

CALIFORNIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

**COUNCIL MEETING
MINUTES**

**Friday-Saturday
November 2-3, 2001**

**Merv Griffin Resort Hotel
Palm Springs, CA**

Council Members Present:

David George, Chair

Mike Allmon
Sally Arnold
John Benson
Helene Blumner
Annise Brokstein
Ellyn Carlson
Janice Carr
John Costello
Mark Dauberman
David Duner
James Fastovsky
Gary Finkel
Mitchell Freedman
Karen Goodfriend
Charles Gumbiner
Everett Harry, III
Linda Heineman
Paul Herrerias
Cameron Hess
Vanessa Hill
Edward Humphreville
Nai Hwang
Eduardo Jordan
Pamela Kelty
John Kennerson, Jr.
Dennis Klarin
Michael Klarin
Steve Kramer
Jeanne Laye
John Levy
William Lewis

David Marion
Teresa Mason
Ted Mitchell, Jr.
Daniel Morris
Benjamin Mozzetti, Jr.
Don Nelson
Daniel O'Hare
Patrick Paggi
Mark Poindexter
David Primes
D. Paul Regan
Stuart Robken
Patrick Rogan
Barbara Rosenbaum
J. Russell Roy
Larry Russell
Florence Rust
Terrence Seiberlich
Marty Seidman
Martin Shlonsky
Pamela Thompson
Steve Throop
Michelle Walters
Kendall Wheeler
Nancy Wheeler
Ann Wilson
Steve Wimmers
Gregg Wind
Diane Wondolowski
Christopher Yahng
Dennis Young

Past Presidents Present-Voting:

Gale Case
Donald Gursey
Don Nelson
Harold Schultz

Past Presidents Present-Non-Voting:

Louis Barbich
William Easley
Robert Ford
James Kuhn
John Norberg

AICPA California Delegation Present:

Janice Carr
Gale Case
John Costello
David George
Donald Gurse

James Macklin
Mike Soza
Nancy Wheeler
Steve Wimmers

Parliamentarian:

Robert Peck

Staff Present:

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

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

Guests Present:

Thomas Dalton
John Dodsworth
Steve Lund
Barry Melancon

Jerry Nightingale
David Summers
William Sturgeon

ACTION ITEMS: (COPIES OF MOTION FORMS ARE ON FILE AT CalCPA OFFICES IN REDWOOD CITY)

The Council approved the appointment of Edward Jordan to replace Majid Zarrinkelk as Council representative from Orange County/Long Beach chapter for the remainder of a 2-year term

The Council approved the July 2001 Annual Business meeting minutes

The Council approved the July 2001 Council meeting minutes

The Council approved the motion brought forward by John Costello to have the Relocation Task Force vote as a quasi committee. The motion was seconded by Mitchell Freedman

The Council voted to rescind the original motion to move to Sacramento. The motion passed.

The Council voted to create a task force to further explore the merits of all entities purchasing a building in the bay area. Motion passed.

CalCPA Council members voted as follows regarding the Global Business Credential known as IISBP or XYZ.

Yes, I support the Global Credential 8 votes

No, I oppose the Global Credential 51 votes

I am neutral on the Global Credential 2 votes

CalCPA Council recommends that members vote against the AICPA Global Credential proposal. The CalCPA Council vote on the Global Credential was 51 against, 8 in favor, 2 neutral.

The Council approved a motion brought forward by Pat Paggi, President of the Bakersfield Chapter to endorse Mike Maggard for the 32nd Assembly District.

The Council approved the 2002-2003 budget guidelines brought forward by the Finance Committee.

The Council approved a motion brought forward by the Nomination & Development Committee that each chapter create a \$2500.00 fund for encouraging the participation of new leaders in the CalCPA state committees and/or Council meetings. Funds to be distributed at the chapter's discretion.

The Council approved a motion brought forward by John Levy to authorize CalCPAs Board of Directors to act on behalf of the CalCPA Council to finalize the Phase 2 agreement with SSSLCC and CPA2biz.

The Council approved a resolution which allows Communications staff to apply for periodical rate postage for California CPA magazine.

