

**CALIFORNIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS**

**BOARD OF DIRECTORS MEETING  
MINUTES**

Friday-Saturday

Hyatt Regency Monterey

**May 31-June 1, 2002**

**Monterey, California**

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**Attendees:**

David George, Chair  
John Costello  
Mark Dauberman  
Terry Emerick  
Ev Harry  
Donald Gursey  
John Levy  
Teresa Mason  
Dan O'Hare  
Jessie Powell  
Paul Regan  
Florence Rust  
Nancy Wheeler  
Steve Wimmers  
Gregg Wind  
Christopher Yahng

**Staff Members**

John Angelo  
John Dunleavy  
Donna Lekosky  
Linda McCrone  
Curt Olsen  
Sarah St. Charles  
Susan Waters

**Guests**

Mark Keener  
Diana Sanderson  
Ida Yarbrough

**Absent**

Bruce Allen

**Action Items**

The Board approved the January 2002 Board Minutes.

The Board approved a motion to place the Strategic planning results on CalCPA's website.

The Board approved a motion to ratify movement of excess cash to an institutional money market account at Wells Fargo Bank in order to receive a higher interest rate.

The Board recommended that Council approve the use of a signature stamp by Donna Lekosky if permitted by CalCPA's insurance carrier and is approved by the auditors.

The Board approved a motion to approve an additional \$8k for Amicus Briefing from the 2002 Contingency Fund. It approved transfer of 96K for Government Relations and \$15K for the Pension study of unspent 2002 budgeted Contingency Funds from the 2002 to the 2003 Contingency Fund.

The Board approved a motion to provide 5K to ACAP and no more than 10K in expenditures for administrative support.

The Board approved a motion to amend the Leadership expense reimbursement policy to include the expenses of the Treasurer and spouse or guest.

The Board passed a motion to invite the Nomination & Leadership Development Committee to attend the Council meeting in January.

The Board approved a motion to pay the usual expenses to the individuals on the Nomination & Leadership Development Committee for their attendance of the January Council meeting.

The Board supported the recommendations of the Group Insurance Trust Nominating Committee.

### **Strategic Planning Update**

Susan Waters explained the Strategic Planning process and reviewed the 16 objectives and their ranking. Ms. Waters then requested the Board approve the posting of the results on the Website. The members of the Board suggested a link to address questions that may arise. The request for posting was granted.

### **Treasurer's Report**

The April preliminary financials were distributed on site and presented by Donna Lekosky. Jesse Powell explained that a process had been initiated of moving excess cash from sweep account to an institutional money market account in order to receive a higher interest rate and asked the Board for authorization to ratify the Wells Fargo bank account. The board introduced and approved a motion. Mrs. Powell also asked the Board for approval of a signature stamp for Donna Lekosky. The Board agreed to recommend that Council approve the stamp pending a review of business insurance and auditor approval.

Ms. Lekosky also asked that unspent Contingency funds approved on 2002 in the amount of \$15k for the Pension Plan study, \$96K for Government Relations be moved to the 2003 budget. A motion was passed to move the funds to the 2003 budget. The Board approved the over spending of \$8K for Amicus Briefs from the 2002 Contingency Fund.

### **ACAP Update**

At the previous meeting of the Board it was agreed that some support of the 2002 Accounting Careers Awareness Program (ACAP) program would be included in our 2002-2003 budget with the understanding that a formal request of funds would subsequently be made. For this purpose Ida Yarbrough, a CalCPA and LA Chapter member, who serves as the Executive Director of ACAP in Southern California was invited. Mark Keener, a CalCPA member and San Francisco Chapter member, who serves in a similar capacity for the Northern California ACAP also attended. Mr. Keener is also the Past President of the National ACAP program through the National Association of Black Accountants (NABA).

CalCPA had included in the current budget a \$5,000 financial contribution and \$10,000 of in-kind (administrative and clerical assistance) in support of this year's summer residency program. The \$5,000 goes directly to support the cost of running the summer program and providing scholarships to enable minority students to participate. Ms. Yarbrough and Mr. Keener explained that the money helps to defray the costs of housing, food, supplies and program materials for the week-long program. Ms. Yarbrough explained that the program in Southern California is run on a shoestring, along with a small core group of dedicated volunteers that perform every aspect of putting on the program. The administrative and clerical assistance will be a great help. The work will include preparation of all mailings and correspondence to high schools, students and sponsors including the recruiting and follow up. It will include preparing program materials and the project manual.

Ms. Yarbrough and Mr. Keener presented a video tape that explains the ACAP Program history and purpose, as well highlighting some of the volunteers, student participants and the summer program itself. They thanked CalCPA for their support in the past and the opportunity for this year's additional administrative support. A joint financial statement was then presented reflecting the operating costs of both the southern and northern programs of approximately \$100,000. They presented their case to the Board as to why CalCPA should assume responsibility for the program statewide and its operating cost. Although the two operations are similar, they are not exactly identical and the southern program is in jeopardy of ceasing to exist due to burnout of the small core of volunteer supporters.

Mr. George thanked them for their presentation and stated that the Board would be discussing this matter further the following day. He reminded the group that Ms. Yarbrough and Mr. Keener would be joining us for dinner and Board members would have further opportunity to speak with them individually at that time.

