



ENVISION

ICMA

FY 2021 BUDGET

ICMA

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Transmittal Letter

Dear President Jane Brautigam and Members of the Executive Board,

ICMA's Constitution requires the Executive Director to provide an annual budget of revenues and expenses that will serve as the fiscal and operational plan for the upcoming year. Accordingly, I respectfully offer the proposed FY 2021 Budget for your consideration and approval.

As I have contemplated the past three extraordinary months, and how the coronavirus pandemic swept the entire world so suddenly that we literally didn't know what hit us, followed by more calamity of all sorts, I'm compelled to begin the presentation of our FY 2021 Budget recommendation by talking about the meaning of "Normal". I'm certain most of us think we know what "Normal" means and, I think we would qualify our definitions by also saying it depends on what you're talking about or, in other words, "Normal" is relative. I trust, however, we can all agree that "Normal" has to do with conforming to a standard, the usual, typical, or expected.

Of course, "Normal" doesn't mean that nothing really changes in the world. As we all know, change has always been and is an inevitable fact. History has shown that the rate of change increases overtime such that today the rate of change is often described as exponential.

Throughout our lives and in the midst of our own and collective sense of normality, we have experienced or witnessed many things, some standing out more than others, like the death of a loved one, poverty, and the rise of Nation States that have fallen victim to terrorism and war. We've witnessed and enjoyed great economic prosperity while others suffered deprivation all over the world. We have marveled and enjoyed technological advancements that have changed and enhanced almost every aspect of our lives. And yes, we have endured both epidemics and pandemics before and survived.

Comparatively, however, the impact of the "novel coronavirus" (COVID-19) has been unprecedented and in some ways beyond established recognizable standards, far from usual or typical and certainly not expected, at least not in terms of its rapid spread around the world causing thousands of deaths, fear, nearly complete shutdown of the global economy, and its impact has changed our very way of life forever.

The financial impact on all sectors of the economy including local governments has been extremely adverse. The unanticipated expenses of response and recovery efforts, massive business closings, record high unemployment, significant revenue losses, and the uncertainty about finding an effective vaccine or cure, all lead to the conclusion that a "New Normal" is yet to be established.

It is now in this environment that you, thousands of our members and ICMA must continue to carry out our shared mission to create excellence in local government. Like you, the onslaught of the coronavirus forced us to shift from many of our FY 2020 operational priorities to almost a singular focus on supporting our members and their response to COVID-19. We completely transitioned to remote working while doing all we could to ensure the health and safety of ICMA staff. It has required transformation born out of necessity in order to carry out our

mission in a COVID-19 world with agility, collaboration, transparency, and significantly enhanced communications with staff, the Executive Board and our members.

Since the start of the pandemic, we have and continue to rapidly generate considerable COVID-19 content in various forms and, so far, free for our members. The Leadership Team has been meeting twice weekly. We launched a COVID-19 Action Team to coordinate content development, education, training, research, member support and public policy activities across the organization. ICMA Connect, a digital member community, has become the go-to source and network for our members as they work through the challenges posed by the coronavirus pandemic. Further, a COVID-19 Resource Center was established with hundreds of articles, blog posts, documents, and references focused on City and County Managers and other local government professionals. And we have offered more than 15 webinars on everything from understanding the CARES Act to managing personal stress, attracting hundreds of registrants to each offering.

Financially, we have made some very difficult decisions as a result of COVID-19. We canceled four of the five Regional Conferences. The development of the FY 2021 budget proposal has entailed extraordinary challenges, including dealing with the unprecedented level of uncertainty with respect to all of our revenue streams, closing a budget gap larger than any in recent history, canceling ICMA's Annual Conference for the first time and shifting to a virtual/digital format, and possibly incurring related cancellation fees while projecting to generate significantly lower revenue. While we have made reasonable assumptions regarding the level of reduction in revenue, particularly from the non-grants and contracts sources, such as membership dues, professional development, and events, the level of uncertainty with respect to these revenue streams is very high. Monitoring actual results and making course adjustments as necessary will be our strategy throughout the year.

Finally, I want to thank my Leadership Team for the many hours they spent deliberating with me and making the difficult decisions that were necessary to achieve the proposed FY 2021 budget. Despite the fiscal challenges posed by the pandemic, we have avoided severe reductions, and still maintained our focus on "Members First". You can be assured that we remain hopeful and will be courageous in our commitment to providing the innovative and high quality programs and services that have earned ICMA premiere status among local government associations around the world.

Sincerely,

A handwritten signature in black ink, appearing to read "Marc A. Ott". The signature is fluid and cursive, with the first name "Marc" being more prominent than the last name "Ott".

Marc A. Ott

Executive Director

Budget Overview

Summary

The proposed FY 2021 budget continues to demonstrate our commitment to be the leading association of local government professionals. Despite the challenging financial circumstances due to the global COVID-19 pandemic, in FY 2021 ICMA will continue to be the leading provider of support, professional development, and valuable resources to our members and their communities. In addition, this budget builds on the work accomplished to date in the implementation of *Envision ICMA*, ICMA's strategic plan, and proposes a way forward to advance the priorities of the strategic plan in the context of rapidly evolving and uncertain times for all our members, their organizations, their communities, and the world.

Figure 1, FY 2021 budget summary, illustrates budgeted sources of revenue and allocation of resources to strategic outcome areas.

FIGURE 1 | FY 2021 budget summary

	Non-grants and contracts programs	Grants and contracts	Organizational support	Total
Revenue				
Membership dues	5,961,067	-	-	5,961,067
Professional development	1,092,572	-	-	1,092,572
Conferences, events, and sponsorships	2,552,388	-	-	2,552,388
Publications, subscriptions, and advertising	949,000	-	-	949,000
Management fees	1,105,252	-	-	1,105,252
Subtenant rental income	179,738	-	-	179,738
Royalty income	2,400,000	-	-	2,400,000
Investment income	501,000	-	-	501,000
Grants and contracts	-	10,079,189	-	10,079,189
Total revenue	14,741,017	10,079,189	-	24,820,206
Operating expenses				
Member support	2,931,582	-	-	2,931,582
Professional development	950,233	-	-	950,233
Conferences, events, and sponsorships	2,205,629	-	-	2,205,629
Research and policy	858,986	-	-	858,986
Outreach	1,255,455	-	-	1,255,455
Local government innovation	53,444	-	-	53,444
Global engagement	291,459	-	-	291,459
Management services	701,527	-	-	701,527
Excess space	746,001	-	-	746,001
Grants and contracts expenses	-	8,552,373	-	8,552,373
Support expenses	-	-	7,182,126	7,182,126
Total operating expenses	9,994,317	8,552,373	7,182,126	25,728,816
Net from operations	4,746,700	1,526,816	(7,182,126)	(908,610)
Direct uses from net assets				
ICMA Europe	(65,000)	-	-	(65,000)
Dues structure review initiative	(75,000)	-	-	(75,000)
ICMA office space	-	-	(100,000)	(100,000)
Estimated annual conference cancellation fees	(360,000)	-	-	(360,000)
Executive Director's contingency reserve	(150,000)	-	-	(150,000)
Total direct uses from net assets	(650,000)	-	(100,000)	(750,000)
Net contribution before PPP funding	4,096,700	1,526,816	(7,282,126)	(1,658,610)
PPP funding	1,658,610	-	-	1,658,610
Total net contribution	5,755,310	1,526,816	(7,282,126)	-

The FY 2021 budget includes projected revenues from our traditional sources in the amount of \$24.8 million – a significant reduction from prior years, given the uncertainties and the expected negative impact of the pandemic on all ICMA’s revenue streams. Budgeted revenues are discussed in greater detail in the “Revenue Estimates” section of this document.

Also, the FY 2021 budget proposal includes an operating budget of approximately \$25.7 million. This reflects a significant reduction in operating expenses from recent years and is our best estimate of resources necessary for ICMA to deliver on its goals and priorities. FY 2021 budgeted operating expenses are allocated to various functions. The “Expense Estimates” section of this document provides additional details regarding the FY 2021 allocation of resources.

In addition, the budget contains \$750,000 in expenses that are not included in operations and are expected to be funded directly out of net assets. Additional details on the nature of these expenses are provided in the “Direct Uses from Net Assets” section of this document.

The projected total budget gap of approximately \$1.7 million is expected to be mitigated through the additional revenue resulting from the Paycheck Protection Plan (PPP) funding under the CARES Act obtained by ICMA in April 2020. While this federal assistance helped balance the FY 2021 budget, the extraordinary level of uncertainty that we are currently experiencing will necessitate continuous monitoring of actual results relative to the budget and timely decisions regarding course correction, if necessary.

Comparative Budget

Figure 2 presents the FY 2021 proposed budget in comparison with the FY 2019 actual results and the FY 2020 budget.

