ICMA
ANNUAL
REPORT

2013

ICMA

Contents

To Our Members, Affiliates, Partners, and Other Stakeholders

As we embark on a year-long celebration of our centennial anniversary, it is a good time to reflect on ICMA's accomplishments of the past 12 months. During Fiscal Year 2013, we devoted significant resources to enhancing public perceptions of the local government management profession; executing a state-by-state strategy for recruiting new members; launching a new program center to assist jurisdictions in achieving higher performance, fiscal health and wellness, active civic engagement, and efficient and effective use of data; and enhancing ICMA's social media presence.

We grew the number of ICMA members to a record 9,515 individuals and launched a new leadership process involving Regional Nominations Committees that will select nominees for the vice presidential slots on the ICMA Executive Board. We also created the Task Force on Women in the Profession to identify and examine the barriers preventing women from becoming CAOs and entering our very rewarding profession. The task force is in the process of developing a series of recommendations for presentation to the ICMA Executive Board prior to our 100th annual conference in Charlotte next year.

We challenged members to do "Just One Thing" to become more engaged in our organization, which resulted in a large number of individuals volunteering to participate on committees, task forces, and advisory groups this year, and a record number of local governments committing to host early careerists through our Local Government Management Fellowship Program. We also continued to grow the next generation of professional managers by nearly doubling the number of ICMA Student Chapters from 17 to 31.

The members of the Task Force on ICMA's 100th Anniversary, who were approved by the ICMA Executive Board in late January 2013, met in Atlanta in April and spent the next several months fine tuning a series of strategies for engaging all members—particularly next-generation participants—in our centennial celebration. They will present their final plan to the board for its review and approval in November 2013.

The Task Force on Financing ICMA, a 26-member task force appointed by the board to review ICMA's revenue sources and specifically assess whether our current membership dues structure helps us attract and retain members, began its work in April 2012. The task force will present its recommendations to the board during their September 2013 meeting in Boston.

Under professional development, we exceeded revenue projections for the 2012 annual conference in Phoenix by 3%, increased the number of ICMA Credentialed Managers and Credentialed Manager Candidates by 5% to nearly 1,290, and exceeded budgeted revenue projections for Training and Education and Leadership and Development under the ICMA University umbrella by more than 9%.

Our Information Team developed and implemented an e-publishing strategy, achieved better-than-projected sales of books and other print and electronic resources; more than doubled the number of registered Knowledge Network users (now close to 43,000); and achieved higher-than-expected revenues for *PM* magazine advertising and our survey research and webinar initiatives.

In October 2012, we launched ICMA's Center for Management Strategies (CMS), the newest of four divisions that bring an interdisciplinary approach to developing practical solutions to community challenges. Since that time, CMS staff have coordinated an enhanced research partnership agreement with the Alliance for Innovation and Arizona State University to supplement our existing AFI partnership and initiated a research project on the topic of civic engagement; negotiated a 2.5-year, $125,000 sponsorship through ICMA Strategic Partner CH2M HILL to support the work of CMS in collaborative service delivery research; and sponsored an educational program as part of the 2012 ICMA Annual Conference in Phoenix to commemorate the 20th anniversary of the book, *Reinventing Government.*

ICMA's International Team continues to make a difference in the lives of individuals in developing countries. Through a multi-year (November 2008-May 2014), $14.2-million-award provided by the U.S. Agency for International Development, ICMA has assisted thousands of residents in nine Afghanistan cities in gaining access to clean, reliable water supplies in their homes and at public taps. ICMA's Commercialization of Afghanistan Water and Sanitation Activity (CAWSA) project also helped establish the infrastructure needed to support commercialization of local water utilities by repairing damaged and neglected wells and pipes and introducing sound management practices that have been supported by classroom and on-the-job training for Afghan staff using ICMA's "learning by doing" approach.

Thanks to the generosity of many of you, our state associations, and ICMA-RC's $250,000 challenge grant, we launched the national phase of the *Life, Well, Run* initiative, which involves a series of print advertisements placed in selected state league publications targeted toward elected officials and digital ads placed on relevant websites targeted toward business and community leaders and students. We also developed a comprehensive packet of resources that members in any state can use to help us promote the benefits of professional management.

Operationally, Fiscal Year 2013, which began July 1, 2012, and continued through June 30, 2013, was a financially successful one for ICMA. We generated total revenues of $35,361,591, exceeding expenses of $34,808,938 by $552,653; and ended FY 2013 with unrestricted net assets of $6,291,566, exceeding our target of $5.3 million by $991,566 after absorbing the cost of the member debit card program and contributing $200,000 to the *Life, Well Run* public awareness campaign. We also enhanced our digital and social media presence by increasing the number of ICMA Twitter followers, Facebook friends, and total unique website visits and page views and by offering a conference mobile application.

In light of our currently strong programmatic, financial, and operational position, ICMA is well positioned to succeed in the coming years. We look forward to utilizing these organizational resources to help members of the local government management community face the leadership challenges of the coming century.

Sincerely,

Bonnie Svrcek
2012–13 ICMA President
Deputy City Manager
Lynchburg, Virginia

Robert J. O'Neill, Jr.
Executive Director
ICMA

ICMA: Building Better Communities Through Professional Local Government Management

OVERVIEW

ICMA, the International City/County Management Association, is the world's premier local government leadership and management organization. Founded in 1914 by visionary reformers who sought to end municipal corruption and bring professionalism and transparency to local governance, we strive to build better, more livable communities by advancing the professional management of local governments worldwide. As we approach our 100th anniversary, ICMA's core values continue to be rooted in our stringently enforced Code of Ethics and commitment to representative democracy.

Our Focus

Of the three levels of government, local government has the greatest impact on the quality of our day-to-day lives. ICMA exists to serve those who work continuously to advance excellence in local governance and improve the quality of life throughout the world.

We develop programs, publications, and services that identify leading practices and address the needs of the nearly 40,000 local governments and several million employees serving communities globally. We also provide technical and management assistance to transitioning local governments outside the United States, including Africa, the Middle East, Asia, Europe, Eurasia, Latin America, and the Caribbean.

