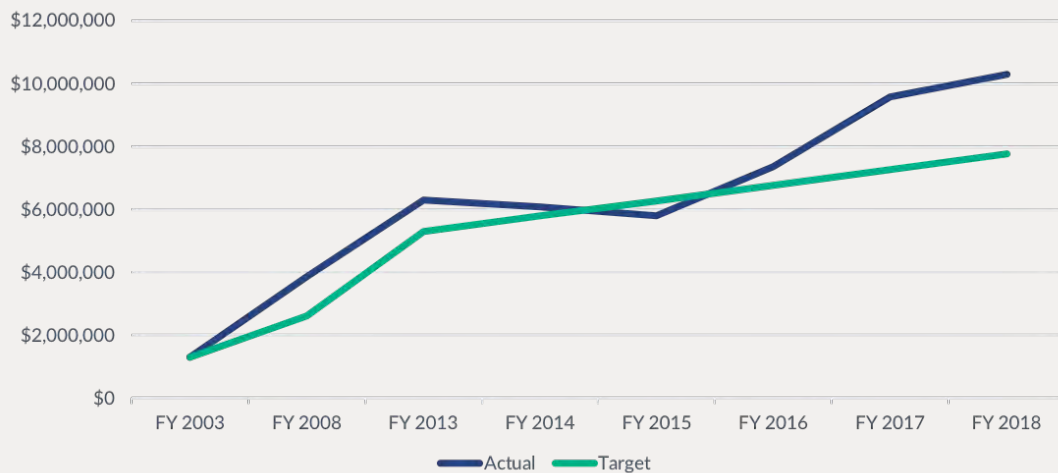


Figure 7 shows the overall net assets goal and the incremental target for the next five-year period, FY 2019 – FY 2023.

FIGURE 7 Net assets goals, balances, and targets			
Composition of net assets	Net assets goal	FY 2017 net assets balance	FY 2023 net assets target
Non-G&C expenses (6 months)	\$10,326,000	\$5,877,629	\$7,028,000
Reserve for capital investments	3,000,000	2,277,000	1,250,000
G&C reserve (2.5% of total awards)	2,500,000	1,423,000	1,635,000
Reserve for other one-time items	1,000,000	—	387,000
Total	\$16,826,000	\$9,577,629	\$10,300,000
Net assets as a percentage of average annual expenses of \$32.8 million	51%	29%	31%
Net assets balance as a percentage of net assets goal		57%	61%

The better-than-budgeted contributions to net assets over the past several years provide us the opportunity to make needed investments and to fund priorities. The FY 2023 net assets target assumes additions from operations to net assets and funding of specific investments such as ICMA's presence in Europe, enhancement and modernization of ICMA's office space, and development of a leadership assessment, a professional development tool recommended by the Leadership Task Force, to name a few. It also includes a possible reduction to net assets in the event of an adverse decision regarding the SIGAR audit findings. Recognizing that the level of uncertainty about some of these assumptions is high at this time, the Executive Board will review the net assets target annually and adjust it as needed.

CASH AND INVESTMENTS

The cash reserves goal (which is different from the net assets goal) includes operating cash and investments reserves to provide ICMA with the resources needed to continue delivery of its programs in the event of delayed payments from funders, to prevent ICMA from making expensive short-term crisis-based decisions, and to enable ICMA to focus on sound long-term decision making. The minimum cash reserve suggested by the Nonprofit Operating Reserves Initiative Workgroup is 25%, or three months, of the annual operating expense budget. ICMA's cash and investments balance is projected to be at 36% at the end of FY 2018.

APPENDIX 2: CAPITAL INVESTMENTS AND DEPRECIATION

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

ICMA is in the process of reviewing its options with respect to modernizing its office space, with the goal of creating an office environment that fosters creativity and collaboration and increases productivity. Although accurate estimates of the capital investment related to this project are not available at this time, the FY 2019 budget assumes that the project will have a total cost of \$5 million, to be amortized over ten years beginning in FY 2019. The actual financial impact of this project will depend on the future analysis of available options.

Figure 8 shows the existing capital assets and investments projected to be made in FY 2019 – FY 2020, with the related depreciation costs.