FIGURE 2 | FY 2021 budget compared with FY 2019 actual and FY 2020 budget

	FY 2019 actual	FY 2020 budget	FY 2021 budget
Non-grants and contracts programs			
Revenue			
Membership dues	5,927,820	6,145,430	5,961,067
Professional development	1,510,430	1,723,680	1,092,572
Conferences, events, and sponsorships	3,710,234	4,657,247	2,552,388
Publications, subscriptions, and advertising	877,479	1,087,000	949,000
Management fees	990,690	1,086,285	1,105,252
Subtenant rental income	1,186,955	572,993	179,738
Royalty income	2,443,254	2,500,000	2,400,000
Investment income	772,622	648,000	501,000
Total revenue	17,419,483	18,420,634	14,741,017
Expenses			
Member support	3,060,636	3,249,076	2,931,582
Professional development	1,015,125	1,273,733	950,233
Conferences, events, and sponsorships	2,985,299	3,205,946	2,205,629
Research and policy	892,038	1,001,861	858,986
Outreach	1,267,720	1,206,465	1,255,455
Local government innovation	315,937	763,570	53,444
Global engagement	377,827	532,131	291,459
Management services	582,202	687,159	701,527
Excess space	1,151,131	1,170,463	746,001
Total expenses	11,647,917	13,090,404	9,994,317
Net from non-grants and contracts programs	5,771,566	5,330,230	4,746,700
Grants and contracts			
Revenue	10,006,408	13,057,154	10,079,189
Expenses	8,402,590	11,599,298	8,552,373
Net from grants and contracts	1,603,817	1,457,856	1,526,816
Organizational support			
Expenses	6,815,028	7,464,127	7,182,126
Net from organizational support	6,815,028	7,464,127	7,182,126
Net from operations	560,356	(676,040)	(908,610)
Direct uses from net assets			
Revenue	117,769	346,050	-
Expenses	383,456	132,710	750,000
Total direct uses from net assets	(265,688)	213,340	(750,000)
Net contribution before PPP funding	294,668	(462,700)	(1,658,610)
PPP funding	-	-	1,658,610
Total net contribution	294,668	(462,700)	-

Figure 3 illustrates the full-time equivalent positions (FTEs) budgeted for FY 2019, FY 2020, and FY 2021.

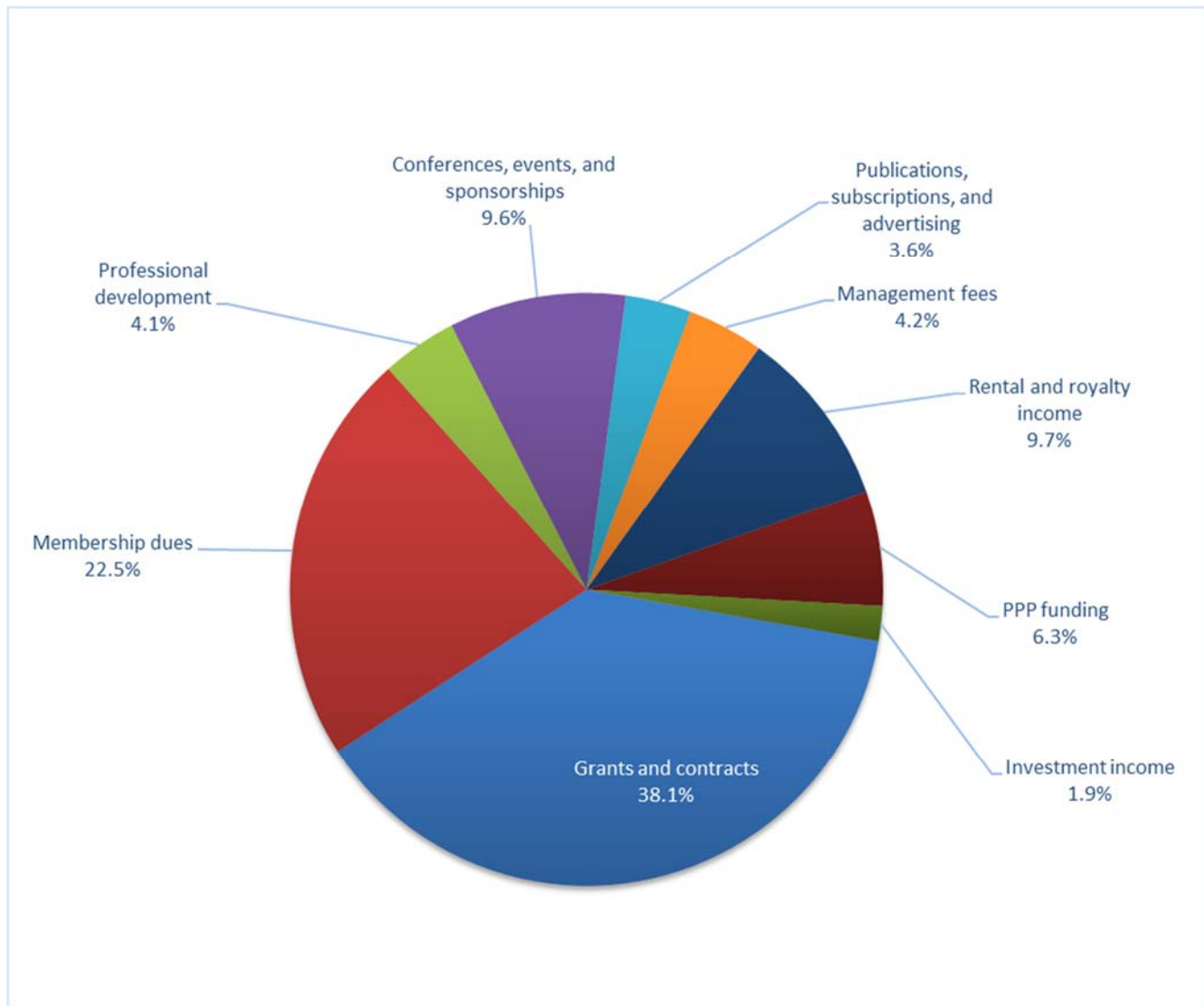
FIGURE 3 | Budgeted FTEs, FY 2019-2021

FTEs	FY 2019 budget	FY 2020 budget	FY 2021 budget
Non-grants and contracts programs			
Member support	15.94	16.62	15.29
Professional development	5.71	6.35	5.97
Conferences, events, and sponsorships	7.62	5.89	5.88
Research and policy	4.79	4.66	3.38
Outreach	7.43	5.20	5.89
Local government innovation	-	1.56	0.25
Global engagement	2.23	1.37	1.40
Management services	4.01	3.88	3.82
Total non-grants and contracts programs	47.72	45.52	41.88
Total grants and contracts	23.33	23.45	20.83
Organizational support	19.66	20.00	19.60
Total operations	90.72	88.97	82.30
Compensated absences	13.44	13.94	13.47
Total FTEs	104.16	102.92	95.77

Revenue Estimates

Figure 4 illustrates the FY 2021 budgeted sources of revenue.

FIGURE 4 | FY 2021 budgeted sources of revenue



Membership dues, budgeted based on the current dues structure, are expected to decline at a rate of 3% compared with FY 2020. While in recent years we have been experiencing 3 – 4% growth year over year, the FY 2021 budgeted reduction is based on the assumption that some members will not be able to renew because of the economic impact of the COVID-19 pandemic on their organizations' budgets.

Professional development consists of the credentialing program, online learning, local government training, and other management and leadership programs offered to local government professionals at all career stages. Revenue from professional development offerings is projected to decline significantly compared with prior years, based on the assumption that face-to-face events that do not lend themselves to being conducted virtually will be deferred. Also, revenue estimates from webinars are significantly lower than in prior

years, reflecting the current environment in which our paid online professional development offerings face significant competition from free webinars provided by both ICMA and other organizations. This area also includes revenues from other membership activities, which, among other estimates, reflect a 12% reduction in revenue generated by the Job Center.

Conferences, events and sponsorships include annual conference, regional conferences, the Strategic Partner Program, and other partnerships and sponsor relationships. With the annual conference being transformed into a virtual/digital event, FY 2021 revenue assumptions include significantly reduced registration fees for members and nonmembers, as well as conservative assumptions relative to the virtual exhibit hall revenue and conference sponsorships. Regional conferences are budgeted as virtual rather than in-person events. Estimates of revenue from the Strategic Partner Program are 23% lower compared with FY 2020. In addition, the FY 2021 budget anticipates \$150,000 in sponsorship revenue generated from the Brownfields conference, currently scheduled for April 2021.

Publications, subscriptions, and advertising, which include sales of print and electronic publications and advertising, are projected to remain at approximately the same levels as in FY 2020.

Management fees consist of revenue derived from management and administrative services provided to certain organizations, including National Association of County Administrators (NACA) and Center for State and Local Government Excellence (SLGE). These revenues are budgeted at approximately the same level as in FY 2020.

Subtenant rental income consists of rental revenue derived from subleasing of space leased but not used by ICMA. The significant reduction of revenue, compared with the prior two years, is due to the fact that all major subleases have expired prior to FY 2021, and the excess space is now vacant. ICMA continues to be responsible for paying rent for the vacant space. Given that securing a new subtenant in the current economic environment will be challenging, the budget does not assume any additional rental income beyond the subleases that are currently in hand.

Royalty income includes licensing fees from ICMA-RC for the use of ICMA's name and brand and are budgeted at the amount consistent with the agreement between ICMA and ICMA-RC currently in place. The amount budgeted for FY 2021 is \$2.4 million, \$100,000 lower than the FY 2020 budgeted revenue.

Investment income consists of the annual Real Estate Investment Trust (REIT) dividend distribution, interest, and other earnings from ICMA's investments. The REIT dividend is expected to be 15% lower than in FY 2020, given the expectations of lower net income for the building due to additional costs of operating the building in the post-COVID environment. Interest income is budgeted at a 9% reduction compared with the FY 2020 budget, given the impact of the pandemic on the capital markets.