CONSENT AGENDA

Chairman David George opened the meeting at 12:00 noon. The Council approved the July 2001 Council minutes with no changes. The Council reviewed the September 2001 Board of Directors minutes and the consent agenda was approved.

The Council approved the appointment of Ed Jordan from Orange County/Long Beach chapter to the Council.

CHAIRMAN'S REPORT

David George, Chairman of CalCPA, informed us that an agreement was reached regarding changes in chapter names. The San Jose Chapter will now be called the Silicon Valley San Jose Chapter, the Peninsula Chapter will now be the Peninsula Silicon Valley Chapter and the East Bay Chapter has reserved the right to change its name at a later date.

The California State Bar gave us the opportunity to comment on their Report and Findings on Multidisciplinary Practice. Our Task Force, chaired by John Costello, sent a response that had been approved by our Board of Directors.

David George also reported on the AICPA Council Meeting in Miami. The major issue discussed was the XYZ credential. The outcome of the discussion was to submit the proposal for a ballot vote by the membership. In addition, CPA2Biz was represented as performing better than what was originally budgeted with 18 to 24 months of remaining cash and the expectation of receiving cash infusions from additional investors. The most recent partner, Verisign, bought in at a higher valuation than previous partners, which was emphasized as a good sign. Because of the cost savings, the AICPA generates more income from the same revenue base than they did before CPA2Biz was implemented. Other items mentioned were: Microsoft Corporation is a small minority investor and does not have access to the member database, and the AICPA commented that the BDO Seidman lawsuit has no merit. Also, in regards to CPA2Biz, the "CPA Dashboard" will soon be rolled out for CPAs to utilize with their clients.

Harvey Pitt, SEC Chair, addressed the AICPA Council and stated that the SEC will begin more dialogue and better communication between the SEC and the CPA profession. He discussed some of the changes to professional standards that are currently being considered. Also discussed was the computerization of the CPA exam, now targeted for November 2003. The difficulty in implementing this project will be in persuading 54 different licensing jurisdictions to agree. Also, the AICPA presented our own, Tom Rimmerman, with their highest award, the AICPA Gold Medal for Distinguished Service.

There has been a drop in the percentage of college students in accounting majors (4% in 1990 vs. 2% in 2000). Due to the low numbers, the AICPA is developing a student recruitment program. They are creating an association with the website, Burly Bear, the number one College TV Video Network.

FIRST VICE CHAIR REPORT

Nancy Wheeler reported on the upcoming meetings. The annual members, annual foundation, and council meeting will take place July 12-13, 2002 in San Francisco and the major entertainment event will be Beach Blanket Babylon.

OFFICE RELOCATION TASK FORCE REPORT

- Task Force Chair, Mike Soza made a PowerPoint presentation (on file at CalCPA headquarters) to the council, which included the purpose and history of the Task Force, which was an outcome of the October 1999 Board Action. He outlined “why we are where we are”.
- Potential rewards and risks of moving were identified.
- Discussed all that was considered and the impact of a move.
- Discussed what the data that was collected by the real estate consultant showed.
- David George thank Mr. Soza and the Relocation Task Force members for their work.
- David George read a resolution from the Board of Directors that was prepared and approved by the Board, at their September Board meeting, following the Relocation Task Force report to them.
- The motion from the board was ratified by Council.
- John Costello made a motion to have council go into a quasi committee of the whole to conclude no later than 3:30 p.m. , seconded by Mitch Freedman. The motion was approved.

TREASURER’S REPORT ON PROPOSED MOVE

- Treasurer, Jessie Powell gave a report on financial impact to the organization if we were to follow the task force recommendations. The power point presentation is on file at CalCPA headquarters.

A PRO AND CON PANEL PRESENTATION FOLLOWED:

- Representing the side that favors(pro) CalCPA move to Sacramento were Steve Lund and Terry Seiberlich. Representing the side the does not favor (con) CalCPA move to Sacramento were Paul Regan and Steve Wimmers. A power point presentation submitted by the “con” side is on file at the CalCPA office.

