

**Minutes
National Executive Committee Meeting**

Thursday, March 7, 2002

9 a.m. to 5 p.m.

Friday, March 8, 2002

9 a.m. to 4:45 p.m.

Alexandria, VA

Thursday, March 7, 2002

General Business

- A. Call to Order** – AGA National President Richard V. Norment, CGFM, recognized a quorum of committee members and called the meeting to order at 9 a.m.

Committee Present

- Richard V. Norment, CGFM, National President, Nashville Chapter
- William J. Anderson Jr., CGFM, National President-Elect, Washington, D.C. Chapter
- WA “Bill” Broadus Jr., CGFM, Immediate Past National President, Washington, D.C. Chapter
- Eva J. Williams, CGFM, National Treasurer, Washington, D.C. Chapter
- Richard O. Bunce, CGFM, National Treasurer-Elect, Richmond Chapter
- Barbara B. Gladfelter, CGFM, Senior Vice President At Large, Non-Presidentially Appointed, Sacramento Chapter
- Jeffrey S. Hart, CGFM, Senior Vice President At Large, Non-Presidentially Appointed, Denver Chapter
- Russell W. Hinton, CGFM, Senior Vice President At Large, Presidentialy Appointed, Atlanta Chapter
- Cynthia T. Osga, CGFM, Senior Vice President At Large, Presidentialy Appointed, Greater Lansing Chapter
- Jeanne B. Erwin, Senior Vice President At Large, Presidentialy Appointed, North Carolina Triangle Chapter
- Bobby A. Derrick, CGFM, Senior Vice President for Regional Services – Section I, Indianapolis Chapter
- William A. Morehead, CGFM, Senior Vice President for Regional Services – Section II, Jackson Chapter
- Warren L. Walch, CGFM, Senior Vice President for Regional Services – Section III, Orange County Chapter
- Paul W. Bognaski, CGFM, Senior Vice President for Regional Services – Section IV, Montgomery/PG Chapter
- Charles W. Culkin Jr., CGFM, Executive Director

Guests and National Office Staff Present

- Jullin Renthrope, CGFM, National President-Elect Designate, New Orleans Chapter
- Evelyn Brown, CGFM, National Treasurer-Elect Designate, Washington, D.C. Chapter

- Susan Fritzlen, Deputy Executive Director of Programs
- Winston Myree, Director of Finance and Administration
- Lisa Thatcher, Assistant to the Executive Director and NEC Secretary
- National President Norment thanked all members for their participation and welcomed Jullin Renthrope, National President-Elect Designate, and Evelyn Brown, National Treasurer-Elect Designate, to the meeting.

B. Approval of Agenda

President Norment informed the NEC that National Treasurer Williams will present her financial report after the National President's Report.

MOTION #1 – WA Broadus moved to approve the agenda as amended above. Paul Bognaski seconded the motion. Motion carried.

C. Approval of Minutes

MOTION #2 – Jeanne Erwin moved to approve the NEC minutes dated December 7 and 8, 2001 as presented. Billy Morehead seconded the motion.

II. Current Business

D. National President's Report – Richard V. Norment, CGFM, National President

1. Association Peer Review – A copy of the peer review application is included in the NEC binder and NEC members are welcome to review the actual submission. It was clarified that the review covers both a performance review and peer review. The NEC will consider the results of the review and then present an action plan to the NBD.

- Interviews with the ASAE are scheduled for the first week of April. President Norment distributed a list of AGA leaders and staff to be interviewed along with the ASAE professionals who will be leading the interviews, whom he thought seemed very well qualified.
 - Paul Bognaski observed that the list of leaders represents the D.C. area well, but not outlying areas. Bill Broadus suggested that the four SVPRSs be interviewed. Paul Bognaski and Jeff Hart agreed the interview list should be expanded to include leaders outside of D.C. and leaders closer to the members. Since these leaders have visited with numerous chapters and AGA members, they would have different insights and would provide a valuable perspective.
 - The cost of interviewing leaders across the country could be contained by a variety of methods, including conducting interviews via conference call or providing ASAE a list of SVPRSs and giving them the flexibility of randomly selecting one or two to interview. Or, the SVPs could correspond with ASAE beforehand.

- President Norment said the Peer Review Group will consider this input before finalizing the interview list and submitting the schedule to ASAE.
 - The group will re-distribute the final interview list to the NEC for their information.
2. Federal Accounting Standards Advisory Board (FASAB) Nominees – FASAB has asked AGA to submit a list of individual non-federal nominees to the FASAB. In addition to the list already distributed, Warren Walch recommended AGA nominate San Jose City Auditor Gerry Silva, CGFM. Other NEC members recommended Bob Freeman, retired from AMS and Jim Thomas, CGFM, Director of Audits in the Inspector General office, State of Florida.
- The NEC noted that all individuals AGA recommends should be AGA members and should have already been contacted to ensure that they are interested and can commit to serving.
 - Bill Broadus suggested that sometime in the future the NEC consider whether it should recommend individuals that have been active on other AGA boards in the past.