FIGURE 8 | Capital assets acquisition and depreciation

Capital asset	Acquisition year	Cost	Life in years	Depreciation expense		
				FY 2018	FY 2019	FY 2020
Furniture	FY 2002–2016	115,081	10	8,216	8,216	8,216
SUBTOTAL Furniture				8,216	8,216	8,216
IT hardware & copiers	FY 2015–2017	352,667	3-5	54,364	35,996	15,737
IT hardware & infrastructure upgrade	FY 2018	313,490	3-5	36,077	72,154	72,154
IT hardware	FY 2019	75,000	3	–	11,833	23,667
IT hardware	FY 2020	75,000	3	–	–	11,833
VOIP	FY 2014	355,542	7	50,792	50,792	50,792
Stutz conference room audio upgrade	FY 2016–2017	35,501	7	5,288	5,288	5,288
SUBTOTAL IT Hardware				146,521	176,063	179,471
Website redesign	FY 2016–2019	340,094	2-5	42,158	47,299	49,441
Sharepoint	FY 2015–2017	87,540	7	12,506	12,506	12,506
Association management software (netFORUM)	FY 2013–2020	2,605,859	10	226,776	265,353	297,436
Software upgrades	FY 2015–2019	154,164	3	26,281	28,079	20,898
Software enhancements	FY 2019–2020	700,000	7	-	10,714	60,714
SUBTOTAL Software				307,720	363,951	440,996
Leasehold improvements	FY 2002–2017	156,694	10	15,688	15,688	15,688
Investment in office space	FY 2018	5,000,000	9	-	250,000	500,000
SUBTOTAL Leasehold Improvements				15,688	265,688	515,688
TOTAL				478,146	813,918	1,144,371

APPENDIX 3: COMPARATIVE BUDGET

Figure 9 presents the FY 2019 proposed budget in comparison with the FY 2017 actual results and the FY 2018 budget.

FIGURE 9 FY 2019 budget compared with FY 2017 actual and FY 2018 budget			
	FY 2017 actual	FY 2018 budget	FY 2019 budget
Non-grants and contracts programs			
Revenue			
Membership dues	\$ 5,543,791	5,575,000	5,980,000
Professional development	4,738,468	5,116,668	5,321,665
Management fee for services to SLGE, NACA, and CPAS	1,025,088	1,049,323	1,015,563
Publications, advertising, and sponsorships	1,453,414	1,787,000	1,725,500
Rents and royalties	2,715,938	3,222,995	4,560,580
Investment income	714,239	555,350	502,700
Total revenue	16,190,937	17,306,336	19,106,008
Allocation of resources			
Member support	2,903,081	3,446,162	3,610,828
Professional development	2,881,432	3,192,548	3,658,812
Research and policy	745,240	1,068,876	1,060,195
Outreach	1,185,215	1,295,208	1,444,666
Strategic development	199,214	182,791	295,623
International programs	337,993	713,505	735,800
Other (rent expense, SLGE management services)	1,953,991	1,762,672	1,719,449
Organizational support	6,800,934	6,197,461	6,924,755
Total expenses	17,007,098	17,859,221	19,450,128
Net from non-grants and contracts programs	(816,161)	(552,885)	(344,120)
Grants and contracts			
Revenues	18,810,556	12,447,305	13,225,929
Expenses	15,857,924	11,894,419	12,376,025
Net from grants and contracts	2,952,632	552,886	849,904
Net from operations	2,136,471	—	505,784
Net from one-time items	87,742	(273,889)	(394,371)
Total net contribution	2,224,213	(273,889)	111,413

Figure 10 shows the full-time equivalent positions (FTEs) budgeted for FY 2017, FY 2018, and FY 2019.

FIGURE 10 Budgeted FTEs, FY 2017–2019			
FTEs	FY 2017 budget	FY 2018 budget	FY 2019 budget
Member support	15.43	16.32	16.57
Professional and leadership development	9.87	10.50	11.24
Research and policy	3.58	4.62	4.79
Outreach	6.92	7.51	8.07
Strategic development	1.37	1.21	2.08
International programs	1.49	2.08	2.21
Organizational support	18.82	18.73	19.16
Other (rent expense, SLGE management services)	3.32	3.47	3.24
Total non-grants and contracts programs	60.80	64.43	67.36
Total grants and contracts	32.22	28.02	23.33
Total operations (before compensated absences and one-time items)	93.01	92.45	90.69
Compensated absences	14.01	13.46	13.44
One-time items	2.90	—	0.03
Total compensated absences and one-time items	16.91	13.46	13.46
Association totals	109.92	105.90	104.16

APPENDIX 4: ENVISION ICMA IMPLEMENTATION PLAN, FY 2019

MISSION & VISION

MISSION

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

VISION

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

CORE BELIEFS

WE BELIEVE IN:

1. **PUBLIC SERVICE:** including the stewardship of democratic principles and the efficient and transparent use of public resources
2. **ETHICS:** as the core of professionalism in local government leadership and management as outlined in the ICMA Code of Ethics
3. **COUNCIL-MANAGER FORM OF GOVERNMENT AND PROFESSIONAL MANAGEMENT:** as the preferred local government structure
4. **EQUITY AND INCLUSION:** ensuring that local governments are inclusive and mirror the diversity in communities
5. **THE CONTINUOUS PURSUIT OF EXCELLENCE:** including professional development, life-long learning, networking, capacity building, knowledge sharing, and engagement
6. **STEWARDSHIP:** balancing resources including people, financial, social capital, and environmental so that communities are better than we found them
7. **LEADERSHIP:** developing leadership capacity and attracting and developing future generations of leaders.



