

AGA National Executive Committee Meeting

Friday & Saturday, December 4-5, 2009

Hilton Alexandria Old Town – Salon A

Alexandria, VA

ATTENDANCE

Committee Present

- William Morehead, Ph.D., CGFM, CPA, National President, Jackson Chapter
- Lisa Casias, CPA, National President-Elect, Washington, D.C. Chapter
- Samuel Mok, CGFM, CIA, Immediate Past National President, Washington, D.C. Chapter
- Mary Lechner, CGFM, CPA, National Treasurer, Virginia Peninsula Chapter
- Joseph Kull, CGFM, CPA, National Treasurer-Elect, Northern Virginia Chapter
- Thad Juszczak, Immediate Past National Treasurer, Washington D.C. Chapter
- Wallace Alan Franklin, CGFM, CGA, Senior Vice President Regional Services, Section I, Boston Chapter
- Karmen Stockman, CGFM, Senior Vice President for Regional Services Section II, Mid-Missouri Chapter
- Robert Bond, CGFM, Senior Vice President for Regional Services Section III, Northern Utah Chapter
- Phillip Nally, CGFM, Senior Vice President Regional Services, Section IV, Central Kentucky Chapter
- Kelly Stefanko, CGFM, CPA, Senior Vice President At Large, Virginia Peninsula Chapter
- Karl Boettcher, MBA, CGFM, Senior Vice President At Large, Washington, D.C. Chapter
- John Radford, CGFM, CIA, CFE, Senior Vice President, Presidential Appointee, Portland and Mid-Willamette Valley Chapters
- Richard Bunce, CGFM, Professional Certification Board Chair, Richmond Chapter
- Peggy Javery, MPA, CGFM, Senior Vice President, Presidential Appointee, New Orleans Chapter
- Zack Gaddy, CGFM, CPA, Senior Vice President, Presidential Appointee, Denver Chapter
- Henry Steininger, CGFM, CPA, Corporate Partner Advisory Group Chair, Washington, D.C. Chapter
- Relmond Van Daniker, DBA, CPA, Executive Director

National Office Staff Present

- Cristina Barbudo, CPA, Director of Finance
- Susan Fritzlen, Deputy Executive Director/COO
- Evie Barry, Director of Performance Reporting
- Helena Sims, Director of Intergovernmental Relations
- Anna Miller, MBA, CPA, Director of Research
- Raymond Harris, CGFM, MBA, CFE, Director of Chapter Operations
- Bobby Derrick, CGFM, Field Representative
- Joe Jozefczyk, Director of Education
- Marie Force, Director of Communications
- Jennifer Curtin, MPA, Director of Public Affairs
- Christina Camara, Publications Manager
- Katya Silver, Director of Professional Certification
- Ada Phillips, CMP, Director of Meetings and Expositions
- Louise Kapelewski, NEC Liaison and Governance Manager

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

MOTION #1: Approved agenda

MOTION #2: Approve all items on the consent agenda:

DM 09-23 Approved PDC 2010 Co-Chairs

DM 09-24 Approved Design Services & Advertising Sales Contract

DM 09-25 Approved OMB Representative for CEAR Board

FINANCIAL HIGHLIGHTS

- **Budget vs. Projection Overview** – Mary Lechner provided to the NEC a one-page summary of the P&L as of October 31, 2009. In addition, she distributed a schedule with the projections by program for FYE 3/31/2010. The projected excess operating revenues are \$89,000, compared to \$27,000 budgeted. She explained how this schedule had been reviewed in detail by the Finance and Budget Committee on their conference call held on December 2, 2009. She referred the NEC to a high-level highlights document listing the most significant positive and negative variances with budget. As positive contributions, she mentioned the great success of the Fraud Conference due to the change in venue, being brought to Washington DC and appealing to the federal community (\$104,000 over budget). Also, the Audio Conferences have experienced a significant participation increase and we expect to make \$79,000 over budget. The PDC contributed \$35,000 profit over budget. The biggest negative impacts are coming from the Research projects (\$105,000 under budget), GFM courses (\$50,000) and the write-off of the remaining uncollectible balance due from the NECCC. These projections represent somewhat of a “worst-case scenario” because we didn’t project for any upswing in NLC registrations, additional GFM courses, etc. The budget for FY11 will be presented at the February NEC meeting after the FBC has had an opportunity to review in excruciating detail the assumptions embedded behind the numbers. The FBC will meet in person at the National Office on Jan. 25, 2010.
- **Intergovernmental Funding** - The National Treasurer raised the question of what the source of Intergovernmental funding will be in the future. The ARRA Conferences were raised as a potential answer. Nevertheless, there needs to be a discussion about maintaining the Intergovernmental Project activities as a permanent program to be funded out of the operations of the Association.
- **Communications Department** - The Communications Department currently is generating higher than anticipated advertising revenues, mostly due to Journal advertisements sold within the Journal. Sam Mok requested information about circulation, which is the 15,500 AGA members and 300 university-based subscriptions for students to use for research through their libraries. Previous attempts at reaching external audiences (i.e. Congress) have received little to no response. Factors that affect printing costs are reviewed annually, weighing cost savings with member expectations and product quality.
- **Finance and Budget Committee** - Joe Kull and LaTaunya Howard are working on projections beyond the upcoming fiscal year, focusing on cost drivers, how certain incremental changes affect the bottom line, and the metrics to measure success. This way, there are measurable performance outcomes are listed for each item, which is displayed with associated costs and revenues, and published for accountability and transparency to our members (like the government Citizen Centric Reports).
- **Dashboard** – The National President mentioned tying AGA’s member-centric report specifically to

