

AGA National Executive Committee (NEC)

Meeting Minutes

July 21, 2018

Orlando World Center Marriott

NEC MEMBERS PRESENT

- James R. Arnette, Jr., CGFM, CISA, National President, Nashville Chapter
- John H. Lynskey, CGFM, CPA National President-Elect, Washington D.C. Chapter
- Douglas A. Glenn, CPA, Immediate Past National President, Washington D.C. Chapter
- Christina R. Beck, CGFM, National Treasurer, Washington D.C. Chapter
- Dennis G. Green, CGFM, CPA, National Treasurer-Elect, Northern Virginia Chapter
- Justin W. Poll, CGFM, Immediate Past National Treasurer, Washington D.C. Chapter
- Thalia J. Melendez, Senior Vice President Section I, New York Capital Chapter
- Mark A. Runyan, MBA, CICA, Senior Vice President Section II, Mid-Missouri Chapter
- Judy A. Shock, Senior Vice President Section III, Idaho Centennial Chapter
- Karen B. Hale, CGFM, Senior Vice President Section IV, Nashville Chapter
- Ernest A. Almonte, CGFM, Senior Vice President At-Large, Boston Chapter
- Melinda Miguel, CIG, CFSA, CBM, CICA, PMP, Senior Vice President At-Large, Tallahassee Chapter
- Andrew C. Lewis, CGFM, CPA, PMP, Senior Vice President Appointed, Montgomery/P.G. Chapter
- Deborah Loveless, CGFM, CPA, Senior Vice President Appointed, Nashville Chapter
- David A. LeBlanc, CGFM, CFS, Senior Vice President Appointed, Boston Chapter
- Carlos A. Otal, CPA, Corporate Partner Advisory Group Chair, Ex Officio Member, Washington D.C. Chapter
- Riley Shaull, CGFM, CPA, Professional Certification Board Chair, Ex Officio Member, Oklahoma City Chapter
- Ann Ebberts, MS, PMP, Chief Executive Officer, Ex Officio Member

OTHER ATTENDEES

- Joseph H. Connolly, CFE, CICA, Senior Vice President Section I Designate, Northern New Jersey Chapter
- Gina I. Smith-Moss, MSM, MBA, CICA, Senior Vice President Section IV Designate, Shenandoah Valley Chapter
- Gloria L. Jarmon, CFFM, CPA, Senior Vice President Appointed Designate, Washington D.C. Chapter
- Wendy Morton-Huddleston, CGFM, PMP, Senior Vice President Appointed Designate, Washington D.C. Chapter
- Sherri Voigt, CGFM, Professional Certification Board Chair Designate, Southern Wisconsin Chapter
- William A. Morehead, Ph.D. CGFM, CPA, Higher Education Committee Chair (partial attendance)

NATIONAL OFFICE STAFF PRESENT

- Susan Fritzlen, Chief Operating Officer
- Cristina Barbudo, MS, CPA Director of Finance & Administration
- Christy Herz, Executive Assistant/Governance Manager

Welcome, President's Report and Decision Memorandum

National President Jim Arnette welcomed the group and acknowledged NEC members attending their last meeting, thanking them for their service: Doug Glenn, Justin Poll, Thalia Melendez, Karen Hale and Riley Shaull. He also introduced new members of the NEC: Gina Smith-Moss, Gloria Jarmon, Wendy Morton-Huddleston, Sherri Voigt and Joe Connolly.

A motion was made and seconded to adopt the July 21, 2018 NEC meeting agenda. The motion was approved unanimously.

A motion was made and seconded to approve the May 23, 2018 NEC meeting minutes. The motion was approved unanimously.

Jim reported on a successful 2017-2018 year and highlighted his theme, "Accountants and Accountability Professionals Working Together to Make Government Work Better." Inclusivity was stressed this year and he encouraged chapters to think broadly about seeking out accountability professionals to help diversify their membership. He also worked to increase participation by state and local members in AGA programs and to promote AGA's intergovernmental partnership. He highlighted that while 42% of AGA's members represent state and local governments, only 13% of PDT attendees are from state and local governments. He noted the creativity and drive of the Higher Education Committee as well as the progress made on governance structure modernization during his term. Since becoming President-Elect he has visited 27 chapters and had 57,000 miles of AGA travel.

National President-Elect John Lynskey presented DM 18-07, Board Appointments, recommending members for appointment to the Professional Certification Board, Journal Board, and Professional Ethics Board. A motion was made and seconded to approve the DM. The motion was approved unanimously.

Jim noted the National Board of Director's (NBD) pending vote on a new governance structure for AGA. He discussed the two Decision Memorandums on the subject and noted that nearly 40% of voters aren't attending the NBD meeting in person, but rather voting by proxy. It was discussed that at chapter visits and SLMs there was positive feedback about the proposed changes, and that if the new structure is approved, tweaks may be made to it as needed in the future with input of the Governance and Bylaws Committees and the proposed National Council of Chapters. Looking ahead, Jim asked the NEC to reach out to him by Aug 10 with their ideas on the needed characteristics for members of a Leadership Development Committee, should the new structure be approved, as well as recommendations for specific individuals to serve.