Issues and Perspectives of the Pro Side:

Proponents of the move stated that the purpose of the proposed move is to locate the CalCPA headquarters in the state capital to increase the Society’s visibility in the legislative arena, and that the proposal should be viewed as a long-term strategy. The proponents advocated for the purchase of property, as it is financially advantageous over the long haul, current investment performance is poor and there are good opportunities for favorable financing at this time. Sacramento is also a lower cost area than the Bay Area and issues of staff impact and relationships with the affiliated entities can be managed.

Issues and Perspectives of the Con Side:

The opponents of the move discussed the negative impact on the organization that would be caused by losing an estimated 90% of its professional staff at one time and the relationships with CalCPA’s affiliated entities. They stated that CalCPA has an effective legislative presence in Sacramento and that CalCPA is not alone among professional associations in keeping its headquarters outside of Sacramento while maintaining a legislative office there. They concluded that there was no compelling reason to move to Sacramento and that the risks far outweigh the potential gains.

The CEO gave a report on her discussions with the CEOs of the sister entities regarding staying together. She reported that they were each not interested or willing to relocate to

Sacramento. Discussion did lead to an interest in exploring the possibilities of buying a building and relocating together in the same general area as they are now.

Mr. George reminded the group that they were still working under “a quasi committee of the whole”. Mr. George then asked the staff to leave the room so that council could discuss the issue, they would be called back in, once discussion ended.

Discussion concluded and staff was asked to return. The following motions were then made:

1. To rescind the original motion to move to Sacramento. See attached motion, which passed.
2. Create a task force to further explore the merits of all entities purchasing a building in the bay area. See attached motion, which passed.

CALCPA ELECTIONS

Those members of Council who wished to announce their candidacy for CalCPA office were invited to do so.

GLOBAL CREDENTIAL-INTERNATIONAL INSTITUTE OF STRATEGIC BUSINESS PROFESSIONALS

David George reported that the AICPA mailed ballots to all AICPA members on October 29th asking for a vote on whether the AICPA should pursue creation of a separate international membership entity, the IISBP that would begin administering a certification program for a global business credential. Under the proposal, this credential would be open to qualified CPAs and non-CPAs. George asked the council to consider whether or CalCPA Council should take a position on the issue. If it is decided that that Council should take a position, then Council would adopt a position of support, oppose or neutral.

National Survey Report

Hal Schultz reported that he had served on an AICPA Survey Oversight Task Force that was created after the AICPA Council adopted a motion in May to survey the membership. Representatives of the New York and California societies had advanced this motion. He reported that the small task force was balanced in that it included both opponents and proponents of the global credential initiative.

The objective of the survey was to determine the sentiment of AICPA members regarding the credential; identify the leading arguments in favor and against the credential and understand member reaction regarding the eligibility of non-CPAs to obtain the credential.

Mr. Schultz reported: Statistically valid sample (over 1,000 polled); Conducted by phone between 8/26 and 9/6; Most CPAs agree that CPAs are diversifying their skills and filling a strategic advisor role; Fifty percent of CPAs contacted had little knowledge of the proposal. After having the proposal described 61% were somewhat positive and 56% indicated they would vote for the proposal. Supporters were more likely to be between the ages of 34-44; work for large employers in industry, government or academia. Forty-five percent thought that if the credential was pursued, it should be limited to CPAs only.

Barry Melancon, CPA CEO of AICPA presented information and an overview of why the AICPA developed the Global Credential concept.

Mr Melancon stated that there is a disconnect between what services CPAs provide to their clients and the scope of the CPA license. Auditing is no longer the cornerstone of the profession, but it is the basis for licensure and regulation and requirements that CPAs be proficient in auditing has deterred young people from joining the profession. Responding to these realities, CPA firms have expanded their services and invited non-CPAs into their firms. The global credential proposes to recognize these changes in the marketplace by creating a new credential that will be available to CPAs and non-CPAs and will be regulated under intellectual property laws rather than by state or national regulatory bodies. This should be considered a long-term strategy to serve the profession in the future.