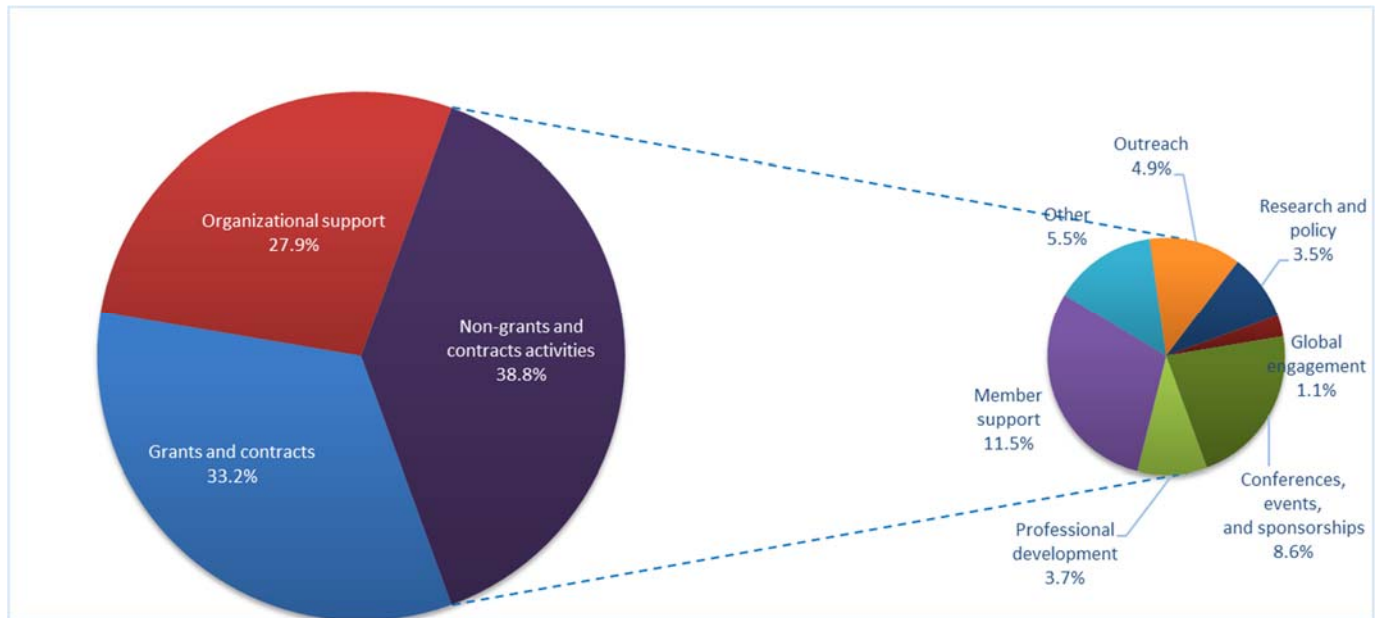
Grants and contracts revenue is budgeted at approximately \$10 million, one of the lowest levels of grants and contracts revenue seen during the past decade. The largest projects in ICMA's grants and contracts portfolio, Strengthening Urban Resilience for Growth with Equity (SURGE) project in the Philippines, is expected to generate approximately 46.53% of the total grants and contracts revenue and 17.71% of ICMA's total revenue. Approximately 20.69% of total budgeted grants and contracts revenue is expected to come from new, yet to be awarded projects. This estimate is based on the number and size of proposals that are currently in development or under consideration by funders combined with our expectation of the probability of new wins.

Paycheck Protection Plan (PPP) funding represents the amount of the loan forgiveness we expect to realize in the first quarter of FY 2021. In April 2020, ICMA obtained \$1.8 million through the PPP program of the CARES Act, which was designed to help small businesses and nonprofit organizations deal with the adverse impact of the COVID-19 crisis on their ongoing operations and business activities. This funding initially comes as a 2-year, 1% loan; however, if certain conditions are met, some portion of the loan is expected to be forgiven and converted into revenue. The amount of the loan to be forgiven will depend on the percentage of the loan used for allowable purposes. The FY 2021 budget includes an assumption that at least 90% of the loan amount received by ICMA will be forgiven.

Expense Estimates

Figure 5 illustrates the allocation of resources to three major outcome areas of ICMA's operations: non-grants and contracts activities, grants and contracts, and organizational support. In addition, non-grants and contracts activities are further broken down into member support; professional development; conferences, events and sponsorships; research and policy; outreach; global engagement; and other activities.

FIGURE 5 | FY 2021 allocation of resources to outcomes



The FY 2021 budget includes resources to maintain operations and services sufficient to deliver on our key priorities. It reflects continuation of cost containment strategies implemented in the last quarter of FY 2020, aimed at mitigating the financial impact of the COVID-19 pandemic on ICMA. These strategies include deferral of hiring for vacant positions unless deemed critical to ICMA's operations. In addition, a number of other cost saving opportunities have been identified throughout the budget, ranging from reduced travel costs to elimination of certain in-person meetings and related expenses. In contrast with prior years and given the financial challenges we are facing, the FY 2021 budget does not include increases in compensation levels of current staff.

Direct Uses from Net Assets

In addition to maintaining ongoing operations and services, the FY 2021 budget identifies resources needed to fund several ongoing and new initiatives and activities, which are to be funded directly out of net assets rather than from ongoing operations. Figure 6 provides details on budgeted cost of these items.

FIGURE 6 | Direct uses from net assets

Direct uses from net assets	Revenues	Expenses	Net
ICMA Europe	-	65,000	(65,000)
Dues structure review initiative	-	75,000	(75,000)
Estimated annual conference cancellation fees	-	360,000	(360,000)
Office space	-	100,000	(100,000)
Executive Director's contingency reserve	-	150,000	(150,000)
Total direct uses from net assets	-	750,000	(750,000)

Continued investment in ICMA Europe: In accordance with the Executive Board's initiative to establish ICMA's presence in Europe with the purpose of advancing ICMA's mission on a global scale, the FY 2021 budget includes continued funding for ICMA Europe. ICMA Europe is now in its third year of operations. ICMA's Executive Board had previously committed to support ICMA Europe up to a total of \$200,000. The funding request included in this budget is meant to fund ICMA Europe at the current rate of investment; however, this will result in ICMA exceeding the \$200,000 funding level by approximately \$35,000 by the end of FY 2021.

Dues structure review initiative: As part of the Executive Board's strategic planning process conducted in October - December 2019, the Board identified ICMA's dues structure and related value of membership as a key strategic priority for the organization. In its February 2020 meeting, the Board authorized the use of \$75,000 of net assets for the purpose of engaging a consultant with experience helping membership associations with the review of their dues structures. The scope of work for the consultant would include conducting research with members and other stakeholders to understand current perceptions relative to the value of membership in ICMA, assessment of the portfolio of benefits and services ICMA provides, providing options for new dues structure scenarios, and financial and other implications of changing the current structure.

Annual conference cancellation fees: With the decision to cancel an in-person annual conference in Toronto in September 2020 and instead focus on developing and delivering a virtual/digital event, we have estimated the total maximum possible cancellation fees and penalties from the contracts with the convention center and several hotels to be at approximately \$1.8 million. It is extremely unlikely, however, that the actual amount of cancellation fees and penalties paid upon conclusion of negotiations with the convention center and the hotels will be at that level. As these negotiations are ongoing, the FY 2021 budget includes an estimate of our exposure of \$360,000, or 20% of the maximum amount of cancellation fees and penalties.

ICMA office space: This line item includes costs associated with modifying ICMA's office space to make it as safe as possible for employees in the COVID-19 environment. This may

include consulting services, signage, partitions, cleaning and disinfecting supplies, and any other costs ICMA may incur to prepare its office for re-entry.

Executive Director's contingency reserve: Based on the Board's Governance Subcommittee's recommendation regarding establishing a reserve as part of the annual budget, to be used at the Executive Director's discretion, the FY 2021 budget includes an amount of \$150,000 available for use by the Executive Director for expenditures not otherwise included in the operating budget. Updates regarding actual usage of this reserve will be provided to the Board quarterly.

Risks and Opportunities

As is the case with the vast majority of organizations, the risk levels with respect to all of ICMA's revenue streams are significantly higher in FY 2021 than in years past because of the extraordinary impact of the pandemic on all aspects of our lives, including the economy. While the FY 2021 budget is based on the best assumptions that can be made at the time of budget development, actual results may be materially different depending on how the COVID-19 crisis unfolds. Budgeted sources of revenue and activities that carry high levels of financial risk include:

- Membership dues are expected to drop, as local governments struggle with the impact of the pandemic on their budgets and may therefore be unable to fund members' dues in FY 2021. While in recent years we have experienced growth of 3 – 4% per year in dues revenue, in anticipation of this adverse impact, we have budgeted a 3% reduction compared with FY 2020. Actual results, however, would be extremely difficult to predict at this time, given the unprecedented nature of this crisis.
- The transformation of the annual conference to a virtual/digital event presents both risks and opportunities. Since we will be holding an all-virtual event for the first time in ICMA's history, the level of participation and, therefore, revenues from registration, the exhibit hall, and sponsorships are difficult to estimate. While the FY 2021 budgeted registration revenues are based on attendance levels similar to the 2019 Nashville conference, the significantly reduced registration fees and no need to travel may allow ICMA to tap into new pools of participants who may not have been able to attend the conference in the past. Enhanced marketing activities are expected to help ICMA take advantage of this and other opportunities with respect to a virtual/digital event.
- Revenues from other professional development offerings, as well as regional conferences, have been budgeted conservatively. However, the risks with respect to these revenue sources are high, given the amount of uncertainty around economic conditions and our ability to attract participants to our events and offerings.
- Revenues from sponsorships and the Strategic Partner Program are estimated to be 23% lower than in the FY 2020 budget. Even though these revenues estimates are based on conservative assumptions, actual results may be lower, depending on how severely our corporate partners may be affected by the crisis and whether they have available funding to continue to invest in their partnership with ICMA. In addition, the FY 2021 budget includes \$150,000 of sponsorship revenue to be realized in connection with the Brownfields conference, currently scheduled for April 2021. Our ability to generate this revenue will depend on whether or not the conference will take place as scheduled.
- Royalty revenue is budgeted based on the licensing agreement with ICMA-RC that is currently in place. Because ICMA's royalty income is tied to ICMA-RC's gross revenue, which is subject to market fluctuations, the financial risk with respect to this revenue source for ICMA is higher in FY 2021 than in prior years.
- The REIT dividend is budgeted at \$411,000, which is based on net income estimates for the building and is lower than in prior years. Given the anticipated investments that may be needed in order to make the building as COVID-safe as possible, actual net income of the building may be lower than anticipated, which would result in a lower REIT dividend for ICMA.
- FY 2021 budget includes an estimate of cancellation fees and penalties that may need to be paid to the convention center and several hotels in Toronto as a result of cancelling the