MOTION #3 – Bill Anderson moved approval of Decision Memorandum 02-1, “Federal Accounting Standards Advisory Board Nominees,” as expanded by the three individuals mentioned above. Warren Walch seconded the motion. Motion approved with one abstention.

3. AICPA Outstanding CPA in Government Award Nomination – The AICPA is accepting nominations for its Outstanding CPA in Government Award. Bill Anderson recommended AGA nominate David M. Walker, CPA. The NEC also considered re-nominating Bob Attmore, CGFM, who was nominated last year but was not selected. However, it was noted that this year’s award will be presented to a federal individual and Bob Attmore is a state nominee. The NEC agreed to consider Bob’s nomination the next time the AICPA solicits state-level nominees.
- It was noted that AGA can submit an endorsement of David Walker’s nomination since another organization will be formally nominating Mr. Walker. Charlie Culkin and Bill Anderson will coordinate the endorsement.

MOTION #4 – Bill Broadus moved that AGA nominate David M. Walker, CPA, Comptroller General of the United States, for the AICPA’s Outstanding CPA in Government Award. Russell Hinton seconded the motion. Motion approved.

4. Task Force Report on Enhancing the Process for Obtaining National Leaders – President Norment noted that Charles Harrison, CGFM, Chair of the Task Force on Enhancing the Process for Obtaining National Leaders, had been planning on joining the NEC meeting but had to cancel his plans due to illness. The task force met to review AGA’s nominations process and to highlight opportunities for strengthening the system. Traditionally, AGA tends

to struggle to find leaders for the key leadership positions. President Norment outlined the task force's report and asked for the NEC's ideas for proceeding with each of the eight recommendations.

- Recommendation #1. Discontinue the de facto rotational policy used in recent years for the selection of the National President by the Nominating Committee. Although the policy has served the Association well in the past, AGA has matured to the point that the "best qualified candidate" for the National President-Elect position should be nominated regardless of his/her employer. In addition, we recommend that the chapters be discouraged from continuing the chapter rotational policy in selecting the Regional Vice Presidents. For the good of the Association, we believe the "best-qualified candidates" should be selected for these positions regardless of chapter affiliation within the region.
- Warren Walch stressed his concern that the National Nominating Committee should do its best to ensure leaders represent AGA membership and should make sure that one region or group does not dominate. It was noted that the National Bylaws stipulate the National President cannot come from the same region for more than two years in a row.
- Bill Broadus observed that the National Nominating Committee fully reviews each nominee's ability, experience and prior leadership. The committee contacts nominees to clarify points or to gather more information if there are questions. The Committee selects candidates based on knowledge of the nominees and the strength of the candidate's nomination.
- Recommendation #2. The NEC agrees with this recommendation to expand the Senior Vice President, Regional Vice President and Regional Vice President-Elect position descriptions to include the responsibility for identifying and nominating well qualified candidates for national leadership positions.
 - All AGA leadership recruiters need to keep emphasizing the full extent, including the time commitment, and the responsibilities of the various and National Officer positions.
- Recommendation #3. The report recommends that the National Nominating Committee be proactive in identifying possible AGA leaders. It was noted that all leaders should be proactive to ensure that we have a wealth of nominees interested in our leadership opportunities.
 - Bill Broadus observed that over the last few years, AGA has received an increasing number of candidates for each AGA office. Committee members have also ensured they can select their slate from a pool of highly qualified candidates. They have contacted individuals and have independently identified candidates.

- Recommendation #4. The Nominating Committee should better use the wisdom, knowledge and experience of Past National Presidents and Past National Treasurers in the process of identifying candidates for leadership positions. Through the processes recommended herein, AGA should identify those up and coming stars who should be groomed for leadership jobs. The identification process could be made by members from chapters, the RVPs, or knowledge of the AGA National President gained through his/her chapter visits. Individuals so identified should be given the opportunity to serve AGA through participation in boards, committees or task forces and should be encouraged to seek ever increasing elective offices within AGA.
 - The NEC agreed with the value of having a pool of leadership candidates.
- Recommendation #5. The report recommended that the National Nominating Committee receive all materials, e.g. letters of support submitted for each candidate so that they get as complete a picture as possible of each candidate. It was noted that the current process includes holding letters of support on file at the National Office and distributing those letters to the National Nominating Committee members as they request them.
- Recommendation #6. The NEC agrees with the report's recommendation that the National President-Elect have demonstrated visionary leadership talents, a record of service to AGA and management experience.
 - The NEC observed that AGA National Bylaws do not allow the National President to come from the same region more than two years in a row. It was questioned if this idea is inconsistent with the idea that AGA always wants to choose the best candidate.
- Recommendation #7. Pursuant to AGA's National Bylaws, Article VIII, Section I (j), the National Office, under the direction of the Executive Director, should provide and distribute to the membership an annual nominating brochure seeking qualified members to serve as national officers. In addition, the National Office should be charged with the responsibility of effectively communicating the nominating process, particularly any new processes, to chapters, members, officers and other pertinent parties.
 - The national office noted that for the last three years, it has developed and distributed just such a nominations brochure and that it has been communicating the nominating process to all interested parties.
 - Bill Broadus noted that the nominations process has been improved and marketing efforts have been expanded. The last Nominating Committee met early in the year to develop their action plan and to prepare for the review of nominations. The committee continues to search for the best-qualified candidate and will encourage all interested individuals to submit nominations.