Kendall Wheeler, Council member from Fresno presented opposition arguments to the Global Credential:

Mr. Wheeler stated that the credential would result in the eventual demise of the CPA profession and that the AICPA should be supporting the CPA credential rather than trying to create a new one. He said that CPAs are providing expanded services and that the claim that the "brand" cannot be stretched is wrong. The proposal has divided the profession, and it should be defeated.

Dan Morris presented arguments in support of a Global Credential.

Mr. Morris stated that the current debate represented disagreement between those who embrace change and those who fear it. The global credential presents an opportunity for CPAs to create the future and presents very few risks to the profession. If the profession does not change, it will go into decline and others will take this opportunity to fill the market need.

CLOSING REMARKS BY KENDALL WHEELER

Kendall Wheeler closed by indicating that other professions are experiencing similar declines in applicants and he felt that it was due to the growth potential perceived in the dot.com industries. He forecast an increase in accounting majors due to the flagging economy. He also indicated that he had 20 –to-30 years left to work in the profession and that this proposal would impact him. If the AICPA studies are accurate and the credential idea is adopted, this new credential will have twice as many participants as there are CPAs in the United States. He felt that holders of the credential would have either a little knowledge of many disciplines with no real depth or an in-depth knowledge of a very few areas. The public would have difficulty determining what expertise the holder of the global credential would actually have.

Failure of the credential would damage the CPA brand. Pursuit of the Global Credential is contrary to the mission of the AICPA. Most of the informal polls being conducted by California indicate that CPAs strongly oppose the global credential concept.

A period of questions and answers followed.

Council thanked the panel. And adjourned for the day.

David George opened deliberations by describing the process. Council would decide what advice if any to give to AICPA members about voting on the Global Credential proposal. Many states have taken a position. Those positions have been support, oppose or neutral. Where does the body want to go?

- On the question of whether the Council should take a position. Many spoke in favor of taking a position and many spoke against taking a position

It was recommended that the debate be changed to what our position would be and then return to whether or not we should communicate the position to the membership.

It was moved and seconded to adopt the following motion:

The CalCPA council supports opposing the global credential IISBP formerly known as xyz.

There was some confusion as to whether a yes vote would be supportive of the global credential or whether a yes vote meant opposition to the credential. It was decided that council members were more comfortable expressing their own personal view in the vote.

A variety of amendments were suggested including just answering the question, "Are you in favor of a global credential. This was rejected because failing to support the global credential was perceived as very different than opposing.

A debate on standing votes vs. secret ballots was considered. At the end Council members were counted

Yes, I support global credential (8)

I oppose the global credential proposal (51)

I am neutral on the global credential (2)

The method of communicating the results of this vote to members was discussed. Some felt that it would be insulting to the members to tell them how to vote. Others felt that members looked to Council for guidance and therefore it should be communicated that after studying the issue council voted to oppose the global credential and recommended that members vote no.

It was moved and seconded to adopt the following motion

CalCPA Council recommends that members vote against the AICPA's proposed global initiative and communicate the results of the vote on the credential to members.

The vote was 31 for transmitting this position to members and 28 opposed.

Government Relations-

Bruce Allen reported that earlier this year there appeared to be no chance of enacting the UAA. It looked like the California Board of Accountancy would have an unlicensed majority and the Uniform CPA exam appeared to be in jeopardy. The Board, now Council performed a miraculous turnaround by coming to Sacramento and getting involved. We were very successful and avoided the need to spend \$100,000. The profession owes a debt of gratitude to University of Dan Diego professor Tom Dalton and Steve Wimmers for participating in making that happen. AB 585 was signed by the Governor and SB 133 which contains some of the provisions of AB 585 along with extension of the CBA and a one person increase in the number of unlicensed members on the CBA.

He also reported that CalCPA is working with Accounting Educators, Member Relations, and Communications team members and the California Board of Accountancy on implementation of the new laws. A handout was presented giving information on where to

go to get answers to licensing questions. There is also a space on the web site under careers for forwarding individual questions. These questions will be responded to within 10 days. He reported that answers to "Frequently Asked Questions" would also be posted.

CalCPA is also researching substantially equivalency and reciprocity issues related to the new laws. It does not look like CalCPA will be considered substantially equivalent and we may need to bring some cleanup legislation to enact Section 23 of the UAA.