Our Approach

ICMA believes that convening community stakeholders across all sectors is the quickest way to identify solutions to the most pressing challenges facing today's local governments. We bring together experts and leaders from all levels of government, corporations, universities, foundations, community groups, and other disciplines to discuss and exchange ideas; collect, analyze, and share information and leading practices; and provide reliable assistance and support to organizations involved in the management of today's complex communities.

Our Reach

ICMA members are the key local government decision makers. They are the senior level city, county, and town executives whose decisions affect millions of people in thousands of communities across the globe.

ICMA members see the community in its entirety, without being tied to one department, one interest group, or one political point of view. Working in partnership with elected officials, ICMA members help translate policy into action and visionary ideas into real results. They manage the day-to-day operations that keep services up and running, while planning for the future. They develop and implement the budget, procure products and services, supervise department heads, and engage community stakeholders.

Our organization supports as members 9,500 senior local government executives and their staffs in cities, towns, counties, and other regional entities in the U.S. and 29 other countries. At the core of that group are nearly 6,000 senior local government executives. We also represent directors of state associations of local governments, academics, students, and others who share our interest in improving local governance.

ICMA's reach, however, extends far beyond our core membership. We are uniquely qualified to partner with federal agencies, the private sector, foundations, and other organizations on projects that target the extensive local government market.

FY 2013: A Year in Review

MEMBERSHIP AND PROFESSIONAL DEVELOPMENT

ICMA's Membership and Professional Development Team is committed to serving our members and making ICMA the indispensable association for those who demonstrate a commitment to the highest standards of honesty and integrity, while seeking the best solutions in local government leadership and management worldwide. Through a variety of programs, this team also provides outreach beyond our members to support professionalism in local government and provide partnerships that support all local government employees.

Membership Recruitment and Retention

As of June 2013, we increased the number of ICMA members to 9,515 members (compared with 8,839 in June 2012) including 9,165 (96.3%) in the United States and 350 internationally (3.7%) representing 29 countries, with the largest non-U.S. memberships in Canada, Australia, and New Zealand. Of the total membership, 6,321 worked for local government. We achieved a 92.7% average retention rate of U.S. in-service members and an overall U.S. retention rate of 85.5%.

Leadership

We conducted the first nominations process that involved Regional Nominating Committees selecting the nominee for ICMA Vice President in each of ICMA's six regions. To address the need for continued inclusion, the board re-emphasized its commitment to diversity and the need for ICMA and state and affiliate organizations to work together to identify and groom diverse candidates.

Ensuring the Ethical Integrity of Professional Managers

We launched a major review of Tenet 7 of the ICMA Code of Ethics with discussions at five regional summits, a webinar, a social media forum, and various state association meetings. Changes to the guidelines will be presented to the board for consideration at its September 2013 meeting.

Relationship Management

We finalized affiliation agreements with 42 of 47 active state associations of professional local government managers. Maintained affiliate relationships with and provided support to the International Hispanic Network (IHN), the National Forum for Black Public Administrators (NFBPA), and the National Association of County Administrators (NACA). We also facilitated the work of the ICMA International Committee and ICMA representation at meetings in Australia, Canada, Denmark, Netherlands, New Zealand, Sweden, and the United Kingdom.

Career Services/Next Generation

During FY2013, we recruited 19 local governments to host 28 Local Government Management Fellows (LGMF) beginning in late summer-early fall 2013—a program record for both hosts and fellows. We also increased the number of ICMA student chapter participants from 17 to 31 chapters.

Annual Conference

We planned and implemented the 2012 ICMA Annual Conference in Phoenix/Maricopa County, Arizona, which received an overall rating of "very good" or "excellent" from 86% of evaluation survey respondents. The 2012 conference exceeded budget revenues by 3%, with stronger-than-anticipated attendance (2,986 total, including 2,063 members). We also launched our fifth virtual annual conference, which had 133 registrants.

Credentialing

We granted ICMA Credential or Candidate status to 64 members for a total of 1,283, and achieved a 92% renewal rate, of which 97% were completed online.

ICMA University

The association offered 18 ICMA University workshops at the Phoenix conference, partnered with state or affiliate associations to offer an additional 19 workshops, and provided workshop training to five local governments, universities, and other organizations. We graduated 16 members of the Leadership ICMA Class of 2012 and 18 members of the Emerging Leadership Development Program (ELDP) Class of 2012 and continued our work with the inaugural class of the Mid-Career Management Institute.

PROGRAM CENTERS

ICMA's U.S. Program Centers seek to improve the efficiency and effectiveness of local government management by identifying and developing leading management practices, providing education and training around those practices, and offering technical assistance in their implementation. ICMA partners with foundations, universities, federal agencies, and private providers to address the range of issues facing local governments.

Center for Performance Measurement (CPM)

CPM ended FY13 with 191 jurisdictions participating in our comprehensive program and 62 participating in the CPM 101 programs compared to 214 and 72 in FY12 respectively. Thirty-six new jurisdictions joined in FY13. We ended FY13 with 16 regional, state, and interest-oriented consortia compared to 15 in FY12.

CPM also developed a new report, "From Performance Measurement to Management: FY2012 Case Studies and Comparative Data" to reflect an increased focus on analysis using case studies and population comparisons.

Center for Public Safety Management (CPSM)

CPSM completed four Chief Selection Advantage projects, 11 police studies, and 14 fire studies. The center hosted more than 328 paid participants in CPSM-developed webinars, including a series developed in cooperation with the Federal Emergency Management Association and the U.S. Department of Homeland Security.

CPSM staff worked with the National Emergency Management Association to develop a webinar that was offered free of charge to members of the Emergency Management Assistance Compact. The webinar resulted in the largest participation of any FEMA/NEMA webinar with 358 participants. In cooperation with the International Association of Fire Chiefs, we conducted the first fire chief symposium prior to the Phoenix conference, which drew the maximum 50 participants. CPSM also worked with the ICMA International Team to develop education proposals for Mexico and Central America. Additional presentations were made to several delegations from Asia.

Center for Sustainable Communities (CSC)

In FY2013, CSC organized the National Brownfields Conference, "*Brownfields 2013*," in Atlanta with nearly 3,000 registrants, 150 exhibitors, and 150 educational sessions. We continued to manage the Local Government Environmental Assistance Network (LGEAN), a joint partnership with the U.S. Environmental Protection Agency, which features a website component (lgean.org) and a hotline for local government environmental compliance officials.