- Recommendation #8. This item suggested that the task force remain in effect for another year. Richard Norment deferred that decision to National President-Elect Bill Anderson. President-Elect Anderson agreed with this recommendation.

The NEC thanked the members of the Task Force and commended them for a job well done. Richard Norment will develop a response to Charles Harrison.

MOTION #5. Bobby Derrick moved to accept the Task Force Report on Enhancing the Process for Obtaining National Leaders. Billy Morehead seconded the motion. Motion carried.

5. NEC Liaisons' Reports on Boards and Task Forces. National President Norment asked the NEC board liaisons to present a brief verbal report of their respective boards.
 - Professional Certification Board – NEC Liaison Bill Anderson stated that he will present his board summary when he discusses that portion of his goals and objectives report.
 - Financial Management Standards Board – NEC Liaison Bill Broadus reported that the board has been very busy addressing board issues as noted in the memo in the NEC binder. Bill Broadus been working with Jim Williams, CGFM, on board activities level and will respond appropriately.
 - Certificate of Excellence in Accountability Reporting (CEAR) Board – NEC Liaison Bobby Derrick reported that the board continues to do a tremendous job. AGA is anticipating that 14 agencies will submit their reports for evaluation under the program, which will be one more agency than participated last year. This means AGA will need almost 60 reviewers. The board will meet the morning of April 1, 2002 and Bobby hopes to attend that meeting. AGA held a very successful breakfast meeting with more than 30 CFOs or their representatives to discuss accountability reporting and the CEAR Program. AGA continues to market the program. Bobby Derrick commended John Hummel, CGFM, chair of the CEAR Board, for a great job.
 - The Academy for Government Accountability Board – NEC Liaison Billy Morehead referred the NEC to the report by Lin Latham contained in the NEC binder. Billy spoke with board chair Ken Bresnahan via conference call to get a status report. The Academy is focusing on two specific project areas: (1) issuing updated, quality CPE and (2) conducting a survey to assess what issues matter most to AGA members. One issue that is coming to light is the growing lack of government financial educators. Professors retire and there is no

one to take over. The Academy is addressing this issue and will present a report to the NEC when more information is available. Lin Latham will be addressing the NEC tomorrow with an update on a couple of issues that were raised at the last NEC meeting.

- Ethics Board – NEC Liaison Cindy Osga had no board activity to report.
- Journal Board – NEC Liaison Jeanne Erwin referred the NEC to Marie Force's communications report in the NEC binder, which covers the latest issues and board activities. The board has some good ideas for upcoming Journal articles and remains highly engaged in issues and continues to produce a high-quality Journal.
- Committees Task Force – NEC Liaison Jeff Hart reported that Joe Comtois, CGFM, chair of this task force, submitted a final report on his findings over the last few months. The report covered five of AGA's committees and focuses specifically on the link between the committees and the Long-Range Strategic Plan. Joe pointed out that the other members of the task force had not been engaged in the task force's work or in developing the report and therefore the report was mostly from his own perspective. Bill Broadus mentioned he had been in contact with Joe about his task force work and that it contained interesting insights and ideas. The NEC thanked Joe for his hard work and for his excellent ideas. It was noted that the peer review group might be interested in reviewing this report.
 - The NEC noted that it was critical to implement a system for monitoring the work of leaders such as committee members, National Officers, regional coordinators, etc. so that team leaders are supported and move as smoothly as possible toward their goals and objectives.

MOTION #6 – Jeff Hart moved to accept the March 4, 2002 report from the chair of the Committee Task Force. Bill Broadus seconded the motion. Motion carried.