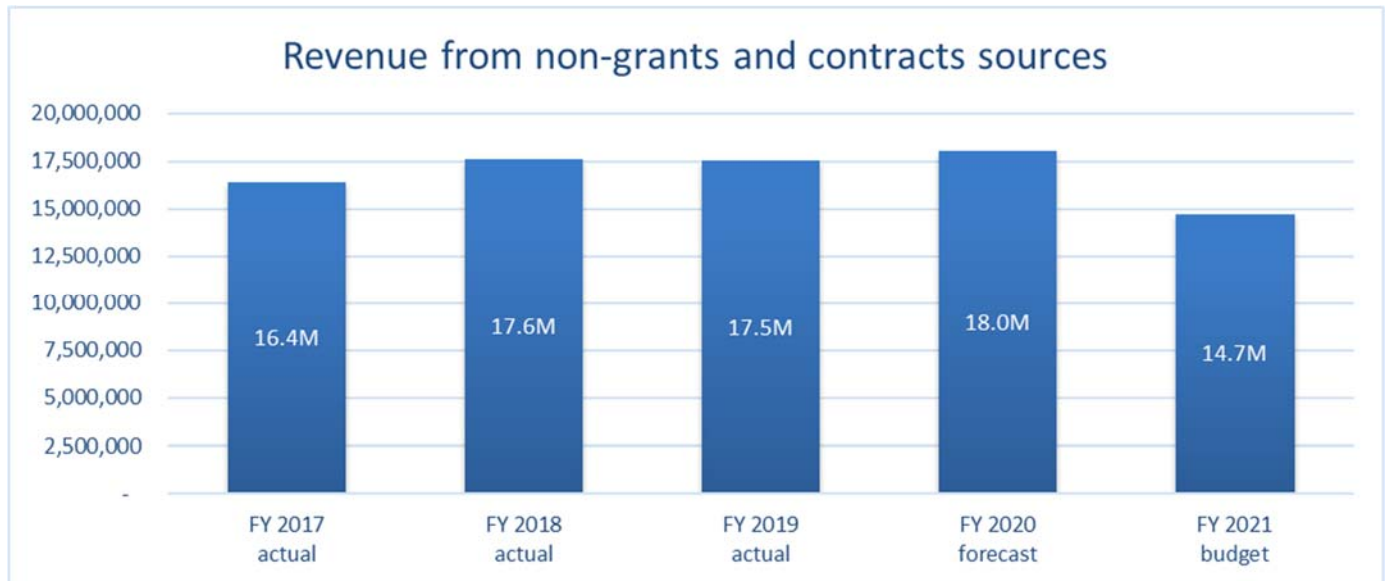
in-person annual conference. While the maximum possible exposure from these agreements may be as high as \$1.8 million, it is extremely unlikely that the actual expense will be at that level. Based on our estimates, the budget includes 20% of the maximum exposure, or \$360,000, as an item to be funded directly out of net assets rather than from operations. While we will make every effort to negotiate the best terms for ICMA, actual results may be different from the budgeted estimates.

- Risks related to grants and contracts revenue, which accounts for 38.1% of total budgeted revenues, include continued reliance on funding from one primary source, USAID, for the vast majority of revenue; ability to achieve revenue targets in the highly competitive environment; and various risks associated with working in developing countries. The global COVID-19 pandemic has resulted in additional risks and challenges related to implementing funded programs in the U.S. and abroad. All these risks are discussed in greater detail in the “Risk Analysis of Federal and Non-Federal Grants and Contracts (G&C) Support” document prepared in conjunction with the FY 2021 budget.

ICMA will utilize multiple strategies to mitigate against the risks and to take advantage of opportunities described above, including:

- Continuous monitoring of progress against key financial and programmatic metrics and making course adjustments as needed. This strategy is even more important now than before, given the degree of uncertainty relative to all of our business activities.
- Cost containment strategies and focus on finding new, more efficient ways of delivering value to members and other stakeholders by various means, including technology.
- Enhanced marketing of our digital events, particularly the annual conference, to attract returning and new participants.
- Continued investment in business development and bids and proposals, to ensure a pipeline of new funded projects in order to meet or exceed grants and contracts revenue projections.
- Continued focus on pursuing revenue from non-grants and contracts sources, even though this has become even more challenging because of the economic impact of COVID-19 on our traditional revenue sources outside of grants and contracts. While this strategy was successful in prior years, the FY 2021 budget demonstrates that, due primarily to the economic impact of COVID-19, total revenue from our traditional non-grants and contracts sources are projected to decline, as illustrated below.

FIGURE 7 | Revenue from non-grants and contracts sources



Financial Goals

Net Assets

Net assets represent accumulated earnings of an organization and are increased or decreased as a result of annual operating surpluses or deficits. It is a measure of an organization's long-term financial stability and capacity and is calculated as assets less liabilities. Net assets are the organization's reserves built to help manage transitions, to deal with economic uncertainty, and to fund investments and initiatives as necessary. It is considered best practice for nonprofit organizations to maintain a net assets balance of approximately 50% of the average operating budget.

ICMA's Executive Board establishes an overall net assets goal as well as interim net assets targets in five-year increments. These targets are reviewed and adjusted annually based on actual financial performance. The overall net assets are further divided into reserves for specific purposes, to ensure availability of funds for various kinds of risks and opportunities.

The interim net assets target established by ICMA's Executive Board for FY 2023 is \$10.3 million. This target was established with the understanding that, while the better-than-budgeted financial results achieved over the past several years helped grow ICMA's net assets, the organization is now poised to make needed investments in new initiatives and to fund new opportunities. With the onset of the global COVID-19 pandemic in the second half of FY 2020 and its anticipated negative impact on our business activities and revenue streams in the next fiscal year, ICMA is not in a position to generate a contribution to net assets in FY 2021. Rather, the budget anticipates an overall net loss of approximately \$1.7 million. It is expected, however, that this loss will be mitigated by the PPP loan forgiveness, which will result in additional revenue of \$1.7 million, leading to a break-even year. With these assumptions, the net assets balance at the end of FY 2021 is expected to remain at approximately \$11 million, as illustrated in Figure 8.

FIGURE 8 | Net assets: actual vs. target, FY 2003-2021



Figure 9 illustrates the overall long-term net assets goal, the incremental target for FY 2023, and the projected net assets balance for FY 2021.

FIGURE 9 | Net assets goals, balances, and targets

Composition of net assets	Net assets goal (long-term)	FY 2023 net assets target	FY 2021 net assets balance (projected)
Reserve for non-G&C operating expenses (6 months)	\$9,165,000	\$5,900,000	\$6,000,000
Reserve for investments and initiatives	3,000,000	1,931,000	2,063,000
G&C reserve (3% of total awards)	1,835,000	1,181,000	1,262,000
Reserve for other one-time items	2,000,000	1,288,000	1,375,000
Total	\$16,000,000	\$10,300,000	\$11,000,000
Net assets as a percentage of average annual expenses of \$28 million	57%	37%	39%
Net assets balance as a percentage of net assets goal		64%	69%

Cash and Investments

The cash reserves goal (which is different from the net assets goal) includes operating cash and investments reserves to provide ICMA with the resources needed to continue delivery of its programs in the event of delayed payments from funders, to prevent ICMA from making expensive short-term crisis-based decisions, and to enable ICMA to focus on sound long-term decision making. The minimum cash reserve suggested by the Nonprofit Operating Reserves Initiative Workgroup is 25%, or three months, of the annual operating expense budget. ICMA's cash and investments balance is projected to be at 41% of average annual operating expenses at the end of FY 2021.

Capital Investments and Depreciation

As part of the annual budgeting process, capital investments are reviewed to determine the equipment, software, and other capital assets that must be placed in service or replaced over the next three years. Capital expenditures are depreciated over the useful life of the asset. Decisions about financing capital investments are based on available and required operating cash and reserves. Currently, ICMA has no investments that are financed through debt arrangements, as it has used its available cash to fund existing capital investments.

ICMA continues to be committed to determining the most economically advantageous option with respect to modernizing its office space, with the goal of creating an office environment that fosters creativity and collaboration and increases productivity and with the additional focus on employee health and well-being in the post-COVID era. Depending on the outcome of this process, a capital investment related to this project may be needed in the future. No such investment has been included in the FY 2021 capital budget.

Figure 10 illustrates existing capital assets and investments projected to be made in FY 2020 – FY 2022, with the related depreciation costs.

FIGURE 10 | Capital assets acquisition and depreciation

Capital asset	Acquisition year	Cost	Useful life	Depreciation expense		
				FY 2020	FY 2021	FY 2022
Furniture	FY 2002-2016	90,121	10	7,349	5,169	2,180
SUBTOTAL Furniture				7,349	5,169	2,180
IT hardware	FY 2015-2021	501,112	3-5	76,900	77,610	67,212
Voice over IP (VOIP) project	FY 2014	353,720	7	50,531	25,266	-
IT infrastructure upgrade	FY 2018	246,533	5	49,307	49,307	49,307
Stutz conference room audio upgrade	FY 2016-2017	35,501	7	5,288	5,288	5,288
Conference room smartboards	FY 2020-2021	52,561	5	5,256	10,512	10,512
SUBTOTAL IT Hardware				187,282	167,982	132,319
Website redesign	FY 2016-2019	375,638	2-5	45,233	45,233	49,876
Sharepoint	FY 2015-2017	87,540	7	12,506	12,506	10,091
Association management software (netFORUM)	FY 2013-2021	2,837,503	10	286,819	326,803	366,262
Other software upgrades and enhancements	FY 2015-2022	776,582	3-7	35,406	53,715	82,652
SUBTOTAL Software				379,964	438,257	508,882
Leasehold improvements	FY 2016-2017	156,694	10	15,688	15,688	15,688
SUBTOTAL Leasehold Improvements				15,688	15,688	15,688
TOTAL				590,284	627,097	659,068

FY 2021 Team Priorities and Budgets

With membership at its core, ICMA is organized in business teams focused on delivering key resources, products, and services worldwide in support of its mission. The directors of each of these teams form ICMA's Leadership Team.