CSC continued to conduct research on sustainability and social equity with the support of funding from the U.S. Department of Housing and Urban Development (HUD). We also worked with HUD on a variety of other funded projects, including outreach in support of rural communities; a new project to develop a "healthy communities index" in four communities; and a Choice Neighborhoods award to study neighborhood revitalization in three small North Carolina and Virginia communities.

ICMA's CSC is one of five members of the Strong Cities Strong Communities National Resource Network consortium, which received a $9.8 million cooperative agreement from HUD to provide technical assistance, peer-to-peer networking, and other support to America's most economically distressed communities. In partnership with Michigan State University, CSC conducted the first national survey on local government policies, plans, programs, partnerships, and performance measures related to local and regional food systems.

Center for Management Strategies

We officially launched the new Center for Management Strategies (CMS) in October 2012 to bring leading practice education and technical assistance to local governments. To fulfill the center's mission, we negotiated agreements with technical assistance service providers in the disciplines of High Performance Organization Strategies and Priority Based Budgeting.

CMS coordinated an enhanced research partnership agreement with the Alliance for Innovation (AFI)/ Arizona State University (ASU)/ICMA to supplement our existing AFI partnership. During FY2013, the partnership initiated a research project on the topic of civic engagement. The center also developed a Local Government Research Collaborative with AFI and ASU to advance the research agenda beyond the enhanced Alliance partnership and secured 23 governmental jurisdictions to participate in this two-year "experiment."

CMS successfully negotiated sponsorship in the amount of $125,000 over 2.5 years with ICMA Strategic Partner CH2M HILL to support CMS work in collaborative service delivery research.

In partnership with AFI, CMS sponsored an educational program as part of the 2012 ICMA Annual Conference in Phoenix to commemorate the 20th anniversary of the book *Reinventing Government*. The program drew 55 participants.

Strategic Partner Program (SPP)

Through our Strategic Partner Program, ICMA received or secured commitments for more than $1,579,332 in support of our programs and activities through partner fees, contributions, grants, joint ventures, sponsorships, advertising, and in-kind contributions. More than 90% of our Strategic Partners participated in the 2012 annual conference.

Strategic Partner ICMA-RC's financial contributions supported our professional development programs (the annual conference, ICMA University, regional summits, and a "Leadership Conversation" at the Executive Institute for Leadership), plus various awards, and the Emerging Leaders Development Program. We also worked with ICMA-RC to develop a series of short videos on retirement planning, most of which will be uploaded to the members-only section of icma.org.

We renewed our partnership agreement through 2014 with Strategic Partner Cigna in July 2013, which provides $300,000 in support of annual conference events, *PM* magazine advertising, digital strategies, the Knowledge Network, and the Strategic Partner Program.

ICMA's Strategic Partners generously supported a number of key association content initiatives, including *InFocus*, webinars, the Knowledge Network, and *PM/PMplus*. For the third year, The Ferguson Group funded an ICMA scholarship that enabled a manager to attend the Harvard Kennedy Senior Executive in Local Government Program.

INTERNATIONAL PROGRAMS

ICMA International promotes the organization's mission in the international context and provides international opportunities for engagement with ICMA members. ICMA's international work seeks to build sustainable communities that improve people's lives by developing local capacity and promoting good governance. With funding from the U.S. Agency for International Development (USAID) and other donor organizations, ICMA provides peer-to-peer technical assistance, training, and resources to municipalities in developing and decentralizing countries. ICMA International has a positive impact on the lives of thousands of individuals through programs that build local government capacity in newly decentralized countries and promote good governance worldwide.

ICMA International exceeded its target financial net contribution to the organization by 156%. The team maintained an active project portfolio of 17 programs in 12 countries, plus four regional training and exchange programs for municipal officials from an additional dozen countries.

We supported important global city learning networks focused on climate change adaptation through the Association of South-East Asian Nations (ASEAN) based in Indonesia and the Durban Adaptation Charter based in South Africa under the CityLinks flagship project.

We also launched several initiatives with the ICMA China Center, including in-country training for local government officials, professional exchanges/study tours, and lecture opportunities in Chinese cities for ICMA members.

ICMA International deepened relationships with several international affiliates by involving them in the design and execution of donor-funded fellowship exchange programs. We also expanded programs into the practice areas of community policing/public safety, municipal finance, and environmental sustainability by introducing these programs into new countries, continuing to translate ICMA domestic capabilities into the international arena.

We also provided approximately 20 ICMA members with opportunities to participate in ICMA International activities as advisors, consultants, conference presenters, and CityLinks partners.

Life, Well Run
an ICMA initiative

BRAND MANAGEMENT, MARKETING, AND COMMUNICATIONS/ INFORMATION

The Brand Management, Marketing, and Communications Team provides and promotes mission-driven and market-focused resources, content, and strategies in an accessible format that members, clients, local government employees, and others can put to work in their careers and communities. The overall purpose of the unit is to build the ICMA "brand image" and to strategize, facilitate, and deliver ICMA messages.

The team is organized into two program categories: (1) Brand Management, Marketing & Communications, which includes the association's overall brand management and digital strategy, media relations, form of government advocacy, and the *Life, Well Run* public awareness campaign; and (2) Information, which includes publications, *PM (Public Management)* magazine, public policy, the Knowledge Network, the Alliance for Innovation Partnership, webinars, and survey research.

Brand Management, Marketing, and Communications

The BMMC Team published weekly editions of the *Leadership Matters* e-newsletter, which earned the highest "valuable" percentage rating among all resources in the annual member survey; and a new, daily e-newsletter, the *ICMA SmartBrief*, which has

22,471 subscribers with an average daily growth rate of 71 subscribers.

We also launched a website and historical timeline in support of ICMA's 100th anniversary celebration. In January 2013, the ICMA Executive Board approved the establishment of a 30-member task force to guide staff in the development and execution of a series of strategies for engaging members, local governments, and other audiences in ICMA's anniversary celebration. Twenty-four members of the task force met in Atlanta in April to brainstorm and prioritize tactics, and staff developed a matrix of anniversary tactics resource requirements as a tool for identifying priorities. The task force engaged next-generation members in the refinement of those priorities.

To achieve a more versatile and contemporary look, Creative Services developed new, rebranded designs and templates that work more effectively in print and digital formats.