An interim hearing was conducted on AB 269 (Correa). That bill is included in the written report. Hal Schultz attended that hearing and reported that essentially the Department of Consumer Affairs is attempting to expand its authority over the Boards by obtaining the authority to have the executive officers of the boards appointed by a committee composed of the Governor's appointments secretary (a political appointee), the Director of the Department of Consumer Affairs (a political appointee) and one representative of the Board hiring the executive officer. Currently the Boards are fairly autonomous and choose their own executive officers.

The Department is also considering ways of expanding its oversight over disciplinary matters related to licensee performance. Participating in the hearing was a representative of The Center for public Interest Law. She stated that the Attorney General should pursue all enforcement matters and licensing boards should not be involved in discipline at all. If discipline stays with the boards, then the boards should not be allowed to review and ratify the disciplinary finding of Administrative Law Judges. Also it is their position that the number of steps involved in revoking licenses should be reduced. CPIL believes that all boards should have an enforcement monitor—an outside independent organization that would oversee enforcement activities of the board. The California Bar Association and Contractors State Licensing Board have had monitors in the past and the Dental Board will probably have a monitor starting next year. CPIL is the primary provider of outside monitoring services in California.

Mr. Allen reported that there would be a hearing on Monday at the State Capitol conducted by the Department of Consumer Affairs to discuss methods of providing consumers with complaint information on licensees. Currently complaints become public when a formal accusation is filed against a licensee. The department would like to disclose complaint information on its website earlier. This complaint disclosure policy applies to all licensing boards under DCA control.

A motion was presented by Pat Paggi, President of the Bakersfield Chapter, to endorse Mike Maggard for the 32nd Assembly District. After review of Mr. Maggard's candidacy and qualifications, the motion was passed to endorse Mike Maggard for the 32nd Assembly District.

EDUCATION FOUNDATION REPORT: PAUL REGAN, PRESIDENT, BOT

Paul Regan discussed the financial results for the Foundation through Aug 31. The results to date are not as favorable as the Board would like but the September numbers are beginning to look more positive. The Foundation recognizes revenue based on when members actually use their VP cards or coupons on a monthly basis. To date the Foundation has received almost 96% of cash receipts expected this year. It is anticipated that the Foundation budget should look much better at the end of the fiscal year in April, 2002. Mr. Regan pointed out that the Foundation's portfolio was suffering along with everyone else due to the downturn in the market and the tragedies of 9/11. The two most significant expensed items to date were in enhancement and cost overrun in both the new software product and web design for the Foundation web site.

Mr. Regan reviewed the Nominations information included in the Council packet and encouraged members of Council to seek nominations or recommend individuals to apply for a position on the Board.

Mr. Regan also reviewed the brochure produced by the Foundation and in cooperation with Western Schools for a myriad of self-study products now available for purchase from the Foundation.

ESTATE PLANNING COMMITTEE UPDATE

State committee chair, Michael Allmon updated the Council on the year old state committee explaining the mission and purpose, committee make up and major accomplishments during this first year in existence. Committee webmaster Bill Downs gave a live demo of the committee's website featuring a member Q & A service on technical issues in estate planning.

MEMBER RELATIONS UPDATE –

Member Relations Division Director, John Angelo gave a update with an emphasis on state committees, but included several general MRD items of interest. He also reminded members that it was a balanced member leader/staff partnership that enabled us to collectively accomplish the things we do. The following areas were highlighted:

The Education Foundation has offered complimentary 8-hour courses to all 14 chapters to use as scholarship fundraisers.

The State Committee on Technology is creating security standards for CalCPA State Committee websites. Communications is also working on guidelines for chapter web masters & assembling a member "editorial board".

The State Committee on Human Resources is in the final development stages of their website that will include both public and member only areas that will include hot topics, recent HR articles, approximately 50 human resources forms for CalCPA members, and a wide variety of helpful links for tricky HR situations.

9 of the 14 Chapters have completed a review of their bylaws and chapter boards have approved amendments. The remaining 5 chapters will have completed their review by the Nov 30 deadline.

