

Minutes

AGA National Executive Committee

September 13-14, 2002

9 am to 4 pm
Alexandria, VA

ATTENDANCE

Committee Present

- William J. Anderson Jr., CGFM, National President, Washington, D.C. Chapter
- Jullin Renthrope, CGFM, National President-Elect, New Orleans Chapter
- Richard V. Norment, CGFM, Immediate Past National President, Nashville Chapter
- Richard O. Bunce, CGFM, National Treasurer, Richmond Chapter
- Evelyn Brown, CGFM, National Treasurer-Elect, Washington, D.C. Chapter
- Barbara B. Gladfelter, CGFM, Senior Vice President At Large, Non-Presidentially Appointed, Sacramento Chapter
- Jeffrey S. Hart, CGFM, Senior Vice President At Large, Presidentially Appointed, Denver Chapter
- Russell W. Hinton, CGFM, Senior Vice President At Large, Presidentially Appointed, Atlanta Chapter
- Cynthia T. Osga, CGFM, Senior Vice President At Large, Presidentially Appointed, Greater Lansing Chapter
- Raymond H. Harris, CGFM, Senior Vice President At Large, Non-Presidentially Appointed, New York Capital 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
- James P. Armstrong, CGFM, Senior Vice President for Regional Services – Section III, Los Angeles Civic Center 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

- Susan Fritzlen, Deputy Executive Director of Programs (Friday only)
- Thomas J. Sadowski, CGFM – Past National President and Member, Finance and Budget Committee (Friday only)
- Joan Schwartz, Deputy Executive Director of Professional Certification (Friday only)
- Lisa Thatcher, NEC Secretary and Executive Assistant to the Executive Director and Director, CEAR Program

FORMAL NEC MOTIONS (The motion passed unanimously unless otherwise noted.)

MOTION #1 – Approve the updated NEC meeting agenda.

MOTION #2 – Approve the items on the six items on the Consent Calendar:

- (1) Minutes of July 6, 2002 NEC meeting.
- (2) Appointment of Richard B. Calahan, CGFM to the Journal Editorial Board from April 1, 2002 to June 30, 2004. (Decision Memorandum 02-26.) (See “Action List – Lisa Thatcher.”)
- (3) Appointment of Zack Gaddy to the Academy Board for a two-year term starting July 1, 2002. (Decision Memorandum 02-27.) (See “Action List – Lisa Thatcher.”)
- (4) Appointment of Craig Murray to replace Jon Wise, CGFM on the Financial Management Standards Board from November 1, 2002 to June 30, 2004. (Decision Memorandum 02-28.) (See “Action List – Lisa Thatcher.”)
- (5) Appointment of NEC Liaisons to AGA’s six boards from July 1, 2002 to June 30, 2003 as follows: Professional Certification Board – Jullin Renthrope, CGFM; Financial Management Standards Board – Russell W. Hinton, CGFM; Certificate of Excellence in Accountability Reporting (CEAR) Program Board – Bobby Derrick, CGFM; Academy Board – William A. Morehead, CGFM; Professional Ethics Board – Cynthia T. Osga, CGFM; Journal Editorial Board – Jeffrey S. Hart, CGFM.
- (6) Appointment of National Awards Committee Members to various terms starting July 1, 2002: Academic Representatives Dale R. Geiger, CGFM, Dr. Jesse W. Hughes, CGFM, Cornelius E. Tierney, CGFM; Federal Representatives Karen A. Alderman, CGFM, Irwin T. David, CGFM, Donald V. Hammond, CGFM, Francis E. Reardon, CGFM, Jeffrey C. Steinhoff, CGFM, Nikki L. Tinsley, John Webster, CGFM; State and Local Representatives Robert Attmore, CGFM, Angela D. Billings, CGFM, Virginia S. Brizendine, CGFM, Mark Funkhouser, Natwar M. Gandhi, CGFM, Daniel G. Kyle, CGFM, Gerald A. Silva, CGFM; Private Representatives John R. Cherbini, CGFM, William H. Oliver, CGFM, Norwood J. Jackson, CGFM. (Decision Memorandum 02-31.) (See “Action List – Lisa Thatcher.”)

MOTION #3 – Approve Rutgers University scholarship proposal, under which Rutgers University commits \$25,000 over a two-year period to be used for graduate-level scholarships for students pursuing a Masters or Certificate Program in Governmental Accounting. (Decision Memorandum 02-29.) (See “Action List – Lin Latham.”)