Finance and Budget Committee Report

Mark Robins, CPA of AGA's audit firm, Aronson LLC, reported by phone on the 2017-18 Financial Statement audit. He reported that no new accounting policies were adopted, a capital lease mistake was corrected, and there were no management letter comments. It is the auditors' opinion that the financial statements were stated fairly. The balance sheet is healthy with no significant changes from the prior year. There was overall a surplus for the year. The auditor is required to consider internal controls which showed no deficiencies nor compliance issues. Overall, it was a successful audit with an unmodified opinion.

National Treasurer Christina Beck presented the Treasurer's Package, reporting the results of the Internal Control Review showed agreement with the CEO's assertion that controls were effective. The financial activities of AGA are well-documented, supported and approved.

Christy presented first quarter FY19 financial highlights, reporting that we are starting off FY19 strong with close to 2,000 PDT attendees. The financial success of PDT helps set the tone of our financial year. Membership renewals are on par with prior years and, overall, our program revenues are up. The Finance and Budget Committee continues to help chapters with tax compliance.

CEO Report

CEO Ann Ebberts highlighted more virtual PDT sessions offered to appeal to state and local members, AGA's new podcast series, national leader visits to employers and universities, our chapter website hosting program, Intergovernmental Partnership plans, FMSB responses, partnerships with organizations with similar missions, an updated Ethics Handbook, and new thought leadership initiatives.

Senior Vice Presidents for Regional Services (SVPRS) and Membership Reports

Each SVPRS provided a written report to the NEC in advance of the meeting. SVPRS Section IV Karen Hale provided an overall report highlighting three challenges chapters are facing: 1) lack of members willing to take on leadership roles 2) decreasing employer support of participation in AGA activities 3) communication between several isolated chapters and AGA leadership. Ideas to address these include: encouraging chapters to have co-chairs for their leadership positions, encouraging chapters to have nominating committees to recruit leaders, encouraging members to explain the value of AGA to their employers, encouraging members to invite employers to an AGA webinar, podcast or event, add points to the Chapter Recognition Program for communication, encourage RVPs to do monthly electronic newsletters, reach out to chapter leaders via multiple mediums and have a national award for communications.

The SVPRS' requested attention to the following items: new governance structure transition (geographical areas, responsibilities and training of leaders, and communication), the need to continue chapter visits by RVPs and SVPs, ethics at the chapter level, emphasizing the Chapter Bylaws as a governing and binding document, continued discussion of chapter handbooks, and asking chapters to report chapter recognition points to encourage activity.

The SVPRS' highlighted several chapters who are thriving and achieving success in the areas of membership, chapter recognition program, accountability, CGFM, education and community service.

The SVPRS' presented membership statistics showing a decline in membership for the last four years. The data shows that while we are successful at recruiting new members, we have a hard time retaining members. The SVPRS', who have been working with chapters to develop membership plans, were asked to propose strategies to reverse this trend.

It was discussed that chapters have recruitment boosts but then aren't engaging members; chapter leaders should offer a well-rounded, diverse program of events that is inclusive. National webinars and podcasts are available as resources to chapters for programming. It was discussed that rather than encouraging new student chapters be formed, we are encouraging students to join existing chapters by offering them free membership. It was noted that reaching out to universities can be a win-win for both the chapter and the university.

Chief Operating Officer Susan Fritzlen challenged each NEC member to recruit three new members from PDT attendees.

Program Reports

Director of Professional Certification Katya Silver reported on the new AGA/CGFM Metro advertising campaign, CGFM exam promotion for August-September and upcoming CGFM Job Analysis survey.

Higher Education Committee Chair Billy Morehead reported on the committee's accomplishments in its inaugural year. The goal of the committee is to help market AGA effectively in the higher education community. A new Higher Education brochure is available in print and in an electronic format which is appealing to students. The brochure links to the student page of the AGA website. The committee has also begun exploring an academic-ready package for professors to help communicate CGFM information. In the year ahead, the committee plans to do outreach to chapters about engaging in higher education.

State and Local Task Force Chair Deborah Loveless reported that the task force focused most of their efforts on making PDT 2018 sessions more attractive for state and local members. They worked to encourage topics of interest to state/local members and to recruit speakers from state/local governments. AGA may build on this program for future PDTs.