- Chapter Task Force – NEC Liaison Barbara Gladfelter reported that the goal of the task force was to survey chapters to learn how chapters can improve their service to members. Task Force Chair Ron Erickson did a good job and submitted his report based on participation of about half the task force members. The team will submit a final report before the next NEC meeting.
 - It was noted that any surveys should be coordinated with the survey that the Membership Department plans to conduct.
- Governmental Accounting Standards Advisory Council – Richard Norment referred the NEC to the excellent report by AGA Representative Sharon Russell, CGFM, in the NEC binder.

6. The National Leadership Conference. The NEC is very supportive of the Association's plan to host a "National Leadership Conference" in place of the Federal Leadership Conference and State and Local Government Leadership Conference. The NEC agreed that the technical committee should work very diligently to ensure the conference is truly a governmental leadership conference so that it is valuable to federal, state and local representatives.

E. National Treasurer's Report – Eva J. Williams, CGFM, National Treasurer

1. Review of Current Financial Statements and End of Year Projections – The current financial statements project a loss of \$509,000 for this fiscal year. There have been no significant changes in revenues and expenses since December when operating results were discussed at the NEC meeting. At that time the NEC discussed the reasons for the greater than budgeted loss of \$205,000 for this fiscal year. Those reasons primarily are the revenue shortfall and expense overruns at the Boston PDC and lower than budgeted membership revenue.

The Treasurer reminded the NEC that during the NEC meeting in March 2001, she informed the NEC that she did not believe the proposed budget for revenue could be met without increasing staff resources devoted to marketing, conferences and education. The current staff would need more assistance in order to devote the quality time needed to sell our products and services to potential partners, exhibitors and advertisers. We have very good prospects for bringing in revenue but staff can get tied down to just what has to get done on a daily basis. She reiterated in this meeting that it is not a matter of key staff working longer or harder because they are already performing at a very high level and working uncompensated overtime. Some level of workload should be reassigned even if it means hiring qualified individuals so AGA can meet a higher level of revenue.

2. National Office Compliance Report – The compliance review has not been finalized. There is one more area that needs to be reviewed. We have a volunteer who will contact Director of Finance and Administration Winston Myree to set up a time to come over and review contract files. However, she did present to the NEC the preliminary results of the review. The Finance and Budget Committee found a serious lack of internal controls over certain cash accounts, receivables and revenue accounts. There was no overall review of systemic entries to the general ledger. This caused inappropriate and duplicate entries, which caused the financial statements to be in error. She recommended that Charlie should ensure that controls are in place and that a plan should be put in place that allows managers responsible for certain costs to be given financial information for review and approval on a monthly basis.

F. Fiscal Year 2003 Operating and Capital Budgets – Richard O. Bunce, CGFM, National Treasurer-Elect

1. Presentation of Revised Budget. Since the NEC discussed the draft fiscal year 2003 budget in detail at its last meeting, National Treasurer-Elect Bunce reported that he would keep his presentation brief.

- The fiscal year 2003 operating budget incorporated the three directives discussed at the December 2001 NEC meeting: (1) reduce PDC registrations to 1,000 (2) reflect the CGFM renewal fees at \$20/\$50 (3) freeze National Office staff salaries.
- After making these major adjustments and a few other minor adjustments, the budget shows a \$23,671 operating profit without including the CGFM Program and a \$132,995 operating loss including the CGFM Program.
- The budget shows a net growth of 324 members.
- The NEC discussed the risks involved with relying so heavily on the financial success of the annual PDC and addressed the controls in place to ensure the problems that occurred last year do not happen again. The Association has implemented controls to prevent the problems that occurred at the Boston PDC.
 - It was noted that the National Office did a great job of reducing conference costs. Along these lines, it was noted that the Institute of Internal Auditors and the AICPA are eliminating the hard copy onsite conference program and are only offering conference attendees an e-version.
 - The NEC agreed that AGA should continue producing and distributing a hard copy onsite conference program.
 - In the future, AGA might want to consider the option of conference insurance, which could run \$7,000 to \$10,000.

MOTION #7 – Billy Morehead moved approval of Decision Memorandum 02-10, Fiscal Year 2003 Operating Budget. Warren Walch seconded the motion. Motion carried.

- The NEC will review the PDC registration statistics at the July NEC.
- 2. April 1, 2002 to June 20, 2003 Operating Plan. Executive Director Charlie Culkin stated the Operating Plan will be drafted and distributed within the next couple of months. The plan will be developed based on the National President's goals and objectives and will include performance measurements and goals. The fiscal year 2003 budget narrative incorporates a first cut at some of the operating plan goals. Job expectations for all staff will also be updated in conjunction with the new operating plan.

G. National President-Elect's Report – William J. Anderson Jr., CGFM, National President-Elect

1. National President-Elect's Theme and Objectives. National President-Elect Bill Anderson has chosen the theme, "AGA – The Organization for Accountability Professionals" for the 2002-2003 program year.