STRATEGIC INITIATIVE A: Diversify and expand the membership.

Strategy Number	Strategies	FY 2019 initiatives
A.1	Maintain an organizational priority to grow and retain the membership in order to support local government's ability to attract and retain talented professionals.	<p>Membership Team:</p> <ul style="list-style-type: none"> • Promote the value of ICMA membership and careers in local government to next generation professionals through the Next-Up campaign and through joint campaigns with affiliate or related organizations. • Increase the diversity of ICMA's membership by focusing on Historically Black Colleges and Universities and Hispanic and Asian institutions. • Maintain accurate data on members and potential members in the local government universe. • Promote ICMA membership to nonmember participants and attendees at ICMA programs and events. • Promote the value of ICMA membership through a comprehensive marketing campaign. • Retain ICMA members through enhanced benefits and an effective onboarding program once they have joined the association.

Strategy Number	Strategies	FY 2019 initiatives
		<p>Professional and Leadership Development Team:</p> <ul style="list-style-type: none"> • Partner with the Membership Team on recruitment efforts to prospective members that promote joining in conjunction with registering for the conference. <p>Outreach Team:</p> <ul style="list-style-type: none"> • Assist talented individuals in gaining entry into the profession through targeted outreach to prospective members; promote membership to prospective members who participate in key ICMA programs and events, i.e., Conference, Regional Conferences, etc., offering a one-year complimentary membership. • Target Historically Black Colleges and Universities with MPP/MPA degree programs for recruitment opportunities. • Continue ongoing efforts to promote ICMA membership to members of affiliate organizations. • Continue general promotion of ICMA membership to those who have an interest in local government and a calling to public service. • Leverage access to communication channels of other professional associations to promote ICMA as the source for leadership development, ethics, and access to the ICMA network to attract department heads. <p>Global Programs Team:</p> <ul style="list-style-type: none"> • Grow ICMA's international network of local government professionals through targeted international management exchanges. • Increase ICMA's international reach by developing relationships with new international affiliates.

Strategy Number	Strategies	FY 2019 initiatives
A.2	Implement board approved recommendations of the Task Forces on Diversity & Inclusion and Women in the Profession.	<p>Membership Team:</p> <ul style="list-style-type: none"> • Increase the diversity of ICMA's membership and the profession through focused campaigning to underrepresented groups. • Assist women and minorities to advance in their careers. • Identify and collaborate with partners to expand content and training focused on equity and inclusion to prime local governments for hiring people of diverse backgrounds. <p>Professional and Leadership Development Team:</p> <ul style="list-style-type: none"> • Partner with the Membership Team on recruitment efforts to prospective members that promote joining in conjunction with registering for the conference.
A.3	Develop strategies to assist talented individuals in gaining entry into the profession.	<p>Membership Team:</p> <ul style="list-style-type: none"> • Provide new MPA students with placement, networking, and professional development opportunities to facilitate and enhance their first professional local government experience. • Promote the value of ICMA membership and careers in local government to undergraduate students. • Promote the value of ICMA membership and careers in local government to veterans. <p>Professional and Leadership Development Team:</p> <ul style="list-style-type: none"> • Continue all marketing efforts and by the 2018 annual conference, add "Discover More at ICMA University" campaign targeted toward students, early career professionals, and mid-career managers transitioning into local government. <p>Outreach Team:</p> <ul style="list-style-type: none"> • Conduct outreach to veterans through advertising ICMA membership as a career opportunity for veterans in <i>Military Times</i>.