performance indicators currently in use. From this information, we can create a dashboard, answering the members' question "What do I get for my dues?" Strategic objectives will be directly linked to metrics such as cost per member and fiscal outcomes.

DISCUSSION

- **Updates from Regions** – Planning for the Sectional Leadership Meetings is ahead of schedule. The costs surrounding the SLMs are being reviewed, with a cap of four people from each chapter in place. The cost per person should be lower this year given the locations, since more people will be able to drive. The SVPRSs indicated that most chapters are not accepting the Chapter Accountability Outreach Chair positions at this time because their boards are established. Ray Harris stated that the position can be developed with National Office help, with tools provided during the periodic conference calls that SVPRSs have with their RVP teams. The SVPRSs are looking to find out from National Coordinators what has been done since the 2009 SLMs regarding the issues passed out then. There are many chapters whose membership leans heavily in the direction of state and local employees, whose employers have been cutting "non-essential" functions from budgets. This leads to individuals personally paying for membership. Assistance is requested on promoting the value of membership and building the struggling chapters. Ray Harris is scheduled to be on the regional conference calls over the next few weeks.
- **Citizen Centric Reporting** - Dr. Doreen Crisostomo and Jose Guevara of the Guam Chapter worked closely with their legislature to require all agencies to produce a Citizen Centric Report within 30 days of an audit's completion. Guam is an open, connected, public entity, and if this is passed into law we can expect it to be well-received by the citizens.
- **Chapter Development** – Discussion centered on criteria for moving to close a chapter versus working to revive it. Lack of communication from a chapter's board does not mean that a core group is not interested in fixing the chapter. Examples of different chapters in flux were provided, including Puerto Rico and Orange County. In response to the fact that federal employees and state and local employees occasionally want their own chapters in an area, it was noted that for the purpose of mutual educational benefits they should be guided toward working together as one chapter. Several new chapters are coming to fruition in Biloxi, MS, and Naples, FL. In addition, Bobby is looking to form a chapter in Vermont, based on a referral to the Vermont governor from a member in Florida.
- **Performance Reporting** – The department is currently reviewing three Service Efforts and Accomplishments reports and is working on a Toolkit for producing a performance report. Evie is working with Rutgers University and its Public Performance Measurement and Reporting Network to take the Toolkit and professionally display it on their website, which can then be transferred or linked to ours. Rutgers is funding this with part of their Sloan Grant. AGA currently has a contract beginning January 1, 2010 with Accenture for \$50,000 per year for up to three years for the Certificate of Achievement in Service Efforts and Accomplishments Report Review Program. In addition, Accenture will provide an individual from their staff to act as the SEA program's technical consultant. For the Certificate of Excellence in Accountability Reporting (CEAR) program, the first PAR came in Friday, December 4 for review; we expect 20-25 total. Hal Steinberg is the technical consultant, and reviewer training is being held Tuesday, December 8. More information will be available in February. It was noted that the 2009 Performance Management Conference in Seattle was a

success both for the AGA staff and members. Record sponsorships and near record attendance were surprising developments. Requests for improving the conference included more case studies and lessons learned, and focusing on different areas of performance management.