The next day the Board discussed the presentation and request. The Board approved the \$15,000 appropriation for the 2002-2003 budget. It was determined that the Board would need much more information, facts and an analysis to consider any larger level of support. Ev Harry volunteered to approach Mr. Keener for some additional information since their offices were quite near one another. Mr. George indicated a follow up letter would be prepared to explain to ACAP what our present commitment will be and what information would be needed to consider a larger commitment.

### **GIT Conference Call**

This agenda item was added on site. GIT Chair, Gale Case, explained the GIT Board election process and the positions open for nomination. Mr. Case reported that Jesse Powell has chosen not to run for re-election. A motion to support the candidacy of Stuart Weinstein, Steve Kramer, Gary Cappata, and Pam Hunter was passed.

### **Government Relations Update**

Susan Waters reported for Bruce Allen who was absent. Ms. Waters discussed the flurry of activity in the Legislature in Sacramento. The CPA day held on May 28, 2002 was very successful with over 200 CPAs attending meetings with their local Legislators. The most problematic bill, AB 1995, had been defeated, but there are still several bills on the horizon that need to be addressed.

The Board had a brief discussion on CalCPA's Government Relations endorsement policy and they agreed that further discussion should be deferred until the Government Relations Committee has had a chance to make a recommendation to the Board. The Board noted that future references to CalCPA endorsed candidates may refer members to the campaign but should not mention fundraising.

### **Communications Update**

Communications Director Curt Olsen provided a summary of public relations results for the past fiscal year. He noted that electronic media placements (TV and radio) were double from the previous year, due to a number of factors including more emphasis in that area from PR Manager Bill Spaniel. CalCPA also took advantage of the recession and some major changes in the tax code to gain higher visibility during the year. Our legislative communications strategy is reactive, primarily due to the fact that a high volume of reform legislation has been introduced. Attacks on the profession, as well as continuous change in the legislation itself has kept staff and external counsel in the reactive mode. Despite this, we are controlling the communications environment to the extent we can in tandem with PR counsel in Sacramento. CalCPA is staying on message and working closely with Government Relations to apply the right communications resources during the current legislative session in Sacramento. Curt completed his presentation with a video of TV and radio highlights for the year.

### **CEO Report**

Susan Waters reminded the Board of the June 10-11, 2002 Council Orientation in Los Angeles and reviewed the schedule. She also noted the Annual Business Meeting and Council schedule on July 12-13, 2002 in San Francisco.

### **AICPA Council Update**

David George reported on the May AICPA Council meeting.

### **AICPA Council Process**

The Board discussed the process whereby the chair of CalCPA recommends members for nomination to the AICPA Council and the process for election by petition to the AICPA. Nancy Wheeler indicated that she will seek recommendations (including self-nomination) from membership and will confer with the First Vice Chair, immediate Past Chair and CEO concerning her recommendations.

### **Education Foundation Report**

Paul Regan reported that the Foundation had a good year. They were over in expenses primarily due to AM4 upgrades and operations costs. Mr. Regan reported that they have terminated the Results relationship. He also reported that the Foundation had completed a by-law revision process.

### **Report on CEO Goals and Performance Review**

David George reported that the CEO Goals and Performance Committee consisting of: himself, Don Gurse, Nancy Wheeler, Steve Wimmers and Jesse Powell had met with Susan Waters and that they had fulfilled their obligation. It was the Committee's recommendation that pursuant to the terms of the employment contract with the CEO that CalCPA not exercise its intent to terminate and that the employment contract be continued in full force and effect.

### **CalCPA Officers Expense Reimbursement**

Nancy Wheeler reviewed the current Leadership expense reimbursement policy and noted that while it does reimburse those of the Chair, Vice Chair and immediate Past President, it did not include the reimbursement of Treasurer expenses or their guest. Ms. Wheeler requested that the procedures be amended to include the reimbursement of Treasurer and guest expenses. A motion was passed.

### **Pension Plan Review**

Don Gurse identified the individuals whom had been appointed to the committee and asked for recommendations for a few more members. Mr. Gurse reported that he has been working to finalize the members of the committee and that he expected to have a report at the next Board meeting.

### **Nomination and Leadership Development**

Diana Sanderson reported that the nomination process has changed significantly over the last few years and went on to explain that the date of meeting has always been in December. Ms. Sanderson explained that David George and Nancy Wheeler had inquired of Diana about whether the Committee had considered moving the meeting to a later date because of the changed meeting dates of CalCPA Council. Ms. Sanderson asked the Board for their comments. The Board agreed to invite the Nominating Committee to the Council meeting in January if it has not met before that date. The Board also passed a motion to invite the Committee to the meeting and to reimburse their expenses in the same manner as Council members.

### **Discussion of Task Force on Future of Profession**

Susan Waters reported upon the role of the Committee and that John Lacy would act as Chair. The Committee is charged with exploring and identifying the role of accounting professionals in California's future and to evaluate the evolving economic, political, cultural, and regulatory environment in respect to future demands. The Committee will

develop an action plan and make recommendations to the Council. The Committee will begin meeting in September.

**Clearinghouse for Volunteer Accounting Services.**

Nancy Wheeler reported that she was asked by Paul Glass to bring forth a request from CVAS who lost 50k in funding from the State Board of Accountancy. The Board agreed to consider upon receipt of more information. The future funding requests of CVAS will be put on the November Board agenda.

**Closing Comments**

Mark Dauberman brought forth a request to donate left over food to the homeless and offered to supply address information of such facilities.

The meeting was adjourned at 12:00 NOON.

Respectfully submitted,

Sarah St. Charles  
Director of Human Resources