Strategy Number	Strategies	FY 2019 initiatives
A.4	Define and promote the value of belonging to ICMA in addition to State Associations, International and other Affiliates, and related professional organizations.	<p>Membership Team:</p> <ul style="list-style-type: none"> • Ensure that ICMA's agreements with affiliates are current and mutually beneficial and include joint membership development strategies. • Work with affiliate organizations on the recruitment strategy, identify recruitment opportunities, and develop a marketing campaign designed to promote joint membership.
A.5	Support the professional and personal needs of members at all life and career stages.	<p>Membership Team:</p> <ul style="list-style-type: none"> • Support first-time administrators with enhanced professional development and support. • Support members in transition with enhanced professional development and support. • Provide enhanced benefit packages targeted by career stage such as the career stage toolkit and the CoachConnect program. <p>Professional and Leadership Development Team:</p> <ul style="list-style-type: none"> • Maintain existing highly-rated programs that cover all career stages from early career to encore professional (Annual Conference, Regional Conferences, ELDP, Leadership ICMA, MCMI, ICMA SEI, Gettysburg, Williamsburg); add second annual ICMA Gettysburg Leadership Institute in Fall 2019 (FY 2020). • Create a learning roadmap tool that helps members identify their specified career stage, recommended leadership and professional development programs, and related resources.
A.6	Continue to expand the relevance of Student Chapters and their respective universities to highlight career opportunities in local government management.	<p>Membership Team:</p> <ul style="list-style-type: none"> • Promote the value of ICMA membership and careers in local government to MPA students and next generation professionals by enhancing the student chapter program. <p>Strategic Development Team:</p> <ul style="list-style-type: none"> • Develop concept notes for foundations and the corporate sector to fund a student competition.

Strategy Number	Strategies	FY 2019 initiatives
A.7	Work with elected official organizations to develop and implement training to facilitate the increase of a more diverse pool of executives.	<p>Professional and Leadership Development Team:</p> <ul style="list-style-type: none"> • Develop crossover online learning events that can be either co-produced or co-marketed with at least one other elected official organization.
A.8	Identify and promote member services that are relevant to the international community.	<p>Membership Team:</p> <ul style="list-style-type: none"> • Promote the value of ICMA membership to local government professionals from countries outside the United States by offering annual conference study tours. <p>Global Programs Team:</p> <ul style="list-style-type: none"> • Create learning opportunities for members to share experiences from countries around the world.

PRIORITY I: MEMBERSHIP BENEFITS AND GROWTH, CONTINUED

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

Strategy Number	Strategies	FY 2019 initiatives
B.1	Strengthen and formalize relationships with organizations that have similar missions to leverage resources for the benefit of the profession.	Membership Team: <ul style="list-style-type: none"> Ensure that ICMA's agreements with affiliates are current and mutually beneficial by assigning staff liaisons and exploring partnerships.
B.2	Expand the Regional Directors so that at least one director covers each region to foster relationships with international and state associations and the general membership.	Membership Team: <ul style="list-style-type: none"> Enhance personal connection with members and state associations by leveraging regional directors for each of ICMA's regions, with workplan and goals for each region. Global Programs Team: <ul style="list-style-type: none"> Strengthen collaborative relationships with international affiliates by ensuring that ICMA Europe has a viable business plan.
B.3	Establish deeper relationships with international, state associations and affiliate membership organizations to develop a leadership pipeline to serve on the ICMA Executive Board.	Membership Team: <ul style="list-style-type: none"> Work closely with affiliates on Executive Board candidate development, timing, and participation. Global Programs Team: <ul style="list-style-type: none"> Provide information with the global perspective to the ICMA Executive Board.
B.4	Enhance communication and dialogue to develop synergistic relationships with international, state, and affiliate organizations and other professional associations.	Membership Team: <ul style="list-style-type: none"> Ensure that ICMA's agreements with affiliates are current and mutually beneficial. Global Programs Team: <ul style="list-style-type: none"> Strengthen synergistic relationships with international affiliates by ensuring that ICMA Europe is financially secure.

Strategy Number	Strategies	FY 2019 initiatives
B.5	Explore and establish relationships with non-traditional organizations that could serve as partners in achieving ICMA's diversity goals.	Strategic Development Team: <ul style="list-style-type: none"> Develop concept notes for foundations and the corporate sector to fund ICMA diversity projects.
B.6	Advance work with IHN, NFBPA, and NACA and other organizations on establishing joint recruitment goals and recruitment opportunities and amend the national affiliate agreements as appropriate to further our shared goals.	Membership Team: <ul style="list-style-type: none"> Collaborate with affiliates to increase the diversity of ICMA's membership and the profession through joint membership campaigns and through collaborating on the coaching program.



PRIORITY II

LEARNING COMMUNITY

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

Strategy Number	Strategies	FY 2019 initiatives
C.1	Expand learning opportunities and professional development for members at every career stage.	<p>Professional and Leadership Development Team:</p> <ul style="list-style-type: none">• Maintain existing highly-rated programs that cover all career stages from early career to encore professional (Annual Conference, Regional Conferences, ELDP, Leadership ICMA, MCMI, ICMA SEI, Gettysburg, Williamsburg); add second annual ICMA Gettysburg Leadership Institute in Fall 2019 (FY 2020).• Utilize features of the new online learning management platform to increase ratings.• Work with the Leadership Advisory Board to define a clear, updated leadership and skill development path with core competencies and a complete training portfolio (an “ICMA Leadership Standard”) that touches on all the topics deemed important by the Leadership Advisory Board.• Implement a plan to select more easily accessible locations for Regional Conferences and request member feedback on professional development topics covered.