Media Relations

ICMA generated 40 million media impressions on a variety of local government-related topics from its media relations efforts. We used available information and statistics to respond in a timely manner to roughly 30 media inquiries on form of government, fiscal challenges, and general management issues.

We also worked with a D.C.-based PR firm to coordinate a telephonic press conference on October 8, 2012, on the Patient Protection and Affordable Care Act and its implication for local governments. The event was covered by *American Healthline News, American Hospital Association News, Corpus Christi Call Times, Governing* magazine, *Health Leaders Interstudy, Kaiser Health News, Michigan Live, The Ledger* (Florida), *Med Tech Media, New Jersey Policy Perspective, Politico, The Texas Tribune, The Wall Street Journal,* WWNC (Asheville, NC), and WOAI

(Clear Channel, San Antonio); plus the International Association of Fire Fighters, Know Your Care, and Woodley & McGillibary. The event resulted in two October 9, 2012, articles: "Local Government Prepares for Health Law's Employer Requirements" in *Governing*, and "Local Government Leaders Discuss Best Practices for Employee Benefit Cost Saving and the Affordable Care Act" in *American Healthline News*. A resulting podcast was promoted through *Leadership Matters*.

Digital Strategy

ICMA's digital strategy staff created a set of website standards to encourage a more consistent visitor experience and longer visits on the site. We added top-level links to the site for key sections, which resulted in increased page views for the membership section of icma.org (a 69% increase), the Knowledge Network (a 10% increase); and the annual conference (a 58% increase).

We also launched advertising on the ICMA homepage and other high-traffic pages in mid-March 2013. Digital strategy staff designed a mobile optimization rollout plan and launched phase one of our mobile pages in June. As a result, the most visited areas of icma.org are now available in mobile view, including pages, articles, blogs, wikis, jobs, and events, which ensures easy readability from links embedded in *Leadership Matters*.

We exceeded our FY 2013 social media strategy goals, with 4,255 Twitter followers (40% over goal) and 2,414 Facebook Friends (20% over goal). We also met website traffic benchmarks, with more than one million total unique visitors and 5.4 million page views.

Form of Government Advocacy and the Fund for Professional Management

As of June 30, 2013, the Fund for Professional Management had a balance of $1,713,450. During FY2013, the Fund received $103,456 in donations and $33,000 in pledges earmarked for general

advocacy, with donations growing by 28%. Additionally, $339,035 in donations and $138,234 in pledges were earmarked for the *Life, Well Run* campaign, with donations growing by 35%. Total pledge receivable for both accounts net of allowances at June 30, 2013, was $327,024.

State associations in Illinois, Indiana, Minnesota, and Wisconsin successfully fulfilled their *Life, Well Run* fundraising agreement goals. Iowa, Michigan, Missouri, and Ohio have signed agreements to fulfill their goals by FY16. Similar fundraising strategies will be rolled out to the Northeast, Southeast, and Mountain Plains regions during FY14.

We provided financial contributions totaling $35,245 from the Fund in support of five citizens' group advocacy efforts and continued to provide tailored editorial and strategic assistance to communities seeking to adopt or retain council-manager government or establish a professional local government manager position. We directed a number of interested parties to the online version of the Council-Manager Form Resource Package; distributed 525 hard copies of "The Council-Manager Form of Government: Frequently Asked Questions;" and distributed 370 printed copies of our "Professional Local/County Management" brochures. We also distributed 10 printed copies of the "Recruitment Guidelines for Selecting a Local Government Administrator" to communities engaged in hiring a chief administrative officer.

Life, Well Run Campaign

We executed the *Life, Well Run* pilot campaign in five communities in Texas and Illinois and showcased the pilot campaign to members at ICMA's Annual Conference in Phoenix. We also created 13 videos related to the campaign, which generated 7,540 YouTube views, and worked closely with the Texas City Management Association to create a significant presence at the Texas Municipal League's 100th anniversary conference.

The *Life, Well Run* campaign staff issued press releases announcing the release of nine videos, which were picked up by more than 2,000 media outlets including *The Boston Globe, Reuters, Miami Herald, Houston Chronicle, CNBC.com, The Wall Street Journal, Market Watch, International Business Times, Newsday,* and *Yahoo News.*

We also developed a state-based national campaign plan and worked with advocacy firm GMMB to develop related strategies, materials, and messaging and create a series of print and digital ads targeted toward elected officials, business and civic leaders, and students. A series of strategies for working with state associations to implement the campaign were developed and are being executed in FY2014.

ICMA e-books
Power tools for leading communities

INFORMATION

Publications

To further ICMA's overall e-publishing goals, the Information Team developed and executed an overall e-book communication and marketing strategy. The team also selected several vendors to convert our print and PDF publications into e-books, distribute our electronic publications, and afford customers the option of reading ICMA publications on mobile devices.

We converted roughly 125 *InFocus* reports to electronic format and enhanced the existing e-books: *Strategic Planning for Local Government* (2nd edition), *First-Time Administrators Handbook,* and *Acting Managers Handbook.* As enhanced e-books, these publications now have embedded links to relevant icma.org and Knowledge Network content; embedded *Life, Well Run* videos; and related content from previously published *PM* articles. We also converted and delivered *Emergency Management,* 2nd edition, and *Fire and Emergency Services* and its study guide.

We published *The Municipal Year Book 2013,* with 10 research-based articles on issues identified as priority content areas; *Management Policies in Local Government Finance* (6th ed.); *A Budgeting Guide for Local Government* (3rd ed.), which integrated updated portions of *A Revenue Guide for Local Government;* longstanding ICMA best-seller, *Effective Supervisory Practices: Better Results* *through Teamwork* (5th ed.), and its companion study guide, *Effective Supervisory Skill Building;* and *Statistics for Public Administration: Practical Uses for Better Decision Making* (2nd ed.), which includes such enhancements as a glossary, index, new examples, and a focus on the use of public safety data.

We also produced the 2013–2014 *ICMA Press Catalog* in print and online formats and a four-page catalog of books, *InFocus* reports, webinars, and *PM* magazine articles related to Boston conference sessions. We created an area in the ICMA bookstore where member authors can promote their self-published books and manuscripts.