MOTION #4 – Adopt the conflict of interest policy recommended by the Professional Ethics Board. The new policy reads, “AGA members who themselves or their employers are paid for providing services and goods to AGA must not have a real or apparent conflict of interest between their personal or professional interest in the good or service that they provide and any positions they hold on an AGA board, committee or office.” The underscored language indicates an addition to the original language as recommended by the Professional Ethics Board. (Decision Memorandum 02-30.) (See “Action List – Lin Latham” and “Action List – Lisa Thatcher.”)

MOTION #5 – To eliminate the incentive for candidates to seek multiple nominations and/or endorsements, the National Officer nomination process will not recognize multiple nominations and/or endorsements of candidates for a National Officer position. Only one nomination is necessary for a candidate and additional nominations and/or endorsements should not be solicited by a candidate for a National Officer position. (See “Action List – Lisa Thatcher.”)

MOTION #6 – Discontinue producing a hard copy version of Topics and make it available on line only as of April 1, 2003. (See “Action List – Marie Force” and “Action List – Susan Fritzlen.”)

MOTION #7 – Address projected future year deficits by executing a two-tiered approach - Immediate Actions and Longer Term Actions. The immediate actions include: (1) directing National Office to find \$100,000 reductions in expenses and (2) \$50,000 in new revenue streams. Additionally, the NEC will (3) develop options for raising current program revenue and fees by \$400,000 by October 15th and will (4) evaluate possible program reductions or service cuts by the December NEC meeting. The longer-term actions include: (1) Directing the national office to update the long-range business plan annually and (2) directing the national office to continue the four-year financial projections, and the NEC to review the projections twice each year (at each September and March meetings). Motion was approved with one abstention (Bognaski). (See “Action List – Charlie Culkin” and “Action List – National Executive Committee.”)

MOTION #8 – Reduce the annual \$30,000 GASB contribution currently in the fiscal year 2003 budget to \$20,000 and then discuss contributing the additional \$10,000 next March if AGA’s financial situation improves. The motion was withdrawn.

MOTION #9 – Proceed with the annual \$30,000 GASB contribution currently in the fiscal year 2003 budget, since the full contribution was approved when the budget reflected a \$133,000 deficit and now the projected deficit is \$37,000. The motion was approved by a 7 to 6 vote. (The six dissenting NEC members supported GASB, but they did not think it was fiscally responsible to make the \$30,000 contribution while AGA projected a \$37,000 deficit for FY 2003, and even higher deficits projected for FY 2004 and 2005. They thought it would be more prudent to wait a few months until membership statistics were more definitive since membership represented a significant portion of the budget.) Those for: Bunce, Derrick, Harris, Hinton, Morehead, Norment, Renthrope. Those against: Anderson, Armstrong, Bognaski, Gladfelter, Hart and Osga. (See “Action List – Charlie Culkin.”)

ACTION LIST

Bill Anderson

- Work with Dick Bunce to prepare for the September 20, 2002 Professional Certification Board meeting and attend that meeting to address the subject of CGFM renewal fees with the Professional Certification Board.
- Spearhead the NEC’s initiative to address the projected AGA deficits, which includes working with Dick Bunce and Charlie Culkin to develop fiscal restructuring options and related plan of action. (See “Action List – Dick Bunce,” “Action List – Charlie Culkin” and “Action List – National Executive Committee.”)
- Work with Marie Force and Susan Fritzlen to develop strategy to move Topics on line by April 1, 2003. This will include developing a detailed plan of action for notifying AGA members of this change.
- Proceed to get Sharon Russell on the IFAC Public Sector Committee.
- Further develop idea to possibly move all AGA scholarships under the Academy’s purview.
- Work with Lisa Thatcher, Richard Norment, and Jullin Renthrope to draft and distribute memo from NEC regarding the update to the AGA national officer nominations process. (See “Action List – Lisa Thatcher.”)
- Work with Russell Hinton and Charlie Culkin to develop and finalize the National Leadership Conference agenda.

- Add an update on the San Antonio Chapter to the NEC agenda for December. (See “Action List – Jeff Hart.”)

Evelyn Brown

- Provide Bobby Derrick with contact information for the Puerto Rico Chapter so that he can follow up and assess their status. (See “Action List – Bobby Derrick.”)