Strategy Number	Strategies	FY 2019 initiatives
		<ul style="list-style-type: none"> • Create a learning roadmap tool to help members identify their specified career stage, recommended leadership and professional development programs, and related resources. • Use ICMA's NetFORUM database and the new online learning management platform to track individuals' participation in professional development programs as well as their buying patterns to help market offerings most effectively. • Work with the Executive Board to review the recommendations of the Credentialing Advisory Board regarding the future of the Credentialing Program (planned for June 2018).
C.2	Create opportunities for individuals with diverse career backgrounds to engage in training and professional development on local government.	<p>Professional and Leadership Development Team:</p> <ul style="list-style-type: none"> • Launch “Discover More at ICMA University” campaign targeted toward students, early career professionals, and mid-career managers transitioning into local government. • Develop 1-2 new courses to create additional learning tracks for LG 101, round out the offerings, and respond to emerging trends. • Continue to promote the LG 101 and 201 online certificate programs and the ESP webinar series to international audiences, department heads, and the military. • With the Credentialing Advisory Board, develop a standard eligibility policy for members with military backgrounds. <p>Research and Policy Team:</p> <ul style="list-style-type: none"> • Support professional development programming by creating products that generate revenue.
C.3	Create learning opportunities for members to share experiences from countries around the world.	<p>Professional and Leadership Development Team:</p> <ul style="list-style-type: none"> • Create marketing campaigns that highlight the attractions of the annual conferences in Baltimore and Nashville and build awareness of conference content offerings. • Aggressively market Baltimore and Nashville conferences to members, offering discounts as an incentive to first-time attendees.

Strategy Number	Strategies	FY 2019 initiatives
		<ul style="list-style-type: none"> Reach or exceed conference revenue goals by increasing registration fees at the rate of inflation, expanding and selling out exhibit hall booths and Solutions Track sessions, aggressively marketing sponsorships, and increasing Virtual Conference attendance by enhancing the product and using new marketing techniques. Pursue innovations suggested by Conference Planning and Evaluation Committees and staff focus groups, and incorporate innovations based on experience at Professional Convention Management Association and other meetings industry events. Partner with the Global Programs Team to recruit international speakers for the conference. <p>Global Programs Team:</p> <ul style="list-style-type: none"> Promote member interest and maintain member engagement in funded programs and activities. Promote ICMA's core competencies, including municipal partnerships, peer-to-peer learning, sustainability, and other priority technical areas.
C.4	Create a mechanism for mutual exchange of best practices.	<p>Outreach Team:</p> <ul style="list-style-type: none"> Refine current website and add new features to increase website usage.
C.5	Further expand the ICMA coaching program and Local Government Management Fellowship program.	<p>Strategic Development Team:</p> <ul style="list-style-type: none"> Explore foundation and corporate sector funding to underwrite the coaching, LGMF, and similar programming.
C.6	Continue to create professional development content on management practices.	<p>Professional and Leadership Development Team:</p> <ul style="list-style-type: none"> Work with the Leadership Advisory Board to evaluate gaps, identify strategies to fill them, and create a specific and comprehensive long-term plan. Launch "Leadership Box" (a member exclusive benefit) to help members focus on a specific section of the ICMA Practices every other month.

Strategy Number	Strategies	FY 2019 initiatives
C.7	Consider ways to market ICMA's professional development programs to local government professionals who are not ICMA members.	Professional and Leadership Development Team: <ul style="list-style-type: none"> Employ a broad range of electronic, social media, print, and referral marketing tactics designed to reach nonmembers. Add/update ICMA professional development programs on the GoArmyEd website.
C.8	Develop mechanisms to evaluate the effectiveness and impact of professional development programs.	Professional and Leadership Development Team: <ul style="list-style-type: none"> Continue to evaluate all programs in terms of member satisfaction and continue to gather and use stories about effectiveness and impact.

PRIORITY II: LEARNING COMMUNITY, CONTINUED

STRATEGIC INITIATIVE D: Think globally, act globally.