PM (Public Management) Magazine

During FY2013, we published one combined (January/February 2013) and 10 monthly issues of *PM* magazine and included special inserts in three issues: ICMA's Annual Awards program (November 2012), Annual Contributions to the Fund (April 2013), and the ICMA Annual Conference preliminary program (June 2013). Issues included the regularly occurring departments: On Point, Tech Touch, Council Relations, Active Living, and Short Story. We also published monthly Readers' Polls on *PM's* website and 24 articles in *PMplus*, which appeared exclusively in the online edition of the magazine.

We increased the number of ICMA members who wrote articles for *PM* and *PMplus* to 136, compared with 122 in FY2012. *PM* magazine generated 109,461 page views to its website and a 21.5% average open rate of the monthly e-mail announcement of each issue as it is made available online. We maintained the premium content (member-only access) of *PM's* website articles at 80%.

Public Policy

Effective January 2013, ICMA assumed a lead role in coordinating the work of the "Big 7" national public interest groups to develop strategic policy direction and to identify consensus priorities. We

published "Pension Funding: A Guide for Elected Officials" as part of a joint initiative among the Big 7, the Governmental Finance Officers Association, the Center for State and Local Government Excellence, and several other national associations. We also published a one-page handout of the issues, coordinated a webinar to explain the new GASB standards, and made presentations to national associations, including the National League of Cities and the National Association of Counties, on pension funding issues.

ICMA endorsed the National Homeland Security Consortium 2012 white paper, "Protecting the Homeland," and publicized its recommendations. We also conducted a webinar on "The Affordable Care Act & Arizona Immigration," publicized actions taken by the State and Local Legal Center, and conducted a webinar that highlighted Supreme Court cases relevant to local governments.

We published an ICMA Governmental Affairs and Policy Committee (GAPC) white paper: "Striking a Balance: Matching the Services Offered by Local Governments with the Revenue Realities" and released a 2013 version of "Facts You Should Know: State and Municipal Bankruptcy, Municipal Bonds, State and Local Pensions."

ICMA's GAPC held two meetings during FY2013, which focused on local government fiscal challenges, immigration, the Marketplace Fairness Act, threats to the tax-exempt status of municipal bonds, pension reform, cyber security, returning veterans, and ideas for future white papers.

Knowledge Network

The number of registered Knowledge Network (KN) users increased to 43,056 compared to roughly 21,000 in FY12.

We established a KN Advisory Board and created an engagement forum that allows ICMA to streamline new content and social media efforts among Strategic Partners. We also developed content-sharing relationships with several organizations that resulted in the addition of new content on KN topic pages; "Topic Tuesday," which highlights popular topics; and a social media strategy to promote KN engagement by users.

Survey Research

We completed ICMA-funded surveys on Membership, Police and Fire Personnel Salaries and Expenditures, CAO Salary and Compensation, the State of the Profession, and Digital Strategy. We also completed externally-funded surveys on Social Equity and Sustainability (U.S. Department of Housing and Urban Development); Alternative Service Delivery (Cornell University); and Food Security Survey (Michigan State University). Survey results were used to develop articles for *The Municipal Year Book, PM* magazine, and *Leadership Matters*.

Webinars

We produced 24 web conferences and one web workshop, including well-attended programs on implementing economic development, performance evaluations, succession planning, and GASB rules for public pensions.

ORGANIZATIONAL SUPPORT

ICMA's Organizational Support Teams provide the program teams with the people, technology, and financial resources required 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.

We obtained an unqualified opinion on the FY13 audit, with no material findings or control weakness reported. We also provided support and analysis to the Task Force on Financing ICMA in their review and analysis of ICMA's revenue sources and dues models.

ICMA led the Center for Public Administration Services Operations Committee, which includes representatives from all three building owners, in making significant enhancements to the property where ICMA's head office resides, including: an expanded building green roof; modernization of fire alarm equipment and the creation of a Fire Command Room; and modernization of the training center, fitness centers, and building signage.

We selected a new Association Management Software (AMS), netFORUM, to address inefficiencies with the dated software currently in place and made significant progress on the initial requirements and design phase of the AMS replacement project. We also issued an RFP for the replacement of ICMA's 20-plus-year-old phone system with a voice-over-internet-protocol (VOIP) system that will be implemented in FY14.

We also made numerous enhancements to the Knowledge Network and ICMA website; completed the migration of most of ICMA's servers to a cloud-based hosted environment with improved redundancy and business continuity capability; upgraded Microsoft Office to Microsoft Office 2010; and completed the migration of our e-mail system from an in-house server to a Microsoft 365 hosted solution to reduce risk, increase capacity, and outsource maintenance cost.

We coordinated an enhanced retirement benefit for all ICMA staff that includes a mandatory employee contribution and an association match and coordinated two all-staff professional development site visits to the U.S. Capitol and the city of Rockville, Maryland.

We issued an RFI to three vendors to compare and analyze warehousing rates and pick, pack, and ship service costs against our current model where accounts receivable is also outsourced. Staff reduced vendor contract rates through August 2014.

FY 2013 Financial Summary

The certified public accounting firm of Rubino & Company completed its audit of the financial records of ICMA, delivering an unqualified opinion on the financial statements for the year ended June 30, 2013. The audit report is presented each year to the Audit and Evaluation Committee of the Executive Board and is accepted by the full board at the annual conference board meeting. Review copies of the FY 2013 audit report are available for inspection upon request.

For the year ended June 30, 2013, revenues exceeded expenses by $552,653 for all funds on total revenues of $35,361,591 and expenses of $34,808,938. Unrestricted revenues of $35,311,118 exceeded expenses of $34,808,938 by $502,180. Temporarily restricted revenues were $50,473. ICMA's combined net assets at fiscal year-end were $8,659,417 as represented by unrestricted net assets of $6,291,566 and temporarily restricted net assets of $2,367,851.

The association's total assets, net of appropriate allowances and accumulated depreciation, at June 30, 2013, were $16,443,151 consisting of $8,562,654 of cash and investments; net accounts receivable of $5,979,467; publications inventory net of allowances of $517,149; net furniture, equipment, and leasehold improvements of $670,437; and other assets of $713,444. Total liabilities and deferred revenues were $7,783,734 consisting of accounts payable and accrued expenses of $2,790,313, refundable advances of $77,184, deferred revenues of $4,870,011, and other liabilities of $46,226.

