

CALIFORNIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

**COUNCIL MEETING
DRAFT MINUTES**

**Friday-Saturday
July 12-13, 2002**

**Westin St. Francis
San Francisco, CA**

Council Members:

Nancy Wheeler-Chandler, Chair

Chris Aasness

Dale Bender

John Benson

Russell Bock

Annise Brokstein

Joe Bunker

Ellyn Carlson

Gale Case

Dan Cashier

David Cieslak

S. Thomas Cleveland

John Costello

Mark Dauberman

John Dodsworth

David Duner

Mitra Ehsanipour

Robert Eichel

Ilene Eisen

James Fastovsky

Mary Kay Foss

David George

Bruce Gray

Don Gurse

Paul Herrerias

Vanessa Hill

Robert Jones

Eduardo Jordan

Pam Kelty

John Kennerson

Michael Klarin

Steve Kramer

John Levy

Howard Loomis

Stephen Lozano

James Lutz

David Marion

Teresa Mason

John McWilliams

Andrew Mintzer

Clayton Mitchell

Daniel Morris

Benjamin Mozzetti

Andrew Newman

Jerry Nightingale

Robert Nilssen

Daniel O'Hare

Jeanne Potter

Jessie Powell

David Primes

D. Paul Regan

Stuart Robken

Barbara Rosenbaum

J. Russell Roy

Larry Russell

Florence Rust

Diana Sanderson

Hal Schultz

Terry Seiberlich

Jeanne Shannon

James Stone

Pamela Thompson

Michael Ueltzen

Lammert Van Laar

Michelle Walters

Kendall Wheeler

Linda Williams

Ann Wilson

David Wilson

Steven Wimmers

Diane Wondolowski

Christopher Yahng

Dennis Young

Past Presidents Present-Voting

Dennis Brach
Gale Case
S. Thomas Cleveland
David George

Donald Gursey
Diana Sanderson
Hal Schultz
Mike Ueltzen

Past Presidents Present-Non Voting

Lou Barbich
Russell Bock
Don Nelson
Robert Petersen

Board of Trustees Present

Beverly Brautigam
Loretta Doon
Melissa Fortune
Denise Hurst
Zaf Iqbal
Elliott Kajan

Laura Kauls
Marc Parkinson
Paul Regan
Lou Savett
David Summers
Erich Zorr

AICPA California Delegation Present

Gale Case
John Costello
David George
Don Gursey

Hal Schultz
Nancy Wheeler-Chandler
Steve Wimmers

Parliamentarian

Bob Peck-Friday
Diana Sanderson-Saturday

Staff Present

Susan Waters
Bruce Allen
John Angelo
Vince Chin
John Dunleavy
Judy Graziani
Pat Kilner
Susan Klein
Donna Lekosky

Linda McCrone
Lisa McTaggart
Maria Nazario
Curt Olsen
John Phillips
Clar Rosso
Sarah St. Charles
Jeannie Tindel

Guests Present

Sandy Collins

Pat Creelan

Sina Enayati
Robert Healy
James Lambert
Jeanne Laye

Manny Manahan
George Millburn
Brian Rush
Stu Weinstein

Action Items

The Council passed a motion to approve April 2002 Council Minutes and May 2002 Board Minutes.

The Council approved a motion to authorize the use of a facsimile signature stamp for Donna Lekosky.

A motion to support the candidacy of Stuart Weinstein, Steve Kramer, Gary Cappata, and Pam Hunter for the Group Insurance Trust was passed.

The Council approved a motion to defer the decision on the method of the AICPA recommendation process to be used for the petition to be voted upon by members to the January 2003 Council Meeting and add to that meeting agenda.

Chair Report

CalCPA Chair, Nancy Wheeler-Chandler reviewed the Officer, Board, and Council job description and reimbursement policy. Mrs. Chandler reported that the Treasurer will be allowed reimbursement of expenses under the Board of Directors reimbursement policy in the same fashion as other officers.

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 the required objectives and that the employment contract in place would continue until 2006.

CEO Report

Susan Waters CEO presented CalCPA's Strategic Plan and reviewed the matrix and the different ways to use the information. To review the results go to <http://calcpa.org/members/governance>

Auditors Report

Dave Wilson, Audit Committee Chair presented the results of the Fiscal year ended April 30, 2002 Audit Report. Mr. Wilson reported that CalCPA had received an unqualified opinion, achieved the earliest completion on record, there were no recommendations to management and they found no reportable conditions of material weaknesses.

David Wilson asked that if any Council members were interested in sitting on the Audit Committee to contact Susan Waters or Donna Lekosky.