The following pages describe the FY 2021 priorities, budgeted revenues, expenses, net contribution, and full-time equivalent positions for each of these teams. A detailed workplan with linkages to Envision ICMA can be found in Appendix 1.

Member Services and Support

Mission

To attract individuals to the local government management profession, recruit local government professionals in all positions and career stages to join ICMA, and provide excellent services and benefits throughout their career in public service.

FY 2021 priorities

- Support members in the challenging economic environment created by the COVID-19 global pandemic.
- Retain existing and recruit new members through a variety of strategies.
- Assist talented individuals in gaining entry into the profession.
- Improve and sustain collaborative relationships with state and affiliate organizations.
- Promote equity and inclusion in the profession.
- Promote a global commitment to ethics and enhance ethics awareness.
- Implement member-approved recommendations regarding voting and service on the Board.
- Build awareness of the importance of the CAO role and the council-manager form of government.

FY 2021 budget – membership dues revenue

	FTEs	Revenues	Expenses	Net
Membership dues revenue	-	\$ 5,961,067	-	5,961,067

Dues revenue is budgeted assuming a 3% decrease compared with the FY 2020 budget, given the anticipated economic impact of the COVID-19 pandemic on local governments. Dues revenue is used to fund a variety of programs related to member services and support, outreach, research and policy, and global engagement.

FY 2021 budget – member services and support

	FTEs	Revenues	Expenses	Net
Member recruitment, retention, and support	6.23	\$ -	1,103,744	(1,103,744)
Ethics	1.51	10,000	272,535	(262,535)
Career services	3.54	581,300	574,148	7,152
Relationship management	3.49	60,350	901,743	(841,393)
Form of government/advocacy	0.87	-	116,273	(116,273)
	15.63	651,650	2,968,444	(2,316,794)
Allocation of membership dues	-	2,316,794	-	2,316,794
	15.63	\$ 2,968,444	2,968,444	-

This budget includes expenses related to member recruitment, retention, and personal support, as well as member committees, ethics programs, affiliate relationships, next generation, and advocacy activities. As in prior years, these programs are projected to generate some revenues, such as sponsorships for events and fees for certain services. While these revenues cover a portion of the total costs related to member services and support, the rest of these expenses are covered by an allocation of membership dues.

Professional and Leadership Development

Mission

To develop and enhance the leadership and management capacity of members and local government professionals through a comprehensive array of high-quality programs delivered in a variety of formats to address needs of various career stages.

FY 2021 priorities

- Revamp and retool existing content to be relevant for the world affected by COVID-19.
- Build new programs to help local government professionals sharpen key competencies.
- Expand beyond current footprint with new programs in new markets.
- Research technology solutions to deliver online learning offerings.

FY 2021 budget

	FTEs	Revenues	Expenses	Net
Training and education	5.12	\$ 385,997	793,381	(407,384)
Leadership development	0.85	104,925	156,852	(51,927)
	5.97	490,922	950,233	(459,311)
Allocation of membership dues	-	459,311	-	459,311
	5.97	\$ 950,233	950,233	-

Included in this budget are ICMA University workshops, ICMA Credentialing Program, webinars, assessments, senior managers' and emerging leaders' programs, as well as new product development and marketing expenses. While some of these activities generate revenues, these revenues cover only a portion of the total costs related to professional development. The rest of these expenses are covered by an allocation of membership dues.

Conferences, Events, and Sponsorships

Mission

To generate business opportunities/innovations that boost membership value and foster professional local government management by delivering world-class conferences and events and by identifying and partnering with organizations whose missions align with ICMA's strategic goals.

FY 2021 priorities

- Transform ICMA's 2020 Annual Conference into a virtual/digital event for the first time in ICMA's history.
- Determine the content, format, and reach of the regional conferences.
- Maintain a strong network of strategic partners who work with ICMA on content and provide financial support.
- Continue performing a comprehensive analysis of the current Strategic Partner program and its benefits.
- Begin evaluating all of ICMA's assets and services to effectively market corporate sponsorship opportunities.
- Encourage contributions to ICMA's Future of Professional Management fund.

FY 2021 budget

	FTEs	Revenues	Expenses	Net
Annual conference	3.53	\$ 1,620,263	1,565,597	54,666
Regional conferences	1.22	269,625	392,997	(123,372)
Strategic partners and fundraising	1.14	617,500	247,035	370,465
	<u>5.88</u>	<u>\$ 2,507,388</u>	<u>2,205,629</u>	<u>301,759</u>

This budget includes annual and regional conferences, various partnerships and sponsorships, as well as fundraising activities. While in FY 2021 these activities are projected to result in a net contribution, that contribution is expected to be significantly lower than in the past due to the current economic conditions resulting from the COVID-19 pandemic.

Research and Policy

Mission

To position ICMA as a thought leader with respect to trends and issues affecting local governments and to conduct research and develop information resources important to local government professionals and government leaders.

FY 2021 priorities

- Conduct surveys and other research on local government policies and programs and produce useful research-based content.
- Produce timely and relevant COVID-19 related research and resources.
- Identify additional external resources to support ICMA research goals.
- Manage ICMA's digital and print publications business line.
- Manage Local Government Research Fellowship program.
- Advocate for public policy issues as they impact local governments and ICMA's members, particularly in the COVID-19 environment.

FY 2021 budget

	FTEs	Revenues	Expenses	Net
Public policy	0.74	\$ -	169,049	(169,049)
Publications	0.26	400,000	210,244	189,756
Research and content	2.39	150,000	479,693	(329,693)
	3.38	550,000	858,986	(308,986)
Allocation of membership dues	-	308,986	-	308,986
	3.38	\$ 858,986	858,986	-

This budget includes activities aimed at responding to public policy issues impacting local government, managing ICMA's publications, and conducting research and producing content on local government policies and practices. Some of the research is sponsored by external sources. The balance is funded through the allocation of membership dues.

Outreach

Mission

To build awareness and the reputation of ICMA and the profession globally through effective packaging and dissemination of local government thought leadership content, leading to increased demand for membership, partnerships, and resources.

FY 2021 priorities

- Grow and manage all ICMA outreach channels to generate maximum exposure for ICMA's brand, products, and services.
- Partner with every business team to develop and implement marketing plans to accomplish revenue and business objectives.
- Drive additional revenue opportunities by leveraging ICMA outreach channels and brand.
- Promote member collaboration and networking through ICMA Connect.
- Ensure an effective online presence for ICMA through the website, mobile apps, and social media channels.
- Promote ICMA thought leadership through media and content partners.

FY 2021 budget

	FTEs	Revenues	Expenses	Net
PM Magazine	0.82	\$ 214,000	353,059	(139,059)
Outreach and communications	5.07	185,000	902,396	(717,396)
	5.89	399,000	1,255,455	(856,455)
Allocation of membership dues	-	856,455	-	856,455
	5.89	\$ 1,255,455	1,255,455	-

Outreach includes activities related to raising awareness of ICMA's brand and content. As in the past, the FY 2021 budget includes revenues expected to be generated from offering advertisement space in ICMA's communications channels, such as the website and *PM* magazine. The rest of the budgeted expenses are covered by an allocation of membership dues.

Global Programs

Mission

To deliver high-quality technical assistance to local governments globally and to encourage sharing and replication of leading practices through peer exchanges and hands-on, practical training. To forge strategic partnerships with local government associations worldwide to further ICMA's mission globally by exchanging knowledge and best practices and collaborating on research and business ventures.

FY 2021 priorities

- Maintain ICMA's existing global engagement with affiliates, international committee, and international scholarship programs by identifying suitable ways to engage in the post-COVID context.
- Identify cost-efficient opportunities to advance global engagement around COVID-19 and community recovery, restoration, and resiliency.
- Develop partnerships to access funding opportunities, generate content to showcase ICMA, and share knowledge, including content related to COVID-19 response and recovery.
- Continue creating engagement opportunities for members to contribute to ICMA's funded programs in a variety of ways, including virtually.
- Implement funded programs efficiently and effectively, in compliance, on budget, and on time.
- Continue incorporating a global perspective in all of ICMA's activities and offerings.
- Begin to conceptualize ICMA's global engagement plan.

FY 2021 budget

	FTEs	Revenues	Expenses	Net
Grants and contracts	14.18	\$ 10,079,189	7,357,808	2,721,381
Team management and contract administration	2.90	-	527,714	(527,714)
Business development, bids, and proposals	3.76	-	666,851	(666,851)
Total grants and contracts	20.83	10,079,189	8,552,373	1,526,816
International affiliates and partnerships	1.40	45,000	291,459	(246,459)
	22.23	\$ 10,124,189	8,843,832	1,280,357

Global programs include international and domestic grants and contracts activities, together with the related support costs, such as team management, contract administration, and business development expenses aimed at securing future funding. As in prior years, grants and contracts are projected to make a net contribution in FY 2021. In addition, this budget includes activities related to strengthening ICMA's relationships with international affiliates and partners and other global engagement activities.

Organizational Support

Mission

The organizational support teams provide the business teams with the people, technology, space, and resources needed to achieve their priorities and meet their performance objectives. The support teams are charged with ensuring organizational sustainability and an integrated commitment to the mission, vision, and core beliefs of the association.