- President-Elect Anderson said that while AGA's original purpose and objectives have not really changed in 52 years, just fine tuned, our future success depends on (1) strengthening our financial foundation for the future, and (2) building on our present strong foundations in carrying out our core mission to promote the CGFM Program, enhance our education program, expand membership and enhance member services. We are going to concentrate on promoting and enhancing the basics that make AGA the leader in our profession, and continue to find innovative ways to use technology to the greatest extent possible to serve our members needs.
 - As part of our efforts to ensure that AGA is accomplishing its mission economically, efficiently and effectively, we are having an independent peer review of the Association. In addition, he asked a group of AGA National Treasurer's to review our financial operations. Recommendations resulting from both the peer review and the internal review will be acted on promptly.
 - We must keep in mind that AGA's ability to manage for results depends on (1) setting realistic goals, (2) communicating those goals, (3) organizing to achieve those goals, and (4) measuring performance against them. President-Elect Anderson will discuss his goals in detail at Saturday's Leadership Training Workshop.
2. Website Review Team. Bobby Derrick explained that in January, National President-Elect Anderson asked a small group of AGA leaders to review the AGA website from both a detailed and a high-level perspective. They are reviewing efficiency of operations and value and will submit a final report to the NEC by the end of April.
- The team is recommending that the AGA website support contract be bid out again. The current contract expires March 31, 2002 and the website review group would like to expand the RFP and then evaluate several vendors. Since the group will not be able to distribute RFPs, evaluate them and then recommend a vendor by the time the current contract expires, they are requesting the NEC's approval to extend the current contract for three months. This will allow the team to review the RFPs and come back to the NEC with a proposal to move forward.
 - It was noted that the current vendor was amenable to such an arrangement. Eva Williams questioned if going to a month-to-month contract would be more expensive than renewing the annual contract. National Office staff did not believe that that would be the case.

MOTION #8 – Bobby Derrick moved to extend the current website vendor's contract for up to four months. The website review group will work with the National Office and will distribute an updated RFP to several vendors to bid out the service and compare value. Russell Hinton seconded the motion. Motion carried.

3. Leadership Training Workshop Report. National President-Elect Anderson reported that all plans were set to host the Leadership Training Workshop over the next two days. All present and incoming NEC members would be attending the event.
4. Board and Committee Appointments. The NEC reviewed the various board and committee vacancy Decision Memorandums in their binders and had the following input:
 - a. 2003 National Leadership Conference – National President-Elect Anderson pointed out that he was currently working on locating a state or local representative to serve as the second co-chair for the conference and would inform the NEC of the new appointment as soon as possible.
 - b. Academy for Government Accountability Board – Bill Anderson noted that he was proposing to appoint someone who is currently an AGA contractor and that this individual would excuse himself from issues as appropriate, since he is currently an AGA contractor. The NEC discussed the possible conflict of asking current AGA contractors to serve on this board. It was noted that Pete Rose, CGFM, was currently serving on the board as the state/local government representative and was an instructor for our CGFM course contractor.
 - i. The NEC thought it best to avoid appointing current AGA contractors to the Academy Board. NEC members are to submit suggestions for replacements. Bill Broadus suggested possibly asking Beth Wood to join the board as the state/local government representative.
 - ii. The CEAR Board appointments as outlined in the Decision Memorandum 02-4 are fine.
 - iii. The Financial Management Standards Board appointments as outlined in the Decision Memorandum 02-5 are fine.
 - iv. The NEC noted that Pete Rose, CGFM, is approved to serve on the Journal Editorial Board. All other appointments as outlined in the Decision Memorandum 02-6 are fine.
 - v. The Professional Certification Board appointments as outlined in the Decision Memorandum 02-7 are fine.
 - vi. The Professional Ethics Board appointments as outlined in the Decision Memorandum 02-8 are fine.

MOTION #9 – Russell Hinton moved approval of Decision Memorandums 02-2, “National Committee Chairs,” Decision Memorandum 02-3, “Appointments to the Academy for Government Accountability Board,” Decision Memorandum 02-4, “Appointments to the CEAR Board,” Decision Memorandum 02-5, “Appointments to the FMSB,” Decision Memorandum 02-6, Appointments to the Journal Editorial Board,” Decision Memorandum 02-7, “Appointments to the Professional Certification Board,” and Decision Memorandum 02-8, “Appointments to the Professional Ethics Board,” as amended by the discussions above. Bobby Derrick seconded the motion. Motion carried.

5. San Antonio Chapter – The NEC continues to monitor the progress of the San Antonio Chapter. The chapter is planning an educational event in May. The NEC can make a decision at the July meeting as to whether the chapter's charter should remain in effect, after determining the success of the educational event.