Each year as part of the financial planning process, the board establishes goals and benchmarks for unrestricted net asset balances for ICMA. Net asset targets are established in five-year increments. The net asset target established for FY 2013 was $5,300,000. At June 30, 2013, the net asset balance was $6,291,566, an excess of $991,566 over the established target. The net asset target established for FY 2018 is $7,625,000.
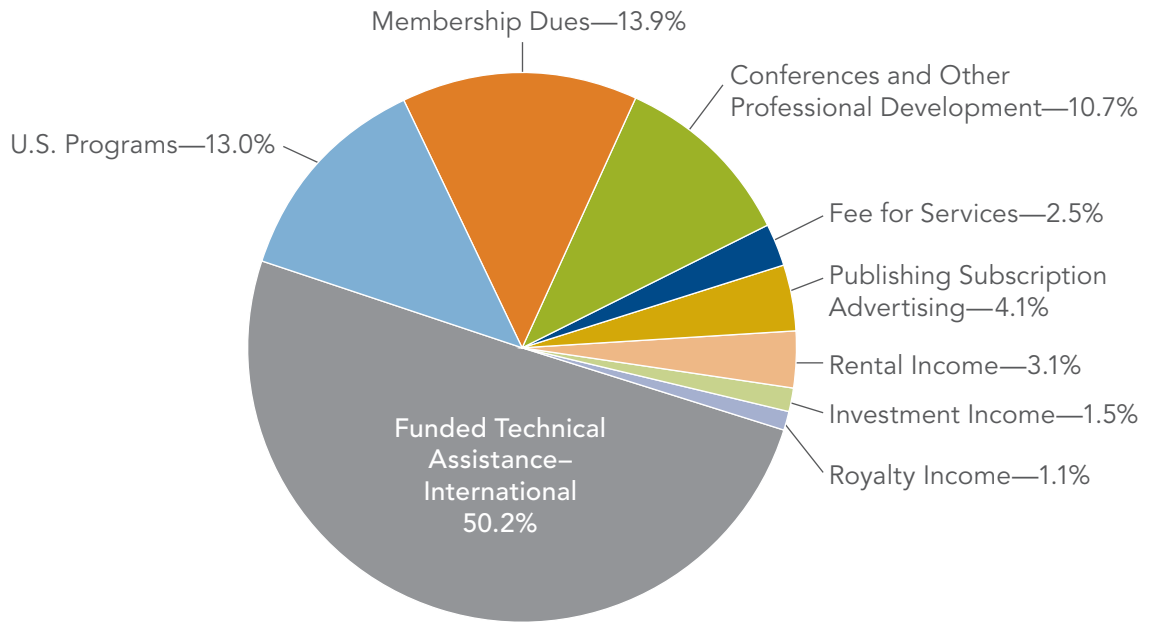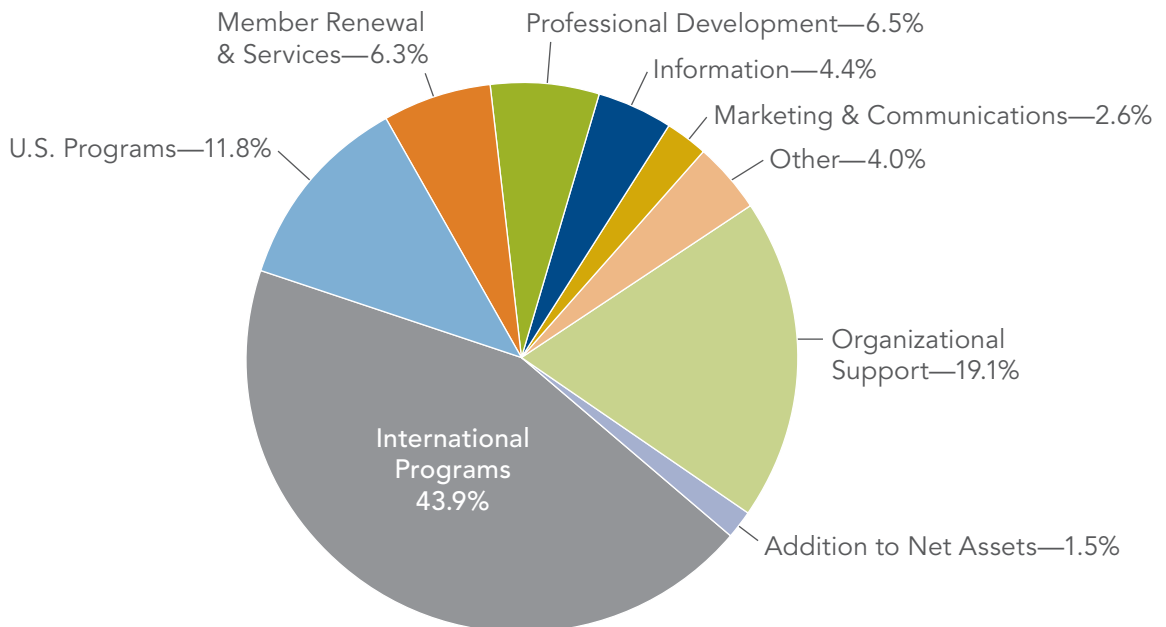
Progress Toward Net Asset Goal
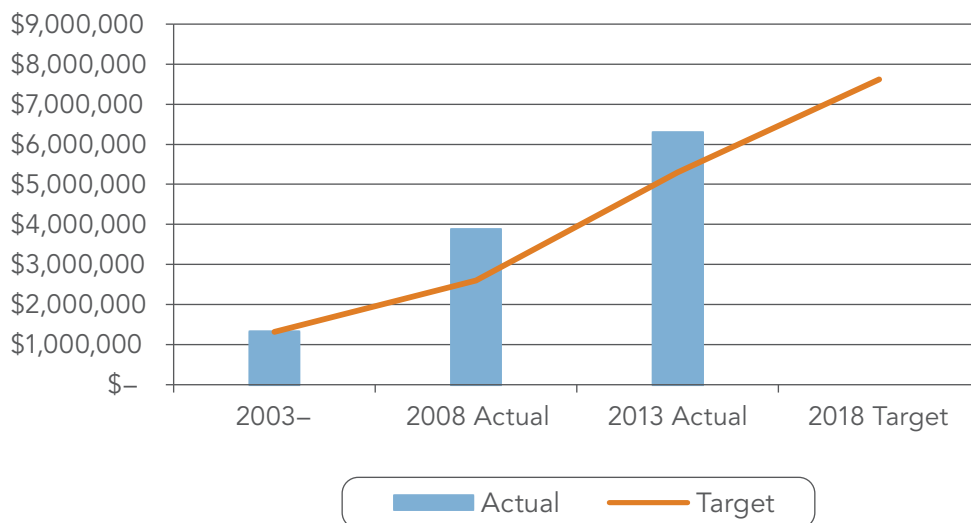
ICMA Financial Results of Operations