Corporate Partner Advisory Group Chair Carlos Otal reported on the successful first-time CFO/PIO Summit and building on it in the year ahead with another summit as well as a research report. He highlighted the Blockchain Working Group which currently has 124 members and is AGA's largest committee (including both industry and government individuals). He reported on AGA's Financial Systems Summit held each January and it was noted that it is free to government members and includes seven CPE. It was suggested that we advertise it to employers to bring to their worksites virtually to boost employer support of AGA activities. Carlos featured CPAG's Accounting and Auditing Committee which supported the AGA/AFERM ERM workshop in April; a report from that meeting is being released soon. A grants survey is also underway. He discussed the Small Business Committee, which spans the other CPAG committees and demonstrates how small business can add value to government.

Senior Vice President At-Large and Inclusivity Task Force Chair Ernie Almonte provided a presentation on Inclusivity discussing how we define inclusivity, the benefits of inclusivity, what steps we use to promote inclusivity and highlighting communication as a key to inclusivity. He also discussed whether AGA's name tells the whole story of who we are. The PowerPoint presentation will be shared with all NEC members after the meeting.

NEC Assessment

Immediate Past National Treasurer and Governance Committee Vice Chair Justin Poll reviewed the results of a NEC self-assessment completed in advance of the meeting. Results were compared to a similar assessment completed in 2016. The scores improved in 9 out of 10 areas from 2016; we especially increased effectiveness of NEC meetings, were more strategic, had mission awareness and increased NEC effectiveness in that time, all of which were goals after the 2016 assessment. Scores declined in the areas of the NEC/NBD relationship, identifying and responding to key organizational needs from all levels of the organization via the structure of the NBD, and being responsive to the needs of AGA members as judged by the NBD. It was noted that we are aware of this relationship not working and have proposed a structure change to improve communication and engagement between national leaders and members.

Other areas identified as needing improvement include enhancing AGA's public image and program oversight. Better metrics are needed for addressing the success of the organization (metrics for NEC members, AGA as a whole, and major programs/activities and how they relate back to strategic goals).

It was noted in the assessment a feeling that membership is declining, and the NEC is not addressing member needs. NEC accountability, NEC relationships with each other and with the CEO, and the NEC/NBD being too tactical and not adequately strategically focused were all highlighted as challenges.

NEC members were asked what they want to accomplish in the year ahead, what is the one thing the NEC wants to get done this year to help the chapters, and what they'd like to see on the NEC agenda. John Lynskey will summarize responses for our September meeting.

Goals were developed for leadership to focus on in the coming year including addressing declining membership and member needs, aligning our activities with our strategic goals, identifying metrics to assess success of the organization, holding NEC members accountable for their AGA performance outside of NEC meetings, and building relationships with each other and the CEO and staff.

The following was noted in a brainstorming discussion:

- The NEC often talks about what activities have been completed but does not evaluate what those activities have accomplished. It was recommended that we align our discussions with AGA's strategic goals, define success at the beginning of the year and identify ways to measure that success, and work toward longer-term goals, setting targets for annual accomplishments. It was recommended that NEC members have specific roles in relation to our goals.
- The NEC needs a better understanding of macro conditions and how they are affecting the profession; it was recommended that we bring in outside speakers to address this and help us determine how AGA can prepare our members for the future. We should talk about external risks.
- The NEC should create a plan to inspire Chapter Executive Committees to succeed and to engage chapter leaders. We want to be sure chapters participate in the National Council of Chapters and that it is effective.
- The NEC should review the Chapter Recognition Program and what we're asking our chapters to do to achieve recognition. Do we need to simplify this program or align points to our strategic goals?
- NEC member roles should be outlined more clearly. Outline what is expected and give action items.
- We define our members by chapter identity, but should we also define members by community interest – audit, grants, budget, accounting, etc.?
- We should consider how larger chapters can help smaller chapters for more collaboration and inclusiveness.
- Communicate what the NEC is and what we do/accomplish; improve communication by using different mediums (Ted Talks, videos).
- The new Leadership Development Committee should offer leadership programs to teach soft skills and hard skills to help create leaders (similar to AICPA's Leadership Academy or the Partnership for Public Service's former leadership program).

The Governance Committee recommends the NEC Assessment be conducted annually.

President-Elect Message

John Lynskey highlighted AGA's core values, Service, Accountability, Integrity and Leadership (which spell SAIL), and his theme for the year ahead: Giving Back to the Profession. He will encourage all AGA members - federal, state, local, private sector, etc. - to give back to the next generation of government financial management professionals. In addition, his three goals for the year are to 1) promote and expand CGFM education at colleges and universities - to generate interest and excitement about careers in public service and membership in AGA 2) raise awareness of the value of Citizen-Centric reporting as an electronic portal to an Agency 3) lead AGA's transition to a modernized governance structure."

He asked all NEC members to do three specific things:

- 1) let him know how we should celebrate CGFM's 25th anniversary this year
- 2) help communicate about AGA's free student memberships to schools and students
- 3) communicate to him about AGA members doing great things in the profession, so he can promote them as examples of Giving Back to the Profession

NEC members should communicate their thoughts on these homework assignments to John.

Closing

Jim Arnette made closing remarks and an Executive Session was held.