Treasurers Report

Jessie Powell presented the CalCPA fiscal year ended 2002 audited financial statements and explained the liabilities and net assets, highlighting the year ended with a surplus of 500K. Mrs. Powell also reviewed the corporate resolution for the approval of a signature stamp for Donna Lekosky.

Group Insurance Trust Report

GIT Chair, Gale Case explained the GIT Board election process and the seats up for nomination. Mr. Case reported that Jesse Powell and Tom Camp, had 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.

John Phillips reported on operating results of the Group Insurance Trust and invited members to visit the GIT booth and pick up the annual report. You may also review the report via website at www.cpaprotectplus.org

Nomination & Leadership Development Report

Don Gurse presented the Nomination and Leadership Development report and announced that the committee met and reviewed the nominating process. All applications for statewide nomination need to be received by the Nomination & Leadership Development Committee by December 16, 2002. The Nomination & Leadership Development Committee will be invited to attend the Council meeting in January 2003.

Announcement of Nominees for Board of Directors

The following names were entered on the ballot for the Board of Directors representatives from the Council:

- Mark Dauberman-Los Angeles Chapter
- Bob Jones, East Bay Chapter
- Pam Kelty, Channel Counties Chapter
- Ben Mozzetti, Silicon Valley/San Jose Chapter
- Florence Rust, Peninsula Chapter
- Michelle Walters, Orange County/Long Beach Chapter
- Kendall Wheeler, Fresno Chapter
- Barbara Rosenbaum, Los Angeles Chapter

The balloting occurred on Saturday, July 13, 2002 and CalCPA's Chair, Nancy Wheeler-Chandler announced the newly elected members of the Board of Directors representing the Council were Pam Kelty and Michelle Walters.

Foundation Annual Meeting

Paul Regan opened the Foundation Annual Meeting with a review of the Foundation's accomplishments and financial results for 2000-2001. A partial list of accomplishments include:

- Maintained overall 4.1 attendee evaluation rating for all courses/conferences.
- Increased use of technology on-site at courses and conferences.
- Improved confirmation process through use of new AM4 software and Web site.
- Coordinated and co-sponsored with other state Societies in planning out of state programs (e.g., Las Vegas, Reno, Vancouver CE weeks).
- Generated more revenue this year than last five years (with no price increases).
- Sold 1,158 coupon books (compared to 1,056 prior year).

The Foundation ended the year with a slight loss of \$80,000 but had an overall contribution margin of 40%.

David Cieslak presented the Foundation's nomination report and the following officers and trustees were elected:

2002-2003

President: Marc Parkinson
First Vice President: Loretta Doon
Vice President: Anthony Teng
Treasurer: Elliott Kajan

CalCPA Chair: Nancy Wheeler

2002-2004

Trustees: Beverly Brautigam
Melissa Fortune
M. Zafar Iqbal
Laura Kauls
Louis Savett
Thad Scott

Paul Regan turned the meeting over to Marc Parkinson who conducted the nomination process to appoint a council member to serve on the Foundation's Nomination and Leadership Development Committee for a two-year period. The nominees were:

John Costello, Los Angeles Chapter
Vanessa Hill, San Francisco Chapter
Terry Seiberlich, East Bay Chapter

It was announced that Vanessa Hill, San Francisco Chapter, was elected.

Marc Parkinson presented the revised Foundation Bylaws and Articles of Incorporation. Both were unanimously approved.

Denise Hurst presented the instructor and speaker awards for 2000-2001.

They were:

Instructor Excellence: Bonnie Nagayama & Al Partington
Meritorious Service: John Brainerd
Outstanding Course Materials: Ralph Scott
Outstanding Conference Speaker: L. Gregory Scott
Outstanding Conference Volunteer: David Freed
Trustees Special Service Award: Karen Crandall, Harley Neuman & Richard deBlois

Marc outlined his main goals and priorities for the coming year. A partial list includes:

- Continue to provide CPE with no price increase for the 5th year in a row
- Offer free 8 hour CPE class for chapters to sponsor for scholarship revenue
- Offer free 8 hour class to all new CalCPA members
- Introduce new Firm of the Future multi-day program in the fall
- Implement and enhance online CPE tracking system
- Release online grading of self-study exams - (July 2002)
- Improve and update the Ethics for Candidates test (PETH) - (new edition published, July 2002)
- Conduct new Marketing survey in July with results tabulated by Sept. 2002

- Investigate an on-line library that can be used for research and continuing education

Other priorities and activities include but are not limited to:

- Add four new conferences: Succession Planning, Retirement/Pension Planning, Real Estate and Bankruptcy
- Continue with the development of our event sponsorship program
- Develop online A&A and Govt. credit courses – (begin programming in fall 2002 with probable winter release)
- Market to outside groups recently approved for credit: Enrolled agents, Certified Tax Preparers - (fall/winter 2002)
- Develop more advanced and challenging one-day programs for practitioners with a high level of expertise or niche practice in the areas of Estate Planning, Tax Planning, Closely Held Businesses, and Litigation Support
- Continue to train our CPE Sales Representatives so we have the most knowledgeable and action oriented people representing the Education Foundation

Marc thanked Paul Regan for his great leadership and contribution to the Foundation in his role as President for the past year.