Scholarship Funds

The organization should be proud of the scholarship funds being raised and the scholarships awarded. In the past 4 years our 14 chapters have raised \$440,000 and have distributed \$320,000 in scholarships.

Secondary chapter sign ups

As of 10-1-01 there were 284 sign ups for secondary chapter memberships.

Litigation:

Working with the Education Foundation on 2 important conferences. November 28 - Litigation Conference and May 16 & 17, 2002 - Advanced Litigation Institute.

Global Opportunities:

Hosted the Chinese Institute of CPAs at the Glendale office where each organization learned about one another.

Completed a Global Survey of CalCPA members living abroad, conducted via e-mail and mail. Out of 100 members 33 responded and thanked us for contacting them.

MAP:

The MAP State Committee web page is up and running with resources including the Disaster Recover Plan.

MAP Survey results are complete. They have tentatively agreed to provide geographic breakdowns for CA for next year.

Accounting Education Committee continues to build relationships with accounting educators in colleges & universities to help them clarify the transition with the new legislation and how it affects the school and their students. In cooperation with government relations, the SBA and communications we are responding to O & A's.

Scholarship guidelines are being developed by the chairs of the Diversity Task Force, Accounting Ed and the Membership committee for the state level scholarship fund from the dues statement check-off. The recommended guidelines will be going to the board at their next meeting.

As part of the 100 year celebration each chapter is being asked to identify a chapter event, program or activity that can highlight a positive role of the CPA in our communities

TREASURER'S REPORT

Jessie Powell, CalCPA's Treasurer, briefly reviewed the financials for the five months ended September 30, 2001. Ms Powell reported that revenues are slightly below budget and expenses are significantly below budget for the current fiscal year due to timing differences.

Ms. Powell then presented the proposed 2002-2003 budget guidelines that were approved by the Finance Committee. A discussion ensued regarding the membership assumptions used in the 2002-2003 budget and the possibility of using the contingency fund for government relations activities. Susan Waters explained that the 2002-2003 budget assumes a net membership increase of approximately 250 members and that government relations activities are adequately funded through the regular budget process.

Ms. Powell presented a motion from the Finance Committee to approve the 2002-2003 budget guidelines as presented. The motion carried.

NOMINATION & LEADERSHIP DEVELOPMENT COMMITTEE REPORT

In Diana Sanderson's absence, Steve Kramer reported. Mr. Kramer announced that the deadline for state level nominations is Monday, November 12. The Nomination & Leadership Development Committee will meet Monday, December 3, 2002 at an LAX location to nominate candidates for statewide office.

Mr. Kramer noted the information in the Council packet which included a revised chapter member and Council representative count and a 2001-2002 Biographical Information Form for CalCPA statewide nominations.

A Council action request in the form of a motion was brought to the Council from the Nomination & Leadership Development Committee. The motion requested the action that each chapter create a \$2500 fund for encouraging the participation of new leaders in the CalCPA state committees and/or Council meetings. Funds are to be distributed at the chapter's discretion.

After Council discussion on the motion, Barbara Rosenbaum of Los Angeles Chapter moved to amend the motion to read: That CalCPA create a leadership development fund of \$35K to be administered by the chapter and that funds be allocated based on \$1K to each chapter and the balance to be allocated based on a ratio of chapter representatives to the Council. John Costello, from the Los Angeles Chapter, seconded this amended motion. After a vote of the Council, the motion failed. The original motion was then voted upon and was carried.

Mr. Kramer announced that the nomination of members to sit on the Nomination & Leadership Development Committee will be taken at the April 2002 Council meeting and that the election will be held at the July 2002 Council meeting. Council representatives to the Board of Directors will also be elected at the July meeting.

SHARED SERVICES/CPA2BIZ UPDATE

David Primes, Chair of the State Technology Committee, began his report by giving an update on the status of the Phase 2 agreement with SSLCC and CPA2Biz.

The Phase 1 agreement expires on December 31, 2001. At this point we do not have a copy of the revised Phase 2 agreement, however, it is expected to arrive in 10-12 days. Mr. Primes ended his presentation by stating that he would provide more information after the new contract arrives. John Levy introduced a motion to authorize the CalCPA Board of Directors to act on behalf of the CalCPA Council to finalize the Phase 2 agreement with SSLCC and CPA2Biz. The motion was seconded by Don Gursey and carried unanimously.