Strategy Number	Strategies	FY 2019 initiatives
D.1	Develop coordinated strategy to increase brand awareness of ICMA and its benefits to international affiliates.	Global Programs Team: <ul style="list-style-type: none"> Strengthen connections with affiliates by attending international affiliates' annual conferences or meetings and by implementing cross-team initiatives that benefit the affiliates.
D.2	Promote international awareness and perspective of the local impact of globalization.	Research and Policy Team: <ul style="list-style-type: none"> Continue to increase the amount of global content that is included in the Research and Policy Team's research and content production.
D.3	Develop a more robust learning network of US and International members.	Global Programs Team: <ul style="list-style-type: none"> Create learning opportunities for members to share experiences from countries around the world. Promote member interest and maintain member engagement in funded programs and activities.
D.4	Sustain ICMA's technical assistance globally to foster professional management and create sustainable communities.	Research and Policy Team: <ul style="list-style-type: none"> Support Global Programs' proposal and project needs with data and information. Produce at least one research or white paper that is designed to position ICMA for future grants and contracts. Global Programs Team: <ul style="list-style-type: none"> Promote member interest and maintain member engagement in funded programs and activities. Extract lessons from various technical assistance projects and share globally. Strategic Development Team: <ul style="list-style-type: none"> Secure prime and subcontractor grants and contracts from federal agencies and international donors.



PRIORITY III

THOUGHT LEADERSHIP AND RESOURCE NETWORK

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

Strategy Number	Strategies	FY 2019 initiatives
E.1	Continue to support and highlight academic and practitioner research identifying the most significant issues facing local governments.	<p>Research and Policy Team:</p> <ul style="list-style-type: none"> Conduct survey/case study research and content pieces on local government policies and programs. Showcase content through ICMA and non-ICMA communication channels. Manage ICMA's digital and print publications business line. Coordinate ICMA's legacy leadership in performance measurement, management, and analytics through benchmarking, awards, and content. <p>Outreach Team:</p> <ul style="list-style-type: none"> In collaboration with Research and Policy and Global Programs Teams, create and/or source and disseminate content aligned with mission and high-priority topics.
E.2	Partner with the other Big 7 and other related organizations to collectively respond to public policy issues impacting local governments.	<p>Research and Policy Team:</p> <ul style="list-style-type: none"> Support the management of ICMA's public policy activities by producing content on public policy issues, supporting amicus briefs, and serving on committees, advisory boards, consortia, and other public policy forums. <p>Outreach Team:</p> <ul style="list-style-type: none"> Create and/or source and disseminate content aligned with hot topics.

PRIORITY III: THOUGHT LEADERSHIP AND RESOURCE NETWORK, CONTINUED

STRATEGIC INITIATIVE F: Be the principal resource for leadership and management in local government.

Strategy Number	Strategies	FY 2019 initiatives
F.1	Design and deliver programming to address the important trends, drivers, and issues affecting local government professionals.	<p>Professional and Leadership Development Team:</p> <ul style="list-style-type: none"> Work with the Leadership Advisory Board to define a clear, updated leadership and skill development path with core competencies and a complete training portfolio (an "ICMA Leadership Standard") that touches on all the topics deemed important by the Leadership Advisory Board. <p>Outreach Team:</p> <ul style="list-style-type: none"> Drive the image of ICMA as a principal resource through content partnerships with key complementary organizations. <p>Cross-Team Initiatives:</p> <ul style="list-style-type: none"> Identify priority content topics of importance to local government professionals. Coordinate activities across the organization on these topics to ensure a strategic approach and disseminate widely. Use ICMA's subject matter expertise in priority content topics to attract funding.
F.2	Assess, develop and promote professional management competencies and disciplines.	<p>Professional and Leadership Development Team:</p> <ul style="list-style-type: none"> Work with the Leadership Advisory Board to establish a schedule for updating the ICMA Practices for Effective Local Government Leadership and identifying the areas that need more associated content and programming. Update the Applied Knowledge Assessment's management dimensions based on the recently revised management dimensions of the ICMA Practices. Create a new assessment that measures knowledge of the new leadership dimensions of the ICMA Practices.

Strategy Number	Strategies	FY 2019 initiatives
F.3	Incorporate the concept of leadership in professional development offerings.	Professional and Leadership Development Team: <ul style="list-style-type: none"> Create a new assessment that measures knowledge of the new leadership dimensions of the ICMA Practices. Work with the Leadership Advisory Board to establish a schedule for updating the ICMA Practices for Effective Local Government Leadership and identifying the areas that need more associated content and programming.
F.4	Promote leading practices to ensure local government's ability to attract and retain a talented and diverse workforce.	Research and Policy Team: <ul style="list-style-type: none"> Finalize research projects on diversity topics by annual conference 2018.
F.5	Promote ICMA globally as the resource for leading practices in local government management.	Research and Policy Team: <ul style="list-style-type: none"> Produce two editions of <i>LGR: Local Government Review</i>. Design and implement a global call for content ideas. Outreach Team: <ul style="list-style-type: none"> Drive the image of ICMA as a principal resource through targeted and high-profile media.
F.6	Organize and deliver content so it is easily accessible and fresh.	Outreach Team: <ul style="list-style-type: none"> Create and/or source and disseminate content aligned with mission and high-priority and hot topics. Refine current website and add new features to increase website usage.



