

**M E M O R A N D U M**

**TO:** Jim Malloy, ICMA President

**FROM:** Marc A. Ott, ICMA Executive Director/CEO

**DATE:** August 19, 2021

**SUBJECT:** Update on Dues Review Project & Code of Ethics Equity Scan

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As a follow-up to my board update of August 16<sup>th</sup>, I wanted to share with you some additional information on two important items that were briefly covered. I asked Martha Peregó to provide a few more details on the status of the dues review project as well as our progress on the equity scan of the Code of Ethics.

**Membership Dues Review Project**

ICMA's Dues Review Project has moved from the data analysis stage to the development of options for a revised membership and dues structure, including financial forecasting. We originally planned to present final recommendations to the Board in September, but now anticipate recommendations will be presented after the Portland Conference. If needed, we will schedule a special meeting of the Board to hear a presentation by the consultant and staff.

To recap efforts to-date, 30,000 members, non-members and lapsed members were given the opportunity in March to respond to a survey designed to gather information on the value proposition, options for structuring different membership models, and to test critical issues around price point. There were also questions that allowed ICMA to benchmark against other membership associations based on data our consultant, McKinley Advisors, has accumulated in their work. The survey was also sent to ICMA's international affiliate organizations to capture responses from non-members not in our database. Eighteen percent of current members responded for an overall response rate of nine percent, which meets the required statistical threshold.

Overall, respondents have positive perceptions of ICMA with agreement that ICMA provides valuable opportunities for professional development and networking. Superior events and trainings were also mentioned. Most respondents (85%) are satisfied with their ICMA membership (only 6% were dissatisfied). Members across tenure, member type, region, and community expressed high satisfaction across the board.

In terms of the competitive landscape, ICMA is the preferred provider for delivering content at meetings and events, professional development, and information. Our primary competitors in the landscape are state associations. They rated higher in the best value for the cost of membership and best opportunity for networking.

Cost of membership and ICMA's other offerings are a major barrier, especially for those in smaller communities or those that may be following non-traditional career pathways. Benchmarked against other associations in McKinley's work, ICMA had a higher satisfaction rate than the average of 78 percent. But considering cost to value ratio, we were at 29 percent which is below the average of 33 percent in the McKinley sample.

On pricing, Full members paying salary-based dues indicated the cost should be between \$500 to \$1,000. Affiliate members identified a price range from \$100 to \$350. Respondents supported a structure that reflected the ability to pay rather than a flat fee for all members. We presented the survey findings to the Dues Subcommittee on April 5<sup>th</sup>.

Based on the survey findings and feedback, the consultant held two focus groups with members and non-members in mid-July. One element of the discussion explored whether population size or budget would be a good proxy for a dues structure that reflected resource availability. This qualitative feedback from a small sample largely reflected the quantitative findings from the survey:

- Cost is a perceived barrier to entry for potential ICMA members.
- ICMA's dues structure could better serve under-resourced communities and early careerists.
- ICMA's dues structure should prioritize member growth.
- Population size is not a "perfect" proxy for measuring ability to pay.
- A multiple member discount was seen as highly attractive by members and non-members (there are currently 800 organizations that support multiple ICMA memberships).

With guidance from staff, the consultant is preparing options that will include financial forecasting for the Executive Director and staff to review August 24<sup>th</sup>. We anticipate reconvening the Dues Subcommittee in September to obtain their input on the draft recommendations.

### **Code of Ethics Equity Scan**

One of the six steps the Board identified in their June 2020 statement on systemic racism was to revisit the ICMA Code of Ethics to better integrate the profession's ethical commitment to racial justice and equity into the very fiber of the 12 tenets. In June, ICMA contracted with the School of Government at the University of North Carolina to assist staff in this effort. The principals on the project have expertise in the local government management profession, ethics, DEI initiatives, and research. Their proposed approach to the scope of work reflected the appropriate understanding of the importance of the Code to our members and the profession.

The first step in the review process is to convene two focus groups of members to get feedback about the current Code. In selecting members to participate, staff looked for the following:

- Diversity in terms of race, ethnicity, gender, age, geographic region, community population size, jurisdiction type, and position;
- Demonstrated understanding of the Code of Ethics and its relevancy to the profession;
- Leadership and engagement on equity and social justice issues; and
- A commitment to the profession via service with ICMA or state/affiliate organizations.

Based on criteria developed by staff, 20 members were invited by ICMA President Jim Malloy to participate in one of two 90-minute focus groups to be convened on August 23<sup>rd</sup> and 26<sup>th</sup>. Members have been very enthusiastic about the project and the opportunity to contribute. Members of the ICMA Committee on Professional Conduct will join the focus groups in the role of active listener. Their engagement early on is important given their role in presenting recommendations to the Board on changes to the Code. The focus groups will be facilitated by the consultant.

Feedback from the focus groups will be used to inform a survey to all members scheduled for launch in early September. Based on response rates, we anticipate the survey will remain open until mid-October.

At the Portland Conference, there will be two opportunities for members to offer input on the Code in sessions facilitated by the consultant. We plan to conduct a virtual opportunity post-conference for members unable to participate in the live discussions. Paired with an environmental scan of codes of ethics from ICMA's peer associations and organizations and the ICMA member-wide survey, all feedback gathered will inform any recommendations for changes to the Code.

The timeline anticipates the consultant will present recommendations by December 31<sup>st</sup>. Depending on the complexity of the recommendations, we have the opportunity to extend the member feedback phase leveraging state association and other meetings through Spring 2022. Changes to the tenets of the Code, which require approval by the membership can be placed on a ballot at any time. Changes to the guidelines require Board approval. At this time, it is quite conceivable the project will be completed by September 2022.

cc: Troy Brown, ICMA President-Elect  
Jane Brautigam, ICMA Past President  
ICMA Executive Board Members  
ICMA Leadership Team  
ICMA Regional Directors