Dick Bunce

- Work with Bill Anderson to prepare for the September 20, 2002 Professional Certification Board meeting and attend that meeting to address the subject of CGFM renewal fees with the Professional Certification Board.
- Work with Bill Anderson and Charlie Culkin to develop fiscal restructuring options and related plan of action. (See “Action List – Bill Anderson” and “Action List – Charlie Culkin.”)

Michelle Carmichael

- Work with Susan Fritzen to ensure that Management Concepts Incorporated is buying our mailing list for their Government Financial Management Certificate promotional materials, and the materials are designed so that it is significantly different from AGA’s government financial management program.

Charlie Culkin

- Work with Bill Anderson and Dick Bunce to develop strategy for addressing projected AGA deficits. (See “Action List – Bill Anderson” and “Action List – Dick Bunce.”) This includes:
 - Spearhead the initiative to find \$100K in expense reductions (Topics included).
 - Spearhead the initiative to find \$50K in revenue generated by new sources.
 - Both above actions due NLT October 11, 2002 via email. NEC meets Thursday, October 17th, 2002 at 2 pm eastern time.
- Spearhead the initiative to update the long-range business plan annually and the continue the four-year financial projections.
- Work with Jeff Hart and Bill Anderson to develop a strategy to resolve the NASA related AGA leadership issue. This includes finding out who the new Inspector General is and developing an issue summary for Bill.
- Move forward to present Tom Allen of the Governmental Accounting Standards Board with AGA’s annual \$30,000 contribution.
- Proceed with the Management Concepts Inc.’s proposal for management of the GFM courses. This includes:
 - Discussing the issue with the Professional Certification Board.
 - Executing the contract after Professional Certification Board final approval.
 - Target for finalizing one of the self-study courses ready by fall 2002. The others can follow by January 1, 2003.
- Working with Dick Bunce, revisit the membership revenue projections for fiscal year 2003, 2004, and 2005 to ensure they are solid projections and not overly optimistic.
- Incorporate NEC’s input into the draft Peer Review Plan and then move forward to execute various recommendations.
 - Develop a method of keeping the NEC updated on progress and status of the overall plan.
- Incorporate NEC’s adjustments to the Long Range Strategic Plan Strategic Planning Framework and re-distribute for further NEC input.
- Work with Lisa Thatcher to adjust Sloan proposal to include possible salary for full-time technical person during the implementation year (keep Dick Bunce in the loop) and then proceed to meet with Sloan and work through the discussion document.

- Incorporate the NEC's feedback to the Resolution on Accounting and Auditing Reform document.
- Work with Russell Hinton and Bill Anderson to develop and finalize the National Leadership Conference agenda.
- Work with Jennifer Root to resolve PDC site issues and clarify answers to the NEC's questions about the room rate.
 - Get NEC's input and approval before signing the PDC Orlando, FL contract.
- Develop a comprehensive list of AGA contracts with relevant details and distribute it to the NEC.

Bobby Derrick

- Continue to follow up with the New England Region leadership.
- Follow up with the appropriate leaders regarding the AGA Bridgeport Chapter, which has been somewhat inactive over the last number of years, and recommend appropriate action.
- Follow up with the Puerto Rico Chapter to assess their status and level of activity. (Evelyn Brown will provide contact.)

Marie Force

- Work with Bill Anderson and Susan Fritzen to develop strategy to move Topics issue on line by April 1, 2003. This will include working with staff to develop a detailed plan of action for notifying AGA members of this change.
- Work with Jeff Hart and the Journal Editorial Board to finalize the draft Journal business plan by the December 2002 NEC meeting. This will include discussion about advertising Journal rates.
- Ensure that the AGA National Treasurer is added to the list of individuals provided the opportunity to review the Annual Report.

Susan Fritzen

- Work with Bill Anderson and Marie Force to develop strategy to move Topics issue on line by April 1, 2003. This will include working with staff to develop a detailed plan of action for notifying AGA members of this change.
- Secure copies of the PDC keynote speaker videos. Consider making this a lending library.
- Research life insurance policy for possible membership incentive for new AGA members.
- Update the "likeminded professional association's" dues sheet to include confirming the ACFE membership dues and adding ASMC to the list.
- Continue to work on developing the AGA membership survey results and cross tabs. Distribute this to the NEC before its December meeting.
- Research other associations' lifetime memberships, i.e. IIA and ACFE.
- Work with Michelle Carmichael to ensure that Management Concepts Incorporated is buying our mailing list for their Government Financial Management Certificate promotional materials, and the materials are designed so that it is significantly different from AGA's government financial management program.