FY 2021 priorities

- Ensure ICMA's financial resiliency.
- Ensure achievement of FY 2021 goals and priorities in the times of high uncertainty. Closely monitor financial performance of all business lines against the budget and implement course corrections as needed.
- Modify ICMA's office space and implement operational policies to protect health and well-being of ICMA's employee family in the post-COVID environment.
- Continue to improve and streamline organizational processes to ensure efficient and flexible operations.
- Continue to review and modernize ICMA's policies and procedures to ensure compliance with laws and applicable regulations.
- Maintain an optimal and secure information technology infrastructure and effective and efficient IT support.
- Continue to build ICMA's employer brand and showcase ICMA as a great employer.
- Enhance staff professional development and training programs.
- Continue to seek opportunities to enhance revenue sources.
- Seek a technology partner to finalize and disseminate CivicBID and CivicDNA.

FY 2021 budget

	FTEs	Revenues	Expenses	Net
Executive Board	0.91	\$ -	486,484	(486,484)
Executive office	2.68	-	1,063,909	(1,063,909)
Facilities and administration	1.12	-	1,807,798	(1,807,798)
Finance	7.09	-	1,330,902	(1,330,902)
Information technology	4.75	-	1,813,314	(1,813,314)
Human resources	3.05	-	679,720	(679,720)
	19.60	\$ -	7,182,126	(7,182,126)

This budget reflects support provided to the organization by the administrative and financial services teams.

Other

Center for State and Local Government Excellence (SLGE) management

ICMA provides staffing to the Center for State and Local Government Excellence (SLGE) for management and oversight. SLGE reimburses ICMA for all direct and related indirect costs incurred in providing this support.

ICMA-RC royalty

In accordance with the licensing agreement with ICMA-RC, ICMA is paid a royalty for the use of the association's name and brand. Currently, the annual payment is calculated as 1.15% of ICMA-RC's consolidated gross revenues up to \$200 million, plus .75% of such revenues in excess of \$200 million. The FY 2021 budget includes an estimate of royalty revenue based on the agreement currently in place.

REIT dividend and other investment income

Real Estate Investment Trust (REIT) dividend is the income expected from ICMA's investment in the building. The FY 2021 budget includes an estimate of the REIT dividend based on the REIT net income projections for calendar year 2020.

Excess space

Of the approximately 42,000 square feet of space that ICMA leases, 26,825 square feet are occupied by ICMA and approximately 4,000 square feet are subleased to other organizations. The rest of the space, approximately 11,000 square feet, is expected to remain vacant throughout FY 2021, while ICMA continues to pay rent for it. While we intend to market the vacant space in an effort to obtain a new subtenant as soon as possible, due to the current market conditions we do not anticipate beginning to realize rental revenue until after FY 2021. Also, as a sublandlord, ICMA will be expected to invest additional funds in the vacant space to make COVID-related modification in order to attract a new subtenant.

Investment income

Investment income consists of estimated earnings on operating cash reserves.

FY 2021 budget

	FTEs	Revenues	Expenses	Net
SLGE management	3.48	\$ 1,055,252	664,666	390,586
ICMA-RC royalty	-	2,400,000	-	2,400,000
REIT dividend	-	411,000	-	411,000
Excess space	-	179,738	746,001	(566,262)
Investment income	-	90,000	-	90,000
	<u>3.48</u>	<u>\$ 4,135,990</u>	<u>1,410,667</u>	<u>2,725,323</u>

Appendix 1: Envision ICMA Implementation Plan FY 2021

Vision:

To be the leading association of local government professionals dedicated to creating and sustaining thriving communities throughout the world.

Mission:

To advance professional local government through leadership, management, innovation, and ethics.

Core Beliefs – We Believe In:

1. **Public Service:** including the stewardship of democratic principles and the efficient and transparent use of public resources
2. **Ethics:** as the core of professionalism in local government leadership and management as outlined in the ICMA Code of Ethics
3. **Council-Manager Form of Government and Professional Management:** as the preferred local government structure
4. **Equity and Inclusion:** ensuring that local governments are inclusive and mirror the diversity in communities
5. **The Continuous Pursuit of Excellence:** including professional development, life-long learning, networking, capacity building, knowledge sharing, and engagement
6. **Stewardship:** balancing resources including people, financial, social capital, and environmental so that communities are better than we found them
7. **Leadership:** developing leadership capacity and attracting and developing future generations of leaders.

PRIORITY I: Membership Benefits and Growth**Strategic Initiative A: Diversify and expand the membership.**

Strategy Number	Strategies	FY 2021 initiatives
A.1	Maintain an organizational priority to grow and retain the membership in order to support local government's ability to attract and retain talented professionals.	- Develop and implement strategies to retain and support members during the economic downturn. - Create a transition and career support program for Affiliate members in service whose positions are eliminated. - Explore providing financial assistance to members whose organizations are not able to support member dues and professional development. - Expand member engagement and outreach via formal staff and volunteer outreach program. - Enhance critical professional support for each member segment such as LGMF participants and First Time Administrators. - Continue growing ICMA membership through the following initiatives: - Enhance state by state joint recruitment with state affiliate organizations. - Joint recruitment with affiliates (LGHN, NFBPA, CAMA, SOLGM, etc.). - Implement Members on the Move initiative to recruit nonmembers appointed to CAO/ACAO positions. - Implement Leave no Lead Behind initiative, recruiting nonmembers who interact with ICMA's resources and content. - Broaden outreach to new pools of potential members by developing and implementing recruitment campaigns for special districts, Chiefs of Staff, Chief Equity Officers, Fire Chiefs and senior fire officers, and other local government professionals. - Build on FY 2020 initiative by continuing to highlight Local Government Excellence Award recipients year-round via monthly <i>PM</i> features, webinars, and social media. - Create virtual recognition of Local Government Excellence and Service award recipients.
A.2	Implement board approved	Continue to engage the student chapters in promoting the importance of diversity and

Strategy Number	Strategies	FY 2021 initiatives
	recommendations of the Task Forces on Diversity & Inclusion and Women in the Profession.	inclusion within the profession through content dissemination and programming. • Submit final report on task forces to the Executive Board. • Implement the new equity and inclusion team work plan, including: • Implement an Equity and Inclusion Advisory Board to develop content and advise staff. • Build existing and develop new affiliate agreements and partnerships with I-NAPA, CivicPRIDE, and other potential partners, including non-traditional organizations. • Ensure continued alignment with ICMA's Professional Development team on content development and representation by membership and speakers for all training programs.
A.3	Develop strategies to assist talented individuals in gaining entry into the profession.	• Continue to recruit city and county managers and assistants to partner with student chapters to mentor students. • Continue to develop and grow Veterans programs like the VLGMF, and launch new member Veterans Advisory Board. • Continue to provide members and their organizations with qualified applicants, while creating opportunities for students and early career professionals, by focusing on helping them build their career-starting and advancing skills. • Create a new subsite to promote curriculum, teaching resources, speaker resources, and more for the K-12 market. • Continue to enhance Job Center capabilities and marketing.
A.4	Define and promote the value of belonging to ICMA in addition to State Associations, International and other Affiliates, and related professional organizations.	• Ensure that all affiliation agreements have annual workplans to advance mutually beneficial programs.
A.5	Support the professional and personal needs of	• Continue to expand offerings geared to first-time administrators; build a cohort of first-time administrators on ICMA Connect.

Strategy Number	Strategies	FY 2021 initiatives
	members at all life and career stages.	- Continue to support and expand the Senior Advisor program through the following initiatives: - Provide members with information on mental health. - Support states in their efforts to recruit members. - Continue to enhance the Members in Transition (MIT) program through the following initiatives: - Provide reputational management services to MITs. - Create a new e-version of <i>Hitting the Beach</i>, with assistance from new task force. - Develop resources specific to interim and contract work. - Provide support and services to members in transition who are ineligible for the MIT program. - Develop an MIT program of support for affiliate members who experience job loss due to the economic crisis. - Create a legal resource list. - Enhance ethics awareness through the following initiatives: - Develop a second edition of an e-book focusing on the ICMA Code of Ethics, reaching members and others who are seeking more in-depth understanding of ethics. - Develop an online ethics course to increase awareness of the ICMA Code of Ethics. - Develop case studies to be used in training. - Contribute content through the ICMA blog and <i>PM</i> magazine. - Continue to offer professional development programs to meet needs of all career stages. Programs will be delivered in a virtual environment, with some live events being postponed, some modified for virtual learning, and some will be newly created. - Partner with the Kettering Foundation to deliver Making Democracy Work - a new initiative intended to build capacity of local government

Strategy Number	Strategies	FY 2021 initiatives
		professionals to better engage with citizens to make democracy work. The inaugural class is investing in community by identifying projects to implement increased engagement with the goal of sharing information in ways that can be adapted by other communities. • Continue to support student members with student chapter engagement activities, networking event support, and, if feasible based on economic conditions and budgetary constraints, travel scholarships. • Continue to recruit and place Local Government Management Fellows as local budgets allow.
A.6	Continue to expand the relevance of Student Chapters and their respective universities to highlight career opportunities in local government management.	• Continue financial support for students to participate in networking and professional development events. • Develop and execute a tabletop simulation exercise/competition for students at the ICMA Annual Conference • Launch a virtual career fair to help students find careers in local government. • Continue engagement with student chapters for content development and connection through the monthly chapter newsletter. • Continue expansion of chapters globally. • Continue chapter engagement activities such as regional leadership calls and best event contest.
A.7	Work with elected official organizations to develop and implement training to facilitate the increase of a more diverse pool of executives.	• Develop online learning opportunity that can be either co-produced or co-marketed with at least one elected official organization.
A.8	Identify and promote member services that are relevant to the international community.	• Promote a global commitment to ethical conduct by expanding ethics training to make it relevant on the global stage, recognizing cultural and regional differences. • Offer ethics training opportunities to international affiliates. • Promote Voluntary Credentialing Program to non-US audiences.