PRIORITY IV

ADVOCACY AND OUTREACH

STRATEGIC INITIATIVE G: Promote the value of professional management and ICMA membership.

Strategy Number	Strategies	FY 2019 initiatives
G.1	Focus prioritization on ethics, leadership, professional development, and member connection.	<p>Outreach Team:</p> <ul style="list-style-type: none"> Build perception of membership as "worth the expense" through promotion of leadership examples and benefits. <p>Research and Policy Team:</p> <ul style="list-style-type: none"> Finalize data analysis on FY 2018 ethics survey and consider the development of a new publication on ethics in local government.
G.2	Find new ways to articulate the value of ICMA membership.	<p>Outreach Team:</p> <ul style="list-style-type: none"> Build perception of membership as "worth the expense" through promotion of leadership examples and benefits.
G.3	Educate elected officials on the value of professional local government management.	<p>Research and Policy Team:</p> <ul style="list-style-type: none"> Finalize a publication on the ROI of performance management. <p>Outreach Team:</p> <ul style="list-style-type: none"> Promote the Newly Elected Officials Toolkit and other resources through events and content opportunities.
G.4	Expand programs in schools to explain local government and encourage careers in local government management.	<p>Strategic Development Team:</p> <ul style="list-style-type: none"> Develop and submit proposals in support of ICMA's K-12 and undergraduate action plans.

Strategy Number	Strategies	FY 2019 initiatives
G.5	Educate the public on the council-manager form of government.	Outreach Team: <ul style="list-style-type: none"> • Work with member groups to advocate for the council-manager form of government. • Build awareness of the role of the CAO and its importance through media placements for courageous leadership profiles, key issue mentions and quotes in media, and speaking placements at traditional and non-traditional events.
G.6	Expand the outreach to community members presenting value of professional management.	Outreach Team: <ul style="list-style-type: none"> • Build awareness of the role of the CAO and its importance through media placements for courageous leadership profiles, key issue mentions and quotes in media, and speaking placements at traditional and non-traditional events.
G.7	Connect the profession's commitment to ethics to building public trust.	Membership Team: <ul style="list-style-type: none"> • Capitalize on the profession's commitment to ethics as a way to build public trust in local government. Outreach Team: <ul style="list-style-type: none"> • Create and distribute Ethics E-book series.
G.8	Enhance the Job Center platform to support member career advancement.	Business Applications and Technology Team: <ul style="list-style-type: none"> • Enhance the Job Center platform through implementation of Job Center 2.0.

PRIORITY IV: ADVOCACY AND OUTREACH, *CONTINUED*

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

Strategy Number	Strategies	FY 2019 initiatives
H.1	Identify ways to support distance learning for members.	Professional and Leadership Development Team: <ul style="list-style-type: none"> Continue and enhance the Virtual Conference on the new state-of-the-art platform that was secured in 2017 and launch a refreshed marketing campaign. Continue distance learning offerings on the new learning management system (online programs platform), utilizing advanced features such as animations, polling, and handouts; monitor quality on an ongoing basis. Develop 1-2 new courses to create additional learning tracks for LG 101, round out the offerings, and respond to emerging trends. Based on the Leadership Advisory Board's forthcoming long-term plan, develop a 5-year plan for continued expansion of the ICMA online certificate programs, providing a clear path from the fundamentals to state of the practice and state of the art.
H.2	Use new technology, digital/video media, and graphic design to engage members and deliver content.	Outreach Team: <ul style="list-style-type: none"> Expand use of technology to reach members and other stakeholders. Refine current website and add new features to increase website usage. Create and distribute a mobile app for members. Business Applications and Technology Team: <ul style="list-style-type: none"> Ensure an effective online presence for ICMA through the website, mobile apps, and other digital channels.
H.3	Continue to invest in developing a platform to share content and encourage peer learning and discussions.	Outreach Team: <ul style="list-style-type: none"> Refine current website and add new features to increase website usage. Create and distribute a mobile app for members.

Strategy Number	Strategies	FY 2019 initiatives
H.4	Identify business partners to help leverage technology and media capability.	Strategic Development Team: <ul style="list-style-type: none"> Develop and manage relationships with technology-related strategic partners that enhance ICMA's operational efficiency, member value, or technical assistance success.
H.5	Expand the way ICMA delivers its message and content.	Outreach Team: <ul style="list-style-type: none"> Refine current website and add new features to increase website usage. Create and distribute a mobile app for members. Business Applications and Technology Team: <ul style="list-style-type: none"> Ensure an effective online presence for ICMA through the website, mobile apps, and other digital channels.