In closing Susan Waters informed the Council that the Board of Directors is working with 7 other state societies to have attorneys look into the anti-trust issues that may be raised by the contract. Ms. Waters commented that they expect the new Phase 2 agreement to indemnify all state societies from any potential liabilities as a result of the BDO Seidman lawsuit.

COMMUNICATIONS REPORT

Pamela Thompson, chair of the Communications Advisory Committee and First VP of Citrus Belt Chapter gave a presentation on how chapters could get involved in student outreach programs. She noted the drop in accounting majors in California and cited studies of student misperceptions about the CPA profession as reasons for the problem. She noted that the changing California economy and the impending national recession, and the passage of AB585, which delivers new pathways to licensure for students and candidates, present a significant opportunity to attract new people to the profession.

Pamela then discussed the CalCPA high school student outreach program and gave tips on how chapters could get involved. She noted that CalCPA would be mailing more than 2,500 copies of QUEST, a one-time recruitment piece, to all California high schools and community

colleges. A kit with guidelines on how to work with schools and students, and including other useful tools for chapters and individual member volunteers is also available for chapters. She stressed that due to staff resource limitations, this initiative relies heavily on the resourcefulness and community contacts of members and that their volunteer spirit will make or break the effort. She encouraged chapter leaders to work with their careers in accounting chairs and establish task forces to make the program work in their community. She also encouraged members to work with Beta Alpha Psi students to get them involved in the recruitment process.

Pamela concluded with a brief explanation of CalCPA's Year-End/Tax Season PR and Advertising campaign which begins in November. As part of the campaign, CalCPA will advertise in college student newspapers throughout California with image/recruitment ads for the profession. MCA artists blink-182, Shaggy, Sublime and Mary J. Blige have agreed to participate in the ads and be associated with the profession

MEMBERSHIP COMMITTEE REPORT:

Pat Kilner reported on the status of membership recruitment and retention. The new member recruiter, who joined CalCPA in July, is up and running and beginning to meet new member goals. Plans are underway for a direct mail promotion to encourage non-members to join and take advantage of the Education Foundation's offer of free eight hours of CPE.

To date, 92.5% of our members have renewed for this fiscal year. CalCPA will reach its revised renewal revenue goal after collecting another \$39,000. Pat ended her report by thanking all of the chapters for their work in encouraging members to renew.

Gregg Wind, Chairman of the State Membership Committee, reported on the outcome of the Committee's last meeting. As is the recent practice of the Committee, students join this group for a high-energy exchange of information and ideas.

Gregg also shared a possible opportunity to partner with the AICPA to attract new members by offering a dual membership in both organizations.

CEO REPORT:

Susan Waters introduced Donna Lekosky as CalCPA's new Director of Finance. Donna joined CalCPA in August and came to CalCPA from Women.com. Susan shared that Donna is not completely new to CalCPA as she acted as audit manager with Hood & Strong for CalCPA's annual audit in the early 1990's.

Ms. Waters reported that the potential legal issues noted on the April 20, 2001 audited financial statements had been resolved without any litigation or extraordinary payment for CalCPA.

Ms. Waters also called attention to the Strategic Planning process at the Council meeting in April 2002.

The meeting was adjourned

Council Action Request

ACTION REQUESTED FROM:

Nomination and Leadership Development Committee

WHAT ACTION IS REQUESTED:

That each Chapter create a \$2,500 fund for encouraging the participation of new leaders in CalCPA state committees and/or council meetings.

Funds are to be distributed at the Chapter's discretion.

This program will be evaluated on an ongoing basis by the Nomination and Leadership Development Committee.

WHY ACTION IS REQUESTED:

To encourage more participation of new leaders in CalCPA State Committees and/or council meetings.

Motion Passed

Motion Form

Date: 11-3-01

I (we) move (amend),

Motion:

Resolved that the 2002-03 Budget Guidelines be approved as presented.