Barbara Gladfelter

- Continue to monitor leadership and status in the Northern CA Region.
- Keep the Section III Senior Vice President for Regional Services issue on the list of projects for the future.

Jeff Hart

- Work with Bill Anderson to keep the NEC apprised of the AGA San Antonio Chapter's progress. Include an update on the September monthly meeting in the next SVPRS report.

- Monitor the NASA related issue, especially as it relates to the AGA Houston Chapter. (See "Action List – Charlie Culkin.")
- Work with Marie Force and the Journal Editorial Board to finalize the draft Journal business plan by the December 2002 NEC meeting. This will include discussion about advertising Journal rates.

Russell Hinton

- Work with Bill Anderson and Charlie Culkin to develop and finalize the National Leadership Conference agenda.

Lin Latham

- Proceed appropriately to add new conflict of interest policy to AGA's Ethics Handbook and inform AGA leaders and general membership of the new policy.

National Executive Committee

- Address fiscal restructuring options to address the projected AGA deficits past fiscal year 2003. This includes:
 - Finding \$400,000 in possible new revenues and new fees by October 15, 2002. This could include possibly increasing AGA membership dues.
 - Evaluate possible program reductions or service cuts by the December NEC meeting.
- Review four-year financial projections twice each year (at each September and March meetings).
- Consider the AGA Resolution on Accounting and Auditing Reform issue and submit comments and modifications to Charlie Culkin.
- Provide Jullin Renthrope with feedback or recommendations regarding his National President's theme.
- Provide Jullin Renthrope with suggestions or comments about the agenda, content and structure of the March 2003 Leadership Training Workshop.
- Meet the challenge of the AGA membership recruitment campaign!

Richard Norment

- Work with Bill Anderson, Jullin Renthrope and Lisa Thatcher to draft and distribute memo from NEC regarding the update to the AGA national officer nominations process.
 - Lisa Thatcher will draft the letter notifying members that only one nomination form is necessary to nominate candidates for national office and that endorsements are unnecessary and will not be forwarded to the AGA National Nominating Committee.

Jullin Renthrope

- Work with Bill Anderson, Richard Norment and Lisa Thatcher to draft and distribute memo from NEC regarding the update to the AGA national officer nominations process.
 - Lisa Thatcher will draft the letter notifying members that only one nomination form is necessary to nominate candidates for national office and that endorsements are unnecessary and will not be forwarded to the AGA National Nominating Committee.
- Begin collecting ideas about the agenda, content and structure of the March 2003 Leadership Training Workshop.

Jennifer Root

- Work with Charlie Culkin to resolve PDC site issues and clarify answers to the NEC's questions about the room rate.
 - Get NEC's input and approval before signing the PDC Orlando, FL contract.

Joan Schwartz

- Expand the September 20, 2002 Professional Certification Board agenda to include a discussion about CGFM renewal fees issue. Bill Anderson and Dick Bunce will attend that meeting and initiate the discussion.
- Provide NEC with a copy of the CGFM Program business plan.

Lisa Thatcher

- Work with Charlie Culkin to adjust Sloan proposal to include possible salary for full-time technical person during the implementation year (via Dick Bunce) and then proceed to meet with Sloan and work through the discussion document.
- Promote the new conflict of interest policy as appropriate, including:
 - add language to leadership welcome letters
 - update the policies and procedures manual
- Proceed appropriately to promote new nominations policy of no endorsements, including:
 - Draft and distribute a letter from the NEC to AGA leaders regarding the issue. Work with Richard Norment, Bill Anderson and Jullin Renthrope to finalize the letter.
 - Update the nominations brochure and related announcements
- Add new members to Journal Board, Academy Board, FMSB and National Awards Committee and ensure leaders receive welcome letter.
- Work with Bill Anderson to contact recipients of AGA's State and Local Leadership Awards: Excellence in Government Leadership Award - Bob Attmore; Snodgrass Award - Bill Leighty and Marion Higa; Local Ldrshp is Ross Tate and Jim Pyers; Private is Jim Williams and Kristine Devine.
- Distribute the promotional articles about the Certificate of Excellence in Accountability Reporting (CEAR) Program to the NEC.
- Schedule NEC conference call for Thursday, October 17, 2002 at 2 pm eastern time.

EXECUTIVE SESSION

The NEC met in executive session on Saturday morning for approximately one hour. The NEC then met with just the Executive Director for another hour.

NEXT NEC MEETING

Will be held Friday, December 6 and Saturday December 7, 2002.