DECEMBER 5-6 | MAUI COUNTY, HAWAI‘I

2014 FALL NACo BOARD OF DIRECTORS MEETING

AGENDA & PACKET
I. 2014 Fall NACo Board of Directors Overview Schedule

II. Board of Directors Business Meeting Agenda
   A. Minutes from 2014 NACo Annual Conference Board of Directors Meeting
   B. Minutes from the 2014 NACo Annual Conference Business Meeting
   C. Minutes from the 2014 NACo Annual Conference New Organizational Board Meeting

III. Reports
    A. Membership Report

IV. Board Action Required
    A. Financial Update and 2015 Draft Budget
    B. NACo Financial Services Report

V. Other Information
    A. NACo County Intelligence Connection Flyer
    B. NACo 2014 Summary and Accomplishments
    C. Useful Links
# 2014 NACo Fall Board of Directors Meeting

## Overview of Schedule of Events

**DECEMBER 4-6, 2014**

**GRAND WAILEA**  
3850 WAILEA ALANUI DRIVE | MAUI COUNTY | MAUI, HAWAI’I

*Conference Attire: Business (no ties)*

### WEDNESDAY, DECEMBER 3

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| 7:00 a.m. – 9:00 a.m. | Registration  
Haleakala Gardens 4 |
| 8:30 a.m. – 5:00 p.m. | Transportation Symposium - Mobile Workshop: Hawaii’s Role in Global Innovation  
Departure from Ballroom/Group Entrance located by Haleakala Ballroom |
| 6:30 pm – 7:30 pm | Transportation Symposium - Opening Reception  
Chapel Overlook (outside) |

### THURSDAY, DECEMBER 4

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| 7:30 a.m. – 3:00 p.m. | Registration  
Haleakala Gardens 4 |
| 7:30 a.m. – 8:30 a.m. | Transportation Symposium - Peer Networking Breakfast  
*All Transportation Symposium presentations will be held in the Haleakala 4 & 5/Gardens 4 & 5* |
| 8:30 a.m. – 9:00 a.m. | Transportation Symposium – Welcome and Introductions |
| 9:00 a.m. – 10:15 a.m. | Pacific Basin as a Key Gateway for International Commerce, Security and Trade |
| 10:30 a.m. – 11:45 a.m. | How Does the Global Supply Chain Reach Your County? |
| 12:00 p.m. – 1:15 p.m. | Luncheon and Keynote: America’s Maritime Infrastructure of Ports and Inland Waterways |
| 12 p.m. – 1:15 p.m. | NACo Audit Committee Meeting (with lunch)  
Pikake 1&2 Room |
<p>| 1:30 p.m. – 2:30 p.m. | Building Strategic Partnerships to Address Your County’s Transportation Needs |</p>
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| 1:30 p.m. – 2:30 p.m. | **NACo Finance Committee Meeting**  
Ilima 2/3 Room |
| 2:45 p.m. – 5:30 p.m. | **Mobile Workshop: Smart Grid Demonstration Project JumpSMARTMaui**  
Departure from the Ballroom/Group Entrance located by the Haleakala Ballroom |
| 6:30 p.m. – 9:00 p.m. | **Reception, Dinner and Luau Show**  
Chapel Lawn (outside) |

**FRIDAY, DECEMBER 5**

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| 7:30 a.m. – 3:00 p.m. | **Registration**  
Haleakala Gardens 4 |
| 8:00 a.m. – 9:00 a.m. | **Transportation Symposium - Peer Networking Breakfast**  
Haleakala Gardens 4 & 5 |
| 9:00 a.m. – 10:30 a.m. | **MAP-21 Federal Surface Transportation Reauthorization and the Outlook for America's Counties**  
Haleakala 4 & 5 |
| 10:45 a.m. – 11:45 a.m. | **How Are Counties Leveraging New and Traditional Funding and Financing Techniques to Address Transportation and Infrastructure Challenges**  
Haleakala 4 & 5 |
| 12:00 p.m. – 1:30 p.m. | **Luncheon: Driving into the Future with Tech Innovation at the Wheel**  
Board Directors are invited to the final luncheon of the Transportation Symposium.  
Haleakala 3 |
| 2:00 p.m. – 5:00 p.m. | **NACo Board of Directors Business Meeting (Part I of II)**  
Haleakala Ballroom 4/5 |
| 6:30 p.m. – 7:30 p.m. | **NACo Board of Directors Reception**  
Lagoon Overlook (outside) |

**SATURDAY, DECEMBER 6**

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| 7:30 a.m. – 8:30 a.m. | **Buffet Breakfast**  
Haleakala Gardens 4/5 |
| 9:00 a.m. – 2:00 p.m. | **NACo Board of Directors Meeting (Part II of II)**  
Haleakala Ballroom 4/5 |
I. PROCEDURAL ITEMS