Facilities Task Force Report

Paul Regan reported on the Meeting of the Facilities Task Force in June 2002. Mr. Regan reported the group's discovery in the following:

- The existing facility is meeting the needs of the organizations.
- The existing facility can accommodate expansion.
- Subject to any regulatory restrictions, the organizations would consider participating in the purchase of a facility assuming it was an appropriate economic decision.
- It is not likely that purchasing a building in the near or immediate future will make economic sense.
- No facilities changes are expected in the near future.

The Task Force will report to the Board and Council at future meetings.

AICPA Update

David George reported on the May 2002 AICPA Council Meeting.

AICPA Council Recommendation Process

Nancy Wheeler-Chandler reviewed 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 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.

Government Relations Report

Bruce Allen and Mike Ueltzen reported on the influx and rapid pace of change in Sacramento. A post session report will be delivered to the Board in November. For current updates, go to calcpa.iris1.com

Member Relations and Membership Development Report

Pat Kilner reported on the Members in Industry survey to assess satisfaction and needs. Of the 417 CPAs that were polled, 70% hold an active license and the majority rated their CalCPA membership very high. The most popular benefits were California CPA Magazine and information access. Of the publications they receive, the one most often read was the chapter bulletin, followed by California CPA. When asked if the current programs met their needs, 62% said they need more business and industry focused programs. CalCPA will seek to increase offerings to members in industry, including development of a newsletter.

John Angelo reviewed current Chapter activities and events. John also reported on the Human Resources Committee, the Litigation Section and MAP Committee and highlighted resources currently available.

CEO Report

Susan Waters Reported on the 2002-2003 established goals in several broad areas: advocacy for the profession; outreach to potential future accountants; communications to the membership; membership development; AICPA issues; and response to the Enron bankruptcy and Anderson conviction. Ms. Waters also reported that the goals are consistent with the CalCPA strategic plan as developed by the Council in April and approved by the Board in June. In the future, the plan of work will be encompassed within the annual plan.

The meeting was adjourned at 12:00 Noon.

**COUNCIL REPRESENTATIVES TO THE
2002-2003(4) BOARD OF DIRECTORS
(a 2 year term)**



California
Society
Certified
Public
Accountants

NOMINEES
Vote for up to 2 from the list

- Mark Dauberman – Los Angeles Chapter
- Bob Jones – East Bay Chapter
- Pam Kelty – Channel Counties Chapter
- Ben Mozzetti – Silicon Valley / San Jose Chapter
- Florence Rust – Peninsula Silicon Valley Chapter
- Michelle Walters – Orange County / Long Beach Chapter
- Kendall Wheeler – Fresno Chapter
- Barbara Rosenbaum – Los Angeles Chapter

Only voting council members are eligible to cast a vote.

Date: 7-13-02

Council Representatives to Board of Directors Election Procedures



- **Elect 2 representatives two-year terms.**
- **Nominations accepted Friday, July 12th, no later than 3:00 pm.**
- **Nominees will be announced before adjournment of meeting on Friday.**
- **Voting will occur between 8:00 and 8:30 a.m. on Saturday, July 13.**
- **Ballots will be counted by Past Presidents in attendance.**
- **The two members that receive the two highest vote counts will be elected to two year terms.**
- **Ties will be resolved by chance.**
- **Election results will be announced before the end of the Council meeting.**

**COUNCIL REPRESENTATIVES TO THE
2002 – 2003(4) BOARD OF DIRECTORS**



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Election

Pam Kelty – Channel Counties Chapter 2-yr Term

Michelle Walters – OC/LB Chapter 2-yr Term

Congratulations

MOTION FORM



California Certified Public
Society Accountants

Date: July 13, 2002
I (we) move (amend),

Motion:

To defer the decision on the method to be used for the petition to be voted upon by members to the January 2003 Council Meeting and add it to that meeting agenda.

45 for - 18 against. Motion Passed.

Maker: Don Gurse
Second: Dave Wilson