- **Governance Committee Update** – The committee reviewed the staff Whistleblower Policy and Code of Conduct information during their Wednesday, December 2, 2009 telephone conference. In addition, the information was provided to the NEC for review. For the Whistleblower Policy, the recommendation is to make an addition to the grievance policy within the AGA Employee Handbook, adding specific steps to the process. John Radford stated that the Governance Committee felt the suggestion is satisfactory. The Code of Conduct was discussed, with a request for more specific wording (as noted in Action Items). The updated documents will be e-mailed to the NEC for final affirmation, after which the policies will be enacted.
- **Partnership for Intergovernmental Management & Accountability** – All updates are noted in the strategic plan provided to the NEC. For the ARRA conferences, AGA is working with the Recovery Accountability and Transparency Board on the session layout, sites and necessary funding. The plan is to host a trial run of three sessions across the country – West Coast, East Coast, and Central U.S. The proposed setup is a two-day conference, with the first day consisting of an informative dialogue, and the second of formal training. RATB is expecting to start the sessions in February or March. At this time, the RATB is concerned with data quality of the 40,000 reports they have received nationwide; this interest puts the AGA at an advantage to function as an authority on the matter. In addition, AGA took their four-page CCR and created a two-page stimulus report that the RATB is adding to Recovery.gov, which is a positive step toward AGA being viewed as a thought leader in the field.
- **CGFM** - The CGFM testing provider is now Pearson VUE, a company that also administers the GMAT, providing AGA with use of their highly secure, widespread testing locations for greater accessibility to those seeking certification. In exploring the issue of additional testing locations, there is a balance between accessibility and security of the exams, and security and control of the exam's administration takes precedence. The CGFM Program is continuing ongoing exam update activities, with a question writing workshop scheduled for next week, during which the subject matter experts will be reviewing the exam forms and questions. Many fundamental activities have taken place to set the CGFM program on the right track. To advance formal recognition of the certification, a CGFM recognition task force was recently formed and held its first teleconference. The taskforce will build on the success of CGFM recognition by AGA chapters in states such as Missouri and will offer support to chapters currently working on CGFM recognition. Government Financial Management (GFM) courses are down, although the number of individuals obtaining and maintaining the designation is relatively steady. This may be due to a number of factors, including budgetary constraints and continuing resolutions. It is also possible that CGFM candidates are choosing lower cost preparation methods such as self-study books. We should be looking for new sponsors of GFM courses that include the private sector, federal government, and state and local government. We need to expand recognition of the program beyond the District, moving into state and local governments.
- **The Academy** – The incentive system within universities is setup to support empirical research because of funding opportunities, not in the realm of government accounting. Our focus has shifted to working with the MPA community, and working on a partnership with George Mason University. A one-day event on November 17, 2009 brought together a variety of government financial academicians and professionals to

discuss publishing a book. This book would review all three levels of government in every chapter – federal, state and local – with each chapter focusing on a particular topic, comparing their varied approaches. The textbook would fill a large gap in this area of study.

- **Education** - Joe Jozefczyk stated that AGA now offers 41 courses, a 22 course increase since the last NEC meeting. Over eight months, \$122,000 in classes has been sold in comparison to \$102,000 for 12 months last year. Subjects are determined by demand from current or potential clients, and courses are not created and provided until our margin is set. As we establish our credentials within the GFM community, the program will become self-sustainable, followed by contributions to the bottom line. Currently we are developing and growing the program through contract work, not competing with companies such as Management Concepts.
- **CPAG** - Hank Steininger reported that the quarterly CPAG meeting was held in October, and that 75 to 80 companies participate in the program. The detailed update was provided in the information packet sent prior to the meeting. Hank noted that the AGA has come a long way in terms of a “counselor” based on our neutral platform to government officials in the field of intergovernmental relations and performance reporting. The committee is working to obtain an OMB speaker and some other senior-level decision-makers for the breakfast series.
- **Nominating Committee Report** – Sam Mok reported that the Nominating Committee met and recommended a slate of selectees, except five RVP positions, for the NEC and NB to consider and accept. The committee has one week to think about the recommendations, and to contact the Nominating Committee Chair with any reservations. For Regional Vice Presidents, four positions remain unfilled. Sam noted that a “paper trail” can be followed in regards to all submissions, and that the AGA National Office staff has been removed from the process to prevent the idea that any candidate received unfair attention or consideration. Late submissions were accepted after approval and vote by the full committee. All Committee members were asked to make immediate full disclosure to the Chair if they engaged in any communication with the National Office staff regarding the Nominating Committee activities and/or discussions and none were reported. Thad stated that keeping the National Office staff out of the nomination process possibly prevented having enough candidates. The standard procedures state that National Office staff, as AGA members, can look for and suggest individuals to be nominated. However, staff members cannot lobby for members. Sam commented that there is no lack of good candidates being presented to the Committee under the current process. Only several RVP positions are without candidates at this time and SVPRS and RVP should be involved. He expects the committee’s work to be complete by the February NEC meeting.
- **AGA Weblog** – Currently, the AGA Weblog receives about 124 hits per day, and generates very few comments. These facts indicate that the Weblog may not be worth the large amount of time that Marie and Chris spend finding and scheduling bloggers. The Weblog is a “value-added” initiative, but most government entities cannot view the page because of filters on their work computers. In the future, the focus should be less on daily postings and more on updating members on upcoming events. The NEC decided to discontinue the weekly blog and to keep the technology available to foster updates from conferences and events.
- **Strategic Planning Presentation** –AGA has proven that we can do events, now we need to focus on the quality and reputation. By putting AGA in the minds of other organizations as the subject matter expert and thought leader in government financial management, we will be adding intrinsic value to the members. Dr.