PRIORITY V

GOVERNANCE AND OPERATIONS

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

Strategy Number	Strategies	FY 2019 initiatives
I.1	Maintain strong financial and operational policies and practices to ensure the vitality of the Association.	<p>Executive Team:</p> <ul style="list-style-type: none">• Ensure financial resiliency. <p>Finance and Contracts Administration Team:</p> <ul style="list-style-type: none">• Ensure strong internal control over resources and financial reporting.• Reduce risk and improve compliance through implementation of policies and procedures, improved administration of funded awards, and staff training.• Improve internal efficiencies by automating processes, integrating systems, and implementing paperless solutions. <p>Global Programs Team:</p> <ul style="list-style-type: none">• Increase the efficiency, effectiveness, and compliance of funded program operations and financial and administrative processes. <p>Business Applications and Technology Team:</p> <ul style="list-style-type: none">• Ensure an effective online presence for ICMA through the website, mobile apps, and other digital channels.• Maintain clean membership and prospect data.• Utilize netFORUM effectively.• Implement the new performance management, business intelligence, and reporting system, Corporater.

Strategy Number	Strategies	FY 2019 initiatives
		<ul style="list-style-type: none"> Retire legacy systems and ensure timely infrastructure upgrade and effective and efficient network support. Implement security innovations, such as two-factor authentication, laptop encryption, and remote wipe software.
I.2	Develop strategies to attract and retain outstanding and diverse staff for ICMA.	<p>Executive Team:</p> <ul style="list-style-type: none"> Recruit a Chief Technology Innovation Officer to position ICMA as a thought leader in innovation in associations and local governments. <p>Human Resources Team:</p> <ul style="list-style-type: none"> Focus on staff retention by offering competitive benefits and engagement opportunities. Focus on recruitment strategies through implementation of Predictive Index screening and improvements to the onboarding process. In collaboration with Outreach, define and market ICMA's "employer brand." Focus on professional development by conducting training for all staff and working with managers to encourage development opportunities. Improve process efficiencies by implementing a self-serve HRIS system in collaboration with the Finance and Contract Administration Team. Develop succession planning for key positions. Ensure compliance of all applicable HR regulations.
I.3	Support a range of viable business lines to diversify the Association's revenue stream.	<p>Executive Team:</p> <ul style="list-style-type: none"> Continue to look for opportunities to enhance ICMA's revenue stream. <p>Outreach Team:</p> <ul style="list-style-type: none"> Create and execute marketing plans consistent with outreach objectives to deliver operational goals. <p>Strategic Development Team:</p> <ul style="list-style-type: none"> Secure funding from foundations and philanthropic organizations in support of various ICMA business lines. Secure prime and subcontractor grants and contracts from federal agencies and international donors.

Strategy Number	Strategies	FY 2019 initiatives
		<ul style="list-style-type: none"> • Manage ICMA's Strategic Partner Program. • Manage ICMA's fundraising activities.
I.4	Periodically review the dues policy to ensure that ICMA can attract, retain, and grow membership.	Note: Dues policy was reviewed during the FY 2018 budget process.
I.5	Maintain the strong relationship with ICMA-RC to support ICMA's members and their role in building great communities.	Executive Team: <ul style="list-style-type: none"> • Continue to enhance visibility of ICMA-RC by including options for members in the model employment agreement. • Reassess terms of engagement based on results of the valuation study for the licensing agreement.

PRIORITY V: GOVERNANCE AND OPERATIONS, CONTINUED

STRATEGIC INITIATIVE J: Evaluate the governance of the association to enhance alignment with ICMA's strategic goals and core beliefs.

Strategy Number	Strategies	FY 2019 initiatives
J.1	Expand efforts to inform members about the role of the Executive Board and its election process.	Membership Team: <ul style="list-style-type: none"> Expand efforts to inform members about the role of the Executive Board and its election process.
J.2	Evaluate the Executive Board selection process, including regional protocols and geographic assignment of states so that it aligns with ICMA's Core Beliefs and goals.	Executive Team: <ul style="list-style-type: none"> Support the Executive Board in its work related to Board diversity.
J.3	Review voting eligibility so that it is consistent with the core beliefs and goals of the Association.	Note: This strategy requires more discussion to reach agreement on the desired outcome, followed by a well-thought-out approach to conduct such a review. The Executive Board will consider options at its meeting in Montreal in June 2018 and continue discussions into FY 2019.



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