Motion Passed

Maker: Finance Committee

Second: N/A

Motion Form

Date: 11-2-01

(we) move (amend),

BACKGROUND:

Passage of this resolution will allow communications staff to apply for periodical rate postage for *California CPA* magazine. This will result in both a budgetary saving and more timely delivery of the magazine to members.

RESOLUTION:

Let it be hereby resolved that all California Society of Certified Public Accountants' members shall be sent each issue of *California CPA* magazine as a benefit of membership.

Motion Passed

Maker: Board of Directors

Second: N/A

CalCPA Policy - Endorsement of Candidates

At the October 29-30, 1999 Board of Directors Meeting in San Diego, CalCPA adopted the following policy: That CalCPA will consider endorsement of candidates for California Senate, Assembly and constitutional offices regardless of political affiliation, provided the candidate:

- is a CPA
- is a current member of CalCPA
- is a contributor to CPA PAC
- has a reasonable chance of winning the office for which he or she is running
- generally supports CalCPA policy
- is not running against another CPA member

Council Action Request

ACTION REQUESTED FROM:

Orange County/Long Beach Chapter

WHAT ACTION IS REQUESTED:

Appoint Ed Jordan as Council Representative from the Orange County/Long Beach Chapter for the remainder of a 2-year term (2000-2002), effective November 2, 2001.

WHY ACTION IS REQUESTED:

Resignation of Council Representative Majid Zarrinkelk.

ISSUES SUMMARY:

As outlined above.

Motion Form

Date: 11-3-01

I (we) move (amend),

Motion:

The CalCPA Council opposes the AICPA Global Business Credential known as the IISBP, formerly known as XYZ, and to communicate the position and number of votes to the CalCPA members.

This motion was not voted on.

Maker: Kendall Wheeler

Second: Mitch Freedman

Motion Form

Date: 11-3-01

I (we) move (amend),

Motion:

To have CalCPA Council, on 11-3-01, endorse CalCPA Member Mike Maggard's candidacy for the 2002 primary election in the 32nd Assembly District, consistent with existing CalCPA Policy.

Motion Passed

Maker: Pat Paggi, Bakersfield Chapter

Second: Steve Kramer

Motion

Date: 11-2-01

I (we) move (amend),

Motion:

That a task force consisting of members of CalCPA and all affiliates (GIT, Foundation, CAMICO) be appointed to investigate the merits of buying a building to house all entities and give authority to the Board to make a purchase commitment. Annual progress reports should be given at each annual meeting while the task force is in existence.

Motion Passed

Maker: Don Gurse

Second: Dennis Young

Original Office Relocation Motion

Board of Directors Meeting

Excerpt from the minutes:

Mr. Lund brought forward a motion, which was approved by the Board, to develop a long-range strategic plan to move CalCPA headquarters to the Sacramento area. There was considerable discussion on this subject from the floor. Several members spoke to the importance of strategic planning.

Motion Form

Date: 11-2-01

I (we) move (amend),

Comment: “The assembly acting as if in a committee of the whole, has had under consideration the proposal to relocate CalCPA headquarters to Sacramento and has directed me to report the same as follows:

MOTION:

To rescind the 1999 Motion to move CalCPA to Sacramento.

Motion passed

Maker: Don Gursey

Second: Steve Kramer

Motion Form

Motion:

The Council authorizes the Board to take such action as the Board deem necessary, with regard to Shared Services.

Motion Passed

Maker: John Levy

Second: Don Gurse

Motion Form

Date: 11-3-01

I (we) move (amend),

Motion:

CalCPA Council members voted as follows regarding the Global Business Credential known as IISBP or XYZ.

Yes, I support the Global Credential 8 votes

No, I oppose the Global Credential 51 votes

I am neutral on the Global Credential. 2 votes

Motion Passed

Maker: Kendall Wheeler

Second: Mitch Freedman

Motion Form

Date: 11-3-01

I (we) move (amend),

Motion:

CalCPA Council recommends that members vote against the AICPA Global Credential proposal.

The CalCPA Council vote on the Global Credential was 51 against, 8 in favor, 2 neutral.

Motion Passed

Maker: John Levy

Second: Paul Herrerias