ICMA programs and activities in FY 2013 resulted in a gain from General Fund operations of $502,180 with revenues of $34,547,625 and expenses of $34,045,446. The following pie chart shows FY 2013 sources of revenue and the allocation of these revenues to the outcome areas:

FY 2013 Sources of ICMA Revenue

Membership Dues—13.9%

Conferences and Other Professional Development—10.7%

U.S. Programs—13.0%

Fee for Services—2.5%

Publishing Subscription Advertising—4.1%

Rental Income—3.1%

Investment Income—1.5%

Royalty Income—1.1%

Funded Technical Assistance–International 50.2%

FY 2013 Allocation of ICMA Resources to Outcomes

Member Renewal & Services—6.3%

Professional Development—6.5%

Information—4.4%

Marketing & Communications—2.6%

U.S. Programs—11.8%

Other—4.0%

Organizational Support—19.1%

International Programs 43.9%

Addition to Net Assets—1.5%

Financial results for the programs and activities are classified and reported below according to the strategic outcomes as reflected in the FY 2013 ICMA budget.

Membership Dues

	Revenues		Labor, Fringe and Direct Costs		Net before allocation of support	
	Actual	Budget	Actual	Budget	Actual	Budget
Member Dues Revenue	$ $4,797,716	$4,932,000	—	—	$4,797,716	$4,932,000

Membership dues revenues fell short of aggressive budget targets by $134,284 but were higher than FY 2012 dues revenue by $56,589. Membership numbers rose from 8,839 at June 2012 to 9,515 at June 2013. In FY 2013, ICMA developed a state-by-state recruitment strategy to partner with state and affiliate associations on targeted, mutually beneficial recruitment and retention outreach and began implementation in two states (Cal-ICMA/California and NCMA/Nebraska) with discussion and data gathering underway in target states.

Membership Services

	Revenues		Labor, Fringe and Direct Costs		Net before allocation of support	
	Actual	Budget	Actual	Budget	Actual	Budget
Member Services & Benefits	$ 629,323	433,700	2,008,066	2,006,118	(1,378,744)	(1,572,418)
Relationship Management	24,688	15,500	153,532	168,586	(128,844)	(153,086)
Total Member Services	$ 654,011	449,200	2,161,599	2,174,704	(1,507,588)	(1,725,504)

Member Services and Benefits includes expenses for the ethics program, personal support and range rider activities, member committees, the Job Center, Partners' programs, *Leadership Matters,* and other member benefits such as the awards, Leading Ideas, Members In Transition, and member operations. Relationship Management includes ICMA support of the National Association of County Administrators and affiliate relationships with the National Forum for Black Public Administrators, the International Hispanic Network, and international affiliates.

Revenues in this area exceeded budget because of higher than anticipated advertising in the Job Center, increased registration in state workshops, and increased sponsorships for the Leading Ideas program. Higher than anticipated revenues together with expense controls resulted in a net contribution from this area that was better than budget by $217,916.

Professional Development

		Revenues		Labor, Fringe and Direct Costs		Net before allocation of support	
		Actual	Budget	Actual	Budget	Actual	Budget
Conference	$	2,435,924	2,364,510	1,576,771	1,569,423	859,153	795,087
Training and Education		752,853	712,251	502,914	708,081	249,939	4,170
Leadership and Development		308,471	256,321	149,800	182,776	158,671	73,545
Total Professional Development	$	3,497,248	3,333,082	2,229,485	2,460,280	1,267,763	872,802

Conference includes results of the ICMA Annual Conference held in Phoenix, Arizona. Net contribution from the 2012 annual conference exceeded budget by $64,066 primarily due to stronger-than-anticipated attendance with 2,986 total attendees, including 2,063 members. The conference continued to receive sponsorships of $300,000 each from ICMA-RC and Cigna. The fifth virtual annual conference had 133 registrants and fell short of the budgeted number by 12 attendees.

Training and Education includes the ICMA University workshops, assessments, web workshops and conferences, product development, sponsorships, and local government ethics training workshops. Net contribution from these programs exceeded budget by $245,769 primarily due to vacant positions.

Leadership and Development includes programs for senior managers and emerging leaders. Net contribution from these programs exceeded budget by $85,126 primarily due to increased participation in the Senior Managers Executive Institute and the Leadership ICMA capstone projects.

Overall net contribution from this area exceeded budget by $394,961.

Information

		Revenues		Labor, Fringe and Direct Costs		Net before allocation of support	
		Actual	Budget	Actual	Budget	Actual	Budget
Public Policy	$	—	—	105,226	134,897	(105,226)	(134,897)
Publishing		963,069	893,964	1,180,398	1,292,154	(217,329)	(398,190)
Survey Research		64,936	32,357	121,772	156,190	(56,835)	(123,833)
Web Initiatives		—	15,000	110,952	167,257	(110,952)	(152,257)
Total Information	$	1,028,005	941,321	1,518,347	1,750,498	(490,341)	(809,177)

Public policy includes costs to coordinate the work of the Big 7 to develop strategic policy direction and identify priorities for the seven national associations and issuing white papers. Publishing activities includes textbooks, ICMA University courses, brief reports, and *PM* magazine. Survey Research includes ICMA-funded surveys related to membership, compensation, and the state of the profession, and other funded surveys. Web Initiatives include the Knowledge Network and the partnership with the Alliance for Innovation.

Revenues were higher than budget due to increased *PM* advertising, better-than-budgeted revenues in Survey Research and ICMA University courses. Increased revenues combined with expense controls resulted in a net contribution from this area that was better than budget by $318,835.