PRIORITY I: Membership Benefits and Growth

Strategic Initiative B: Improve and sustain collaborative relationships with international and state associations and affiliates to support, align, and advance common goals.

Strategy Number	Strategies	FY 2021 initiatives
B.1	Strengthen and formalize relationships with organizations that have similar missions to leverage resources for the benefit of the profession.	Continue to develop partnerships with organizations in the U.S. and abroad that have a similar mission to ICMA.
B.2	Expand the Regional Directors so that at least one director covers each region to foster relationships with international and state associations and the general membership.	The implementation of this strategy has been completed. ICMA now has Regional Directors in all regions.
B.3	Establish deeper relationships with international, state associations and affiliate membership organizations to develop a leadership pipeline to serve on the ICMA Executive Board.	Update and implement annual workplans focused on collaboration to support mutual goals and engagement, including mutual membership growth.
B.4	Enhance communication and dialogue to develop synergistic relationships with international, state, and affiliate organizations and other professional associations.	- Continue to strengthen engagement with ICMA's existing affiliate organizations and begin a campaign to recruit new affiliate partners. - Offer ethics training to state and affiliate organizations, including international affiliates.
B.5	Explore and establish relationships with non-traditional organizations that could serve as partners in achieving ICMA's diversity goals.	- Provide scholarships to underrepresented groups to attend leadership development programs. - Continue outreach to Historically Black Colleges and Universities and Hispanic Serving Institutions.

Strategy Number	Strategies	FY 2021 initiatives
		Finalize new draft affiliate agreements with International Network of Asian Public Administrators and CivicPride.
B.6	Advance work with IHN, NFBPA, and NACA and other organizations on establishing joint recruitment goals and recruitment opportunities and amend the national affiliate agreements as appropriate to further our shared goals.	- Update and renew agreements to ensure that they reflect an annual workplan that advances mutual interests. - Partner with affiliate organizations on ICMA programs to build membership and the profession. - Contribute and share content on websites and other communication channels and at conferences and events.

PRIORITY II: Learning Community

Strategic Initiative C: Create a worldwide learning community of local government professionals and provide training programs for all career stages.

Strategy Number	Strategies	FY 2021 initiatives
C.1	Expand learning opportunities and professional development for members at every career stage.	• Continue to offer professional development programs to meet needs of all career stages. Due to the impact of COVID-19, programs will be delivered in a virtual environment, with some live events being postponed, others modified for virtual learning, and some will be newly created. • Research technology solutions for delivering synchronous online courses. • Update Ethics 101 e-course and develop new asynchronous e-courses related to ethics and HR-related topics. • Develop council orientation webinar series. • Develop new Effective Supervisory Practices webinar series to coincide with new book edition. • Add or update modules to Local Gov 101 online certificate program to make it relevant to the COVID-19 era. • Partner with the Kettering Foundation to deliver Making Democracy Work - a new initiative intended to build capacity of local government professionals to better engage with citizens to make democracy work. The inaugural class is investing in community by identifying projects to implement increased engagement with the goal of sharing information in ways that can be adapted by other communities. • Work to expand Voluntary Credentialing Program inside and outside of the U.S. market.
C.2	Create opportunities for individuals with diverse career backgrounds to engage in training and professional development on local government.	• In partnership with the Environmental Protection Agency, deliver Brownfields Conference for up to 2,000 participants in April 2021 (whether an in-person conference is possible will depend on post-COVID conditions). • Continue to support outreach to non-members with resources such as ICMA Coaching and career guides.
C.3	Create learning opportunities for members to share experiences from	• Continue to identify ICMA members to provide technical assistance (including virtual support) on international and domestic funded programs.

Strategy Number	Strategies	FY 2021 initiatives
	countries around the world.	- Continue to manage and grow an effective international exchange program in partnership with the U.S. Department of State and ICMA member-led communities. COVID-19 may delay or alter existing and potential future international exchanges. - Support the ICMA Europe initiative to expand ICMA's reach, brand awareness, programming, and thought leadership across the continent and to grow membership.
C.4	Create a mechanism for mutual exchange of best practices	- Utilize ICMA Connect Network to give members the ability to share best practices. - Develop a new report in partnership with ArtPlace America on “creative placemaking” strategies for local governments. Continue to engage a member-led project advisory team to engage in peer to peer activities.
C.5	Further expand the ICMA coaching program and Local Government Management Fellowship program.	- Grow the LGMF with more placements and applicants. - Continue to increase the number of coaches and players registered and using the system. - Continue to produce six annual high-quality complimentary coaching webinars for the benefit of the profession, and to engage non-members in the association. - Implement Speed Coaching at Regional Conferences (exploring transitioning to virtual coaching experiences for remote conferences).
C.6	Continue to create professional development content on management practices.	Create virtual leadership development certificate (year-long cohorts) that can be expanded to cover the different practice areas.
C.7	Consider ways to market ICMA's professional development programs to local government professionals who are not ICMA members.	- Employ a broad range of electronic, social media, print, and referral marketing tactics designed to reach nonmembers. - Broaden outreach and develop a special districts recruitment strategy. - Develop recruitment plans for Chiefs of Staff, Chief Equity Officers, and other local government professionals.
C.8	Develop mechanisms to evaluate the effectiveness and impact of professional	Continue to evaluate all programs in terms of member satisfaction and continue to gather and use stories about effectiveness and impact.

Strategy Number	Strategies	FY 2021 initiatives
	development programs.	

PRIORITY II: Learning Community

Strategic Initiative D: Think globally, act globally.

Strategy Number	Strategies	FY 2021 initiatives
D.1	Develop coordinated strategy to increase brand awareness of ICMA and its benefits to international affiliates.	- Continue momentum generated by the COVID-19 global content contributions to promote ICMA's brand. - Create and publicize monthly profiles of affiliate organizations on the website.
D.2	Promote international awareness and perspective of the local impact of globalization.	- Develop a workplan and approach that aligns with ICMA's global engagement aspirations and the current COVID-19 situation. - Test offering some of the icma.org pages and, possibly, <i>PM</i> Magazine issues in other languages (i.e., Spanish). - Create and disseminate stories about the impact of ICMA's global technical assistance programs.
D.3	Develop a more robust learning network of US and International members.	- Seek external funding for ICMA's global engagement goals embodied in the white paper, <i>ICMA and Global Engagement: 1924 to Now to the Future</i>. - Continue to manage relationships with ICMA's international affiliate organizations, including retention of existing partners and recruitment of new country-based associations. - Work with international affiliate organizations to generate content on COVID-19 and other topics related to local government management. - Manage Tranter-Leong, Hansell, and other ICMA scholarship programs supporting global engagement.
D.4	Sustain ICMA's technical assistance globally to foster professional management and	Conduct business development activities designed to attract federal agencies, philanthropic funders, and other partnering organizations aligned with ICMA's mission, with

Strategy Number	Strategies	FY 2021 initiatives
	create sustainable communities.	particular focus on support to local governments related to COVID-19. • Produce new marketing materials highlighting ICMA's technical assistance capabilities and participate at events where potential funders and partners congregate. • Continue to develop data, content, and other knowledge resources that can foster derivative products and services and that can be used to bolster ICMA's technical assistance goals. • Leverage knowledge, staff experience, and content to implement programs that benefit communities worldwide through technical assistance, training, city-to-city partnerships, peer learning, and research.

PRIORITY III: Thought Leadership and Resource Network

Strategic Initiative E: Ensure future-ready leaders by providing thought leadership for the emerging and enduring challenges facing local governments.

Strategy Number	Strategies	FY 2021 initiatives
E.1	Continue to support and highlight academic and practitioner research identifying the most significant issues facing local governments.	• Conduct national surveys on local government policies and programs and produce thought leadership pieces on the survey results and leading practice case study communities. • Produce public policy thought leadership pieces on disruptive technologies, social changes, and other challenges impacting local government management, including a continuation of the COVID-19 policy content and policy advocacy activities. • Develop near and long term COVID-19 content. • Recruit and manage 2021 Local Government Research Fellows. • Continue African-American city and county managers research with Lenneal Henderson, a 2020 Local Government Research Fellow. • Continue research on local government cybersecurity with Don Norris, a 2020 Local Government Research Fellow. • Continue quarterly newsletter to academics highlighting the most recent ICMA research. • Continue to support the Academic Symposium at the ICMA annual conference curating research presentations from faculty to membership.
E.2	Partner with the other Big 7 and other related organizations to collectively respond to public policy issues impacting local governments.	• Continue ICMA's COVID-19 public policy tracking, content, and advocacy efforts. • Coordinate ICMA's engagement with Big 7 and other peer organizations on public policy issues.

PRIORITY III: Thought Leadership and Resource Network

Strategic Initiative F: Be the principal resource for leadership and management in local government.