Stephen Carey, Lead Facilitator and Strategist for Association Management and Marketing Resources, gave a one-hour presentation on issues facing associations today, the responsibilities of different roles within an association, mission shift trends, the importance of widespread research (environmental scan) in strategic planning and development, the need for diversity on a board, and a self-evaluation of the board. While basic accounting has not changed, the environment surrounding the profession has evolved, causing the need to review the mission statement every 3-4 years. The review also ensures that the budget is allocated appropriately based on priority levels of the objectives (which fall under unprioritized goals), linking the budget and strategic plan for your stakeholders. Training of the board on these factors is important, which can be done every year for the new members. The time needs to be put in on the vision, mission and values in order to ensure objectives fall into play – not coming in with objectives and making them fit.

OTHER

- **AGA National Office staff changes** – Pete Aliferis will be moving to part-time status January 1, 2010. Katya Silver has been promoted to Director of Professional Certification. Louise Kapelewski is now the Executive Assistant and Governance Manager.
- **Relevance of Required Experiences** – Lisa Casias posed the question of qualifications for nominees for National President-Elect. Currently, nominees must have been a chapter officer or a Regional Vice President. If someone has served on the NEC for a number of years but never served as a chapter officer, then we should not ignore the potential benefits of their managerial skills and experience. Dr. Morehead and Bobby Derrick reminded the NEC of the NBD meeting where the question was posed, and members were unhappy with changing these bylaws, as they want the National President to be someone who has been at all levels within the organization and seen how it works from roots to leaves. If a change is to be made, it requires a change to the bylaws and approval by the National Board of Directors. Dr. Morehead pointed out that if we move strategically, then the change may work. The goal is not to exclude anyone who would move the organization forward.

ACTION LIST

Dr. Billy Morehead

- Work with Van on flow of information to the NEC, report back to NEC by January 11, 2010.
- Work with National President-Elect and Executive Director to focus the strategic planning.

Lisa Casias

- Discuss placement of federal-focused questions on the CPA exam to Barry Melancon with the AICPA at the Associations Summit.

Sam Mok

- Nominating Committee to report on their final selections by December 14, 2009.

Finance and Budget Committee

- Gather a list of what is charged to Member Services for review of strategies with costs.
- Gather what programs are currently operating at a loss, as well as the loss leaders, and prepare information for a review of programmatic needs.
- Send any requests for statistics that you are interested in to the National Office for your reviews.

SVPRSs

- Work with Chapter Operations on statistics regarding troubled chapters, and tools to rebuild them.
- Stress to RVPs the importance of filling out their quarterly reports.

Relmond Van Daniker

- Review idea/create document that can be updated bi-weekly for NEC's benefit on "what's going on in AGA" from the Executive Director's office.
- Follow up formally with Ron Sims, former executive of King County, WA, and keynoter from the 2008 Performance Management Conference.
- Follow up with Bob Hale regarding CGFM as a recognized certification for employment within DoD.

Susan Fritzen

- Tie Code of Conduct policies to key financial and procurement policies as notations in the handbook.
- Add wording to the Standards of Conduct to define examples of what groups create a conflict of interest.

Ray Harris

- Begin to track how much time and money is spent on saving chapters in different stages. Focus on "outcome costs."
- Work with chapters on potential new structures.

Jenn Curtin

- Compile Harris Survey results for presentation at the February 17, 2010 NEC meeting.

Katya Silver

- Put together information on the methods used by CGFM candidates to prepare for CGFM examinations.

Joseph Jozefczyk

- Study the feasibility of partnering with an organization such as Management Concepts in terms of marketing and how it would function.

Louise Kapelewski

- Send out reminder of December 14, 2009 conference call at 11:00 a.m. to NEC.
- When complete, e-mail updated Code of Conduct and "Whistleblower Policy" information to NEC for final affirmation.

FUTURE NEC MEETINGS

- **February 17, 2010** (the day before the National Leadership Conference), Washington, D.C.
- **July 10, 2010** (the Saturday before the Professional Development Conference), Orlando, FL