H. Senior Vice Presidents for Regional Services Reports

Section I – Bobby Derrick, SVPRS. Bobby's section consists of four regions and 23 chapters, three of which—Hartford, Bridgeport and Long Island—are in trouble. However, the current RVP continues to monitor the chapters and might proceed with plans to consolidate the Hartford and Bridgeport chapters. Continuing to monitor the possibility of opening a Chicago Chapter. RVPs in the section run the gamut from very thorough to invisible.

Section II – Billy Morehead, SVPRS. All four regions in the section are doing well except the Mid-Western Region needs a little more monitoring. Overall, systems are running smoothly.

Section III – Warren Walch, SVPRS (Reporting on Southern California, Pacific Rim, Northwestern and Rocky Mountain Regions). Warren commended Fifi Burns, CGFM, Southern California RVP, for recruiting a lot of members. Fifi remains an enthusiastic and engaged leader. The Inland Empire Chapter is doing great. The Orange County Chapter President resigned recently and will be replaced by Chris Falcy of DCAA. Angie Billings, CGFM, RVP of the Rocky Mountain Region, has been tremendous and has been critical to the region's success. Susan Fritzlen has been a great help to the website review team. The Southern California Region has requested that AGA provide them a form letter providing details and benefits of attaining the CGFM designation that would be sent to agency/company heads. The letter could address the agencies including budget monies for employees to take the CGFM courses and sit for the Examination. The Rocky Mountain Region has requested that AGA reduce the number of promotions/programs getting pushed to the chapters and let the chapters focus on and excel at a few promotions/programs.

- Barbara Gladfelter (Reporting on the Northern California Region). The region now has a database for training topics and speakers. The Central Coast Chapter remains on the watch list, as the chapter president has not been available for quarterly meetings. The chapter is regrouping. The possible new chapter in Northern Nevada is progressing as scheduled and might become an official AGA chapter later this year.
- Jeff Hart (Reporting on the Texas-Oklahoma and Southwestern Regions). All the chapters in these regions are strong with the exception of the San Antonio Chapter. As the NEC knows, this chapter remained open at the request of the RVP, who is spearheading an effort to revitalize the chapter. The chapter is hosting an educational event in May and wants National Officers to attend.

Section IV – Paul Bognaski, SVPRS. As usual, this section flourishes under strong leadership and remains in good shape. Leaders continue to pursue

opening a chapter in Dover, Delaware but the Southern MD Chapter possibility does not look viable.

- I. **Executive Session** – All AGA staff, including the Executive Director, left the room and the NEC held an executive session.
- J. **Adjournment** – National President Norment adjourned the meeting at 5 p.m. and informed members that the next portion of the meeting would reconvene at 9 a.m. Friday, March 8, 2002.

Friday, March 08, 2002

Attendance Update – Evelyn Brown, National Treasurer-Elect – not present. Lin Latham, Director of Education and Michelle Carmichael, Marketing Manager – present.

- K. **Call to Order** – AGA National President Richard Norment recognized a quorum of committee members and called the meeting to order at 9:20 p.m.
- L. **Licensing Government Financial Manager (GFM) Courses** – Lin Latham, Director of Education, provided an update regarding the status of the RFP for licensing the GFM Courses. She stated the purpose of the RFP is to identify educational partners to whom the AGA can license the maintenance, marketing, and the management of the training process for the three CGFM courses.
 - Ms. Latham requested the NEC's input on the project so it can be finalized by the end of March 2002. The NEC spent some time discussing what should be included in the RFP and specifically requested the RFP tell bidders the following priority items are important for them to address:
 - 1) Updating the current instructor led course
 - 2) Develop a self-study reference guide for course 2 and course 3
 - 3) Develop a course 2 and a course 3 Internet-based course
 - 4) Construct and present a reasonable selling price for each course in the various formats.
 - Warren Walch noted that contracting out the proposed effort will be good for AGA. AGA has not been able to keep its courses and examinations current.
 - Secondly, the NEC requested that a course updating option be included in the RFP.
 - The NEC asked Ms. Latham to modify RFP again based on the NEC discussions, then distribute the RFP to the Professional Certification Board and the Academy Board for input. Input from the Boards should be returned to Ms. Latham by March 15, 2002, so the RFP can be released by March 31, 2002.
 - The NEC noted that Bill Broadus will act as an adviser on the Professional Certification Board until he begins his formal term on July 1, 2002.

- AICPA Videotape. Bill Broadus reminded the NEC that the AICPA re-launched its Federal Accounting, Auditing and Reporting video marketing campaign. AGA and the AICPA are working together to promote this educational product, and AGA had submitted contact information for approximately 3,600 federal members to the AICPA. Staff reported that although the initial data base search resulted in closer to 6,000 names, they did not include contact information for those individuals who indicated they did not want their names released.
 - The NEC instructed staff to send the AICPA the names of even those individuals who did not want their names released with the instructions that these individuals should only receive information about this particular product.