U.S. Programs

		Revenues		Labor, Fringe and Direct Costs		Net before allocation of support	
		Actual	Budget	Actual	Budget	Actual	Budget
Strategic Partner Program	$	267,500	265,000	111,705	156,307	155,795	108,693
Center for Performance Measurement		1,053,963	1,238,204	764,100	1,114,396	289,863	123,808
Center for Sustainable Communities		1,634,767	1,871,804	1,348,062	1,552,294	286,705	319,510
Center for Public Safety Management		1,452,555	2,440,000	1,642,332	1,350,466	(189,778)	1,089,534
Center for Management Strategies		65,321	130,000	147,403	105,991	(82,082)	24,009
Total U.S. Programs	$	4,474,106	5,945,008	4,013,602	4,279,454	460,504	1,665,553

Net contribution from the Strategic Partner Program was ahead of budget by $47,103. Revenues from the Center for Performance Measurement fell short of budget due to lower than anticipated participation; however, net contribution exceeded budget by $166,055 primarily due to staff vacancies. The Center for Sustainable Communities continued work on several funded projects during the year with revenues falling short of budget by $237,036 and net contribution falling short of budget by $32,805 reflecting the continued difficulty in securing funding from federal agencies and foundations. The Center for Public Safety Management fell short of budgeted revenues and net contribution by $1,279,311 due to changes made to pricing models for technical services after the budgeting process. As a relatively new venture, the Center's goal is to cover all direct and related indirect costs of operations in the next two fiscal years. The Center for Management Strategies was launched during the fiscal year to bring leading practice education and technical assistance to local governments. Net contribution for the Center fell short of budget by $106,091 due to higher than anticipated start-up time and costs.

Overall net contribution from this area fell short of budget by $1,205,050.

International Programs

		Revenues		Labor, Fringe and Direct Costs		Net before allocation of support	
		Actual	Budget	Actual	Budget	Actual	Budget
Business Development and Management	$	(78,603)	—	1,209,701	1,320,343	(1,288,304)	(1,320,343)
International Technical Assistance		17,408,138	15,033,068	13,157,538	11,826,208	4,250,600	3,206,859
ICMA Latin America		(2,742)	133,750	—	133,750	(2,742)	—
Total International Programs	$	17,326,793	15,166,818	14,367,239	13,280,302	2,959,554	1,886,516

Revenues and net contribution from International Programs exceeded budget due to uninterrupted implementation of awarded programs. A majority of the programs are in Afghanistan and the risk and uncertainty related to this funding is high. International program revenue exceeded budget by $2,159,975 resulting in an increase in net contribution over budget of $1,073,038.

Brand Management, Marketing, and Communications

		Revenues		Labor, Fringe and Direct Costs		Net before allocation of support	
		Actual	Budget	Actual	Budget	Actual	Budget
Form of Government	$	—	—	39,607	73,136	(39,607)	(73,136)
Marketing and Communications		42,230	145,000	871,705	1,023,362	(829,475)	(878,362)
Total Marketing and Communications	$	42,230	145,000	911,312	1,096,499	(869,082)	(951,499)

Form of Government expenses fund activities to assist communities seeking to adopt or retain council-manager government or establish the position of professional manager. Brand Management, Marketing, and Communication (BMMC) includes expenses related to general marketing, ICMA's digital strategy and website, and management expenses related to the *Life, Well Run* campaign. BMMC revenues were under budget because of the delay in the ability to offer advertising space on the website. With expense controls, however, net contribution from this area was better than budget by $82,417. Program expenses and contributions related to the *Life, Well Run* campaign are reflected in the Fund for Professional Management.

Support Services

		Revenues		Labor, Fringe and Direct Costs		Net before allocation of support	
		Actual	Budget	Actual	Budget	Actual	Budget
Leadership and Management	$	—	—	1,134,212	1,058,601	(1,134,212)	(1,058,601)
Facilities		102,000	102,000	1,735,977	1,726,892	(1,633,977)	(1,624,892)
Other Support		55	—	4,582,112	4,031,324	(4,582,057)	(4,031,324)
Total Support Services	$	102,055	102,000	7,452,301	6,816,818	(7,350,246)	(6,714,818)

This area includes ICMA's support activities such as the Executive Board, Executive Office, Facilities, Administration, Finance, HR, IT, and Contract Administration. Expenses exceeded budget primarily because of expenses incurred to support the increase in international programs, and year-end accruals for bonus pay.

Other

		Revenues		Labor, Fringe and Direct Costs		Net before allocation of support	
		Actual	Budget	Actual	Budget	Actual	Budget
ICMA-RC: CSLGE Reimbursement	$	653,424	684,055	497,316	497,665	156,108	186,390
ICMA-RC: Royalty		379,948	368,000	—	—	379,948	368,000
Subtenant Space		1,074,761	962,500	894,243	896,765	180,517	65,735
Investment income		517,328	560,001	—	—	517,328	560,001
Total Other	$	2,625,461	2,574,556	1,391,560	1,394,430	1,233,901	1,180,126

ICMA-RC reimburses ICMA for all direct and indirect costs associated with administering and managing the Center for State and Local Government Excellence. ICMA-RC also pays ICMA a royalty for the use of its name based on a formula tied to RC's gross revenues amounting to $379,948 for FY 2013. Subtenant space includes revenue and expenses related to the sublease of ICMA's space and is higher than budget because all available space was fully leased during the year. Investment income includes interest earned on investments and a dividend payout of $510,000 from the investment in the building through a Real Estate Investment Trust.

ICMA's various business lines present both a challenge and an opportunity. The challenge is in balancing the various needs and compliance requirements of the diverse business lines, which while helping us mitigate risk of the impact of the economy, may affect various sectors. Overall in FY 2013, net results of operations from the general fund exceeded budget by $166,180 adding $502,180 to net assets.

Temporarily Restricted Funds

		Balance June 30, 2012	Revenues	Expenses	Balance June 30, 2013
Fund for Professional Management	$	1,571,739	249,773	108,062	1,713,450
Life, Well Run Campaign		577,386	273,500	383,378	467,508
Other Endowed Funds		168,253	26,177	7,537	186,893
Total	$	2,317,378	549,450	498,977	2,367,851

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