Strategy Number	Strategies	FY 2021 initiatives
F.1	Design and deliver programming to address the important trends, drivers, and issues affecting local government professionals.	• Continue to generate content, training, and potentially technical assistance on topics related to the ongoing COVID-19 pandemic. • Develop new programs, products, services, and initiatives to support local governments and community recovery in the wake of the COVID-19 pandemic disaster. • Create virtual leadership development certificate (year-long cohorts) that can be expanded to cover the different practice areas. • Continue to partner with New York University to deliver information about the new City Health Dashboard tool and resources for local governments. • Continue to manage the U.S. Department of Energy funded SolSmart program for designating communities as "solar ready" for their work in streamlining local policies for solar projects. • Publish local government guidebook for large scale solar initiatives for the Solar@Scale Project. • In partnership with the Environmental Protection Agency, deliver Brownfields Conference for up to 2,000 participants in April 2021 (a possibility of an in-person conference will depend on post-COVID conditions). • Conduct educational sessions, webinars, and workshops, and develop case studies on economic recovery training (POWER Project funded by the Federal Emergency Management Agency). • Develop and pilot community-based CVE intervention mechanism in Bangladesh for the U.S. Department of State-funded project. • Strengthen capacity of at least eight secondary cities in the Philippines to promote sustainable and equitable growth (United State Agency for International Development funded SURGE program). • Implement U.S. Department of State-funded Fellows programs that enable young professionals from around the world to contribute to their communities' sustainability and democratic governance. The

Strategy Number	Strategies	FY 2021 initiatives
		implementation of this program will depend on the post-COVID conditions.
F.2	Assess, develop and promote professional management competencies and disciplines.	Continue to offer the Applied Knowledge and Applied Leadership Assessments and promote these assessments as entry points to new and existing programs, where appropriate.
F.3	Incorporate the concept of leadership in professional development offerings.	Create virtual leadership development certificate (year-long cohorts) that can be expanded to cover the different practice areas.
F.4	Promote leading practices to ensure local government's ability to attract and retain a talented and diverse workforce.	Create new editions for core ICMA books including Effective Supervisory Practices, Managing Local Government Services, and the Effective Local Government Manager.
F. 5	Promote ICMA globally as the resource for leading practices in local government management.	- Capture and share best and leading practices and the impacts of ICMA's local government management programs around the world through the development of case studies, and shared experiences. - Create pitches to attract media to ICMA thought leadership and content.
F.6	Organize and deliver content so it is easily accessible and fresh.	- Build on the success of the Coronavirus Resource Center. - Continue to improve the user experience and accessibility of ICMA channels (i.e., topic areas, ICMA Connect, Local Gov Life podcast series).

PRIORITY IV: Advocacy and Outreach**Strategic Initiative G: Promote the value of professional management and ICMA membership.**

Strategy Number	Strategies	FY 2021 initiatives
G.1	Focus prioritization on ethics, leadership, professional development, and member connection.	Using the content calendar as a tool, develop priority topic and product content derived from member-contributed content, so that members and prospective members see people like them on the front lines promoting the value of ICMA membership as topic and product ambassadors.
G.2	Find new ways to articulate the value of ICMA membership.	- Through the continuous production of COVID-19 and crisis recovery content, training, and peer engagement, demonstrate the value of ICMA membership, particularly in the times of a global crisis. - Promote member-only discussion groups and resources available on ICMA Connect. “Humanize” member benefits and “put a face” on the benefits of being a member by creating content and videos of members that include clear value explanations and testimonies.
G.3	Educate elected officials on the value of professional local government management.	- Develop research, content, and advocacy resources focused on educating elected officials on the value of professional management. - Explore developing a peer review journal to enhance research on the success of professional management.
G.4	Expand programs in schools to explain local government and encourage careers in local government management.	Promote and distribute the coloring book through affiliate programs and members.
G.5	Educate the public on the council-manager form of government.	Develop research, content, and advocacy resources focused on educating the public on the value of professional management.
G.6	Expand the outreach to community members presenting value of	Develop research, content, and advocacy resources focused on educating the public on the value of professional management.

Strategy Number	Strategies	FY 2021 initiatives
	professional management.	
G.7	Connect the profession's commitment to ethics to building public trust.	• Enhance awareness of the ICMA Code of Ethics and its review process by members, elected officials, and the public via content and social media. • Publish and promote a second e-book on ethics in the series focused on the ICMA Code of Ethics and building public trust, reaching members and others who are seeking more in-depth understanding of ethics. • Conduct an ethics orientation via teleconference for state association boards. • Reach a greater number of members and nonmembers by continuing to offer ethics training to state and affiliate associations. • Develop and offer virtual learning opportunities. • Create an ethics consortium with other associations to contribute to the dialogue on ethics and advance the discussion and commitment to ethical principles.
G.8	Enhance the Job Center platform to support member career advancement.	• Continue implementing technology improvements to the Job Center platform. • Continue to enhance Job Center capabilities and marketing.

PRIORITY IV: Advocacy and Outreach

Strategic Initiative H: Reach members and other important stakeholders through expanded use of technology and emerging media.

Strategy Number	Strategies	FY 2021 initiatives
H.1	Identify ways to support distance learning for members.	• For the first time in ICMA's history, transform the ICMA Annual Conference from an in-person event to a 100 percent virtual/digital event. Take advantage of opportunities presented by the virtual/digital environment for additional content on relevant topic areas important to ICMA members and local government professionals around the world. Transform the conference into a truly global event by creating new connection opportunities for attendees around the world.

Strategy Number	Strategies	FY 2021 initiatives
		• Continue distance learning offerings while researching technology solutions for expanding offerings to include online synchronous and asynchronous learning. • Update Ethics 101 e-course and develop new asynchronous e-courses related to ethics and HR-related topics. • Develop council orientation webinar series. • Develop new Effective Supervisory Practices webinar series to coincide with new book edition. • Add or update modules to Local Gov 101 online certificate program to make it relevant to the COVID-19 era. • Create virtual leadership development certificate that can be expanded to address additional ICMA practice areas.
H.2	Use new technology, digital/video media, and graphic design to engage members and deliver content.	• Optimize current outreach channels and resources to engage members, expand audience, and deliver content. • Upgrade icma.org to a new version of the platform, incorporating responsive eWeb and e-commerce capabilities. • Introduce new community features and expand mobile app usage on ICMA Connect. • Test AI for newsletter customization. • Identify new software that would enhance content sharing on social channels.
H.3	Continue to invest in developing a platform to share content and encourage peer learning and discussions.	• Continue to promote engagement via ICMA Connect. • Research online synchronous learning platforms to expand peer learning possibilities.
H.4	Identify business partners to help leverage technology and media capability.	• Continue performing a comprehensive analysis of the current Strategic Partner program and its benefits, as well as all of ICMA's assets and products and services. • Conduct an analysis of all of ICMA's assets, products, and services and determine if and how they can be utilized to help generate non-dues revenue.

Strategy Number	Strategies	FY 2021 initiatives
H.5	Expand the way ICMA delivers its message and content.	• Continue expansion of the print and digital footprint of <i>PM</i> magazine. • Connect and collaborate with partner organizations (state associations, other professional organizations, etc.) to expand ICMA's outreach.

PRIORITY V: Governance and Operations**Strategic Initiative I: Support the continued growth and development of ICMA's business enterprises and operational resources.**

Strategy Number	Strategies	FY 2021 initiatives
I.1	Maintain strong financial and operational policies and practices to ensure the vitality of the Association.	• Continue to transform ICMA and position it as a best-in-class organization that is financially resilient, forward-looking, agile, and entrepreneurial. • Modify office space and implement operational policies to protect health and well-being of ICMA's employee family in the post-COVID environment. • Continue strengthening internal control over resources and financial reporting. Given the high level of uncertainty with respect to all traditional revenue sources due to the economic impact of the pandemic, closely monitor financial performance of all business lines against the budget and implement course corrections as needed. • Ensure sufficient organizational capacity to achieve goals and priorities for FY 2021. • Continue to improve and streamline organizational processes to ensure efficient and flexible operations. • Continue to review and modernize ICMA's policies and procedures to ensure compliance with the law and applicable regulations. • Improve administration of funded awards by concluding the process mapping and improvement exercise that was started in FY 2020. • Maintain an optimal information technology infrastructure and effective and efficient IT support. • Continue implementing security innovations, such as multi-factor authentication, encryption, and remote wipe software, to lower ICMA's cybersecurity risk.
I.2	Develop strategies to attract and retain outstanding and diverse staff for ICMA.	• Showcase ICMA as a great employer and reach a wider candidate audience by utilizing the LinkedIn Career Page. • Automated onboarding processes by using available technology.

Strategy Number	Strategies	FY 2021 initiatives
		• Review existing policies and benefits to ensure alignment with the market and best business practices. • Promote staff professional development and enhance staff training program by offering online training courses to employees and supervisors using a variety of online training platforms. • Provide opportunities for employees to affect organizational improvements by serving on organizational ad-hoc teams created to solicit employee suggestions, ideas and recommendations on ways to improve organizational processes and procedures.
I.3	Support a range of viable business lines to diversify the Association's revenue stream.	• Continue to seek opportunities to enhance ICMA's revenue streams. • Evaluate ICMA's Strategic Partner Program as well as other ICMA assets and services to effectively market corporate sponsorship opportunities. • Continue to produce prime and subcontracting proposals for federal agencies, foundations, and other donors in support of ICMA's funded technical assistance. • Seek funding opportunities for COVID-19 related research and technical assistance. • Seek a technology partner to finalize and disseminate the technology products developed by ICMA, CivicBID and CivicDNA.
I.4	Periodically review the dues policy to ensure that ICMA can attract, retain, and grow membership.	• Recruit a consultant to help analyze the current dues structure and recommend a new approach to build membership.
I.5	Maintain the strong relationship with ICMA-RC to support ICMA's members and their role in building great communities.	• Continue to work with ICMA-RC on enhancing visibility of its products and services through joint marketing efforts. • Execute the deliverables in the sponsorship agreement.

PRIORITY V: Governance and Operations

Strategic Initiative J: Evaluate the governance of the Association to enhance alignment with ICMA’s strategic goals and core beliefs.

Strategy Number	Strategies	FY 2021 initiatives
J.1	Expand efforts to inform members about the role of the Executive Board and its election process.	Improve the website and create a FAQ and videos to more clearly articulate the role and value of serving on the Board.
J.2	Evaluate the Executive Board selection process, including regional protocols and geographic assignment of states so that it aligns with ICMA’s Core Beliefs and goals.	Implement the member-approved constitutional changes on voting and Board service.
J.3	Review voting eligibility so that it is consistent with the core beliefs and goals of the Association	Implement the member-approved constitutional changes on voting and Board service.