M. Future PDC Locations – Jennifer Root, Director of Conferences, asked for the NEC's feedback regarding the list of possible future PDC sites. In particular, she needed their approval to move forward on securing a contract for the 2005 PDC. After researching several options and considering factors such as capacity, per diem costs, cost of travel, chapter support, feedback from attendee evaluations, appeal of the city, etc., she recommended that after the 2002 PDC in Atlanta, GA, the 2003 PDC in Chicago, IL and the 2004 PDC in Washington, DC, that AGA consider:

- Orlando, FL – 2005
 - San Diego, CA – 2006
 - Washington, DC – 2007
 - New Orleans – 2008
- Each of the above cities would be able to host the event in one building, which is a tremendous help and is much more cost-effective.
 - NEC members offered other suggestions including Indianapolis, Kansas City, Nashville, Charlotte, Denver, Louisville, Salt Lake City, Seattle, Portland and Phoenix.
 - Jeff Hart will determine the status of a planned new convention hotel in Denver that might accommodate the PDC in 2005 or later.
 - NEC agrees in general to go to the West – but that does not necessarily mean the coast. However, Warren Walch noted that the San Diego Chapter has definitely made its interest well known.
 - The NEC noted that AGA should not host the PDC in cities where attendees have to pay more than per diem. We can maximize attendance when costs are lower.

MOTION #10 – Paul Bognaski moved approval of Decision Memorandum 02-11, Orlando, FL PDC site. Dick Bunce seconded the motion. Motion carried.

- It was noted that the Space Coast Florida Chapter had not yet been contacted about this issue. Ms. Root will make sure they are kept updated.

MOTION #11 – Bill Broadus moved to add Indianapolis, IN to the other four sites currently on the list for hosting a PDC in the next five years. Bobby Derrick seconded the motion. Motion carried.

N. Bylaws and Procedures Committee Report – Lisa Thatcher, Staff Liaison to the National Bylaws and Procedures Committee (BPC), presented a status on the chapter prototype bylaws project on behalf of John Webster, CGFM, Chair of the BPC and Pat Link, CGFM, Vice Chair of the BPC. Ms. Thatcher reported that the BPC had received several sets of comments to the draft Chapter Bylaws Prototype. The NEC reviewed each set and John and Pat's response and had the following feedback.

- In Article VI, Chapter Officers and Directors, Section 2 – Chapter Directors, the NEC noted that although they are recommending the number of directors and the position titles as outlined, chapters can use whatever titles they see fit, as long as the hierarchy is clearly defined, chapter members know who the CEC members are and lines of authority are clearly drawn.
- Richard Norment will contact John Webster to inform him of the NEC's decision and to give him the green light for proceeding with this project.

MOTION #12 – Bill Anderson moved to approve the changes to the AGA Chapter Prototype Bylaws as discussed above and to proceed with the plan to distribute the document and review chapter bylaws. Russell Hinton seconded the motion. Motion carried.

O. Chapter Recognition Program

Angie Billings, CGFM, Chapter Recognition Program leader, joined the meeting. Angie explained that the newly improved program emphasizes that this is NOT a contest between chapters. Rather, this is a program that provides guidelines for a well-rounded chapter and helps chapters implement AGA's mission. The NEC discussed the final draft and had a few comments:

- It was suggested that the All-Star Chapter Award be renamed the "Advancement Recognition Award."
- It was noted that the program DOES allow the smaller, less-developed chapters to tailor the program so that they are not limited by the larger goals.
- Bill Broadus requested that the sentence that reads, "AGA will use chapter reports to measure the proficiency of chapter operations," be deleted from the document.
- It was suggested that the total points for the Education category be raised to 4,000.

MOTION #13 – Bill Broadus moved to adopt the 2002-2003 Chapter Recognition Program, with technical changes, additions and edits as discussed above. Billy Morehead seconded the motion. Motion carried.

P. Restructuring AGA's Membership Revenue Base – The NEC discussed the financial future of AGA as it pertains to the AGA dues structure and it discussed communicating the need to strength the Association's financial base to the National Board of Directors (NBD). The NEC discussed expected questions from AGA leaders, how to best provide leaders with the information they would need to approve a dues increase and the timing for such a communication plan.

- Timing: Should the issue be placed on the NBD agenda for voting action at the July 7, 2002 meeting? Even if the issue is to be brought forth for discussion, the chapter leaders will need to have the relevant information to help them make a good decision.
- Package of Information: Eva Williams envisioned a short letter that covers charts/graphs, answers to expected questions, benefits of AGA membership and AGA's value, financial projections, and the NEC and FBC recommendations for meeting the challenge.
- Action Plan: Definitely wait until the peer review is completed. Target the first week of May as the target date for having the package of information in the chapter leaders' hands.
- We will develop a talking points paper for the SVPs to talk to the RVPs, RVPs to talk to their chapter presidents, and a paper for Chapter Presidents to talk to their constituents.
 - The paper should focus on the direct and indirect benefits to AGA members.
- In addition to the talking points paper, leaders will need to pick up the phone and work with the leadership to answer questions and work through concerns.
- The Finance Budget Committee and some of the Past National Presidents will contact Past National Treasurers and other Past National Presidents to get their buy-in. It is imperative that the individuals directly in control of the organization's finances contact those leaders.
- Recommended Increase: It would be helpful to the NEC to know how often other like-minded associations raise dues and by what amount. Although the Institute of Internal Auditors (IIA) has an automatic cost of living increase every two years, the IIA is composed of private sector individuals. AGA's recommended increase needs to be reasonable in relation to like-minded organizations. The NEC considered a \$30 increase for full government members. However, if the NEC decides to recommend an increase, it will determine the recommended amount before proceeding.

- Q. Awards Committee Report** – National President-Elect Bill Anderson will be updating National Awards Committee guidelines for the NEC's review and approval at its next meeting. The new guidelines will propose that AGA expand the committee to 20 individuals and restructure the composition so that seven members represent the federal sector, four members represent the state sector, three members represent the local sector, three members represent the private sector and three members represent the academic sector.
- Additionally, while all 20 individuals would review and rank the scholarship and PDC award nominations, only the federal, private and academic members will choose the candidates for the federal leadership awards and only the state, local, private and academic members will choose candidates for the state and local awards.
- R. Nominating Committee Report** – National Nominating Committee chair Bill Broadus reported that the committee had chosen its slate of candidates for National Officers and had filled several vacancies. On a sad note, RVP-Elect Ernie Davis, CGFM, passed away a few weeks before, leaving a vacancy in the South Central Region. AGA leaders will find a replacement.
- S. Past National President's Report** – Immediate Past National President Bill Broadus reported that he had heard from a few of the Past National Presidents:
- Tom Sadowski's cancer has returned but it is in the very early stages. Tom will be heading to San Francisco to undergo leading-edge diagnosis and treatment. He is optimistic about his prognosis.
 - Tom Sadowski expressed support for the NEC's plan for making the Association's financial strength a priority.
 - PNP Charles Harrison submitted his task force report.
- T. Potential Initiatives for AGA** – Bill Broadus updated the NEC on the status of two initiatives as follows.
- The Hawaii Chapter and Clarence Kuwahara, CGFM, are spearheading an initiative connected with a group of financial managers in China. Tom Allen, CGFM, Phil Calder, CGFM, and Bill Broadus are leaving for China at the end of March to teach financial management classes and to assist the Chinese contingent to set up an organization like AGA. This would not be an AGA China Chapter, but rather an independent entity.
 - GASB contacted Bill to ask if AGA would be interested in establishing a Certificate of Excellence in Service Efforts and Accomplishments (SEA) Program. Bill provided some background. Over the years, hundreds of governments have been measuring their performance (and not just financial performance) and issuing performance reports. GASB, under a grant, is establishing criteria for reporting their outcomes and hopes to have the criteria developed by the end of the year. GASB wants to know if AGA is interested in establishing a program similar to the CEAR Program, which

would recognize state and local government entities for excellence in SEA reporting.

- The NEC is interested in developing and administering this program. We need to develop an idea of how much this would cost to put together and the staff impact. The proposal must be fully loaded and realistic and includes costs for hiring staff with the technical knowledge and expertise to interpret the SEA.
- Bill and the AGA team will develop a proposal and the NEC will consider the proposal before it goes out and is finalized.

MOTION #14 – Jeff Hart moved that AGA draft a proposal to develop a fully self-supporting Certificate of Excellence in Service Efforts and Accomplishments program for state and local governments. Billy Morehead will be the NEC liaison to this project and will make sure the costs are fully supported. Jeanne Erwin seconded the motion. Motion carried.

U. Corporate Partner Program – Susan Fritzlen, Deputy Executive Director of Programs, referred the NEC to the report in the binder and noted an update to it. Currently, 31 firms had taken advantage of the opportunity to become an AGA Corporate Partner. The fiscal year 2002 budget projected 30 Corporate Partners.

V. Old Business

Barbara Gladfelter pointed out differences between the membership numbers contained in the Growth, Acquisition and Retention Report and the membership report contained in the NEC binder. She asked the membership team to examine the numbers so that in the future the two reports correspond.

W. Adjournment

National President Richard Norment adjourned the meeting at 2 p.m.