2:00 p.m. Call to Order
- President Riki Hokama

2:05 p.m. Invocation

2:10 p.m. Pledge of Allegiance

2:15 p.m. Roll Call of the NACo Board of Directors

II. CONSENT AGENDA

2:20 p.m. Approval of the Minutes from the NACo Board of Directors’ Meetings, 2014 Annual Conference, Orleans Parish (New Orleans), LA, July 13-14, 2014

Nominations to the NACo Board of Directors
- The Honorable Ernest Martin
  Council Chair
  Honolulu City and County, Hawai‘i

- Mr. Roland Dartez (NCCAE)
  Executive Director
  Police Jury Association of Louisiana

- Mr. David Lasher (NACCTFO)
  County Treasurer
  Clark County, Washington

- The Honorable Priscilla Taylor
  Mayor
  Palm Beach County, Florida
• Mr. Larry Blackstad (NACPRO)
  Board Commissioner Three Rivers Park
  Hennepin County, Minnesota

• Hon. Rick Yzaguirre
  Commissioner
  Ada County, Idaho

• Hon. Debbie Wood
  Commissioner
  Chambers County, Alabama

• Mr. Fred Crosby (IAFC)
  Fire Chief
  Horry County, SC

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Membership Standing Committee
• The Honorable Tim McCormick, Chair
• Second Vice President Bryan Desloge, Liaison

Information Technology Standing Committee
• The Honorable Helen Purcell, Chair
• President Riki Hokama, Liaison

Programs and Services Standing Committee
• The Honorable Gregg Goslin, Chair
• First Vice President Sallie Clark, Liaison

III. NACo BOARD ACTION REQUIRED

2:30 p.m. Audit Committee Report
• The Honorable Stephen Holt, Chair
• Second Vice President Bryan Desloge, Liaison

2:35 p.m. Finance Standing Committee Report
• First Vice President Sallie Clark, Chair

2:40 p.m. Proposed 2015 NACo Budget
• Matthew Chase, Executive Director
• David Keen, Chief Financial Officer

3:00 p.m. 2014 Federal Policy Recap and Consideration of 2015 Federal Policy Priorities
• Deborah Cox, Director of Legislative Affairs
• Paul Beddoe, Deputy Director of Legislative Affairs

IV. REPORTS AND PROJECT BRIEFINGS

3:30 p.m. President’s Report
• President Hokama
3:45 p.m. NACo Financial Services Center Report  
• David Thompson, President and Managing Director, NACo Financial Services Center  
• Bill Jasien, Executive Chairman, NACo Financial Services Center

4:00 p.m. Demo of the County Intelligence Connection 2.0  
• Dr. Emilia Istrate, Director of Research

4:15 p.m. Grant Fundraising Status Report  
Building New Connections to Federal Agencies and Philanthropy  
• Dan Gillison, Director of County Solutions and Innovation

4:25 p.m. NACo Prescription-Health-Dental Program Report  
• Tom Goodman, Director of Public Affairs  
• Mr. Keen, Chief Financial Officer

4:30 p.m. Overview of NACo Strategic Blueprint 2015  
• Mr. Chase, Executive Director

5:00 p.m. Adjourn Business Meeting

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SATURDAY, DECEMBER 6, 2014
9:00 a.m. – 2:00 p.m.

GRAND WAILEA
3850 WAILEA ALANUI DR | MAUI COUNTY | MAUI, HAWAI’I

I. 2015-2016 NACo STRATEGIC BLUEPRINT
9:00 a.m. Welcome and Overview of the Agenda  
• President Hokama

9:05 a.m. Roll Call

II. NACo BOARD ACTION
9:10 a.m. Overview of 2015 NACo Strategic Blueprint  
• Matthew Chase, Executive Director

9:30 a.m. Board Dialogue: 2015 NACo Strategic Blueprint  
• Vision, Mission, Objectives, Performance Benchmarks  
• Branding – Shaping NACo’s Identity  
• Membership Engagement and Outreach  
• Strategic Messaging and Action on Policy and Program Priorities  
• Communications Platforms and Techniques

12:00 p.m. Working Lunch

2:00 p.m. Recap of NACo Board Priorities and Strategic Blueprint  
• President Hokama

Adjourn

Fall Board Meeting Agenda
MINUTES
NACo Board of Directors’ Meeting
2014 Annual Conference and Exposition
Orleans Parish, Louisiana
Sunday, July 13, 2014

Presiding Officer: President Linda Langston

Officers Present: First Vice President Hokama, Second Vice President Clark, Immediate Past President Rodgers


1. Call to Order: 2:31PM

2. Consent Agenda
   Minutes of the Board meeting held at the 2014 Western Interstate Region Conference in Anchorage, Alaska on May 22, 2014 were approved.

A motion was made by Director Hyland and seconded by Director Rodgers to approve the minutes. Motion carried.

3. Audit Committee Report
   Director Nancy Hansen, Chair, reported that the committee reviewed the NACoRF 990’s IRS return and it was complete. A copy will be posted to the NACo website in the Members Only area.

   The committee discussed the draft of the 401(k) audit and noted that there was one delinquent remittance of participant contributions related to one “off-cycle” payroll. NACo will review remittance procedures related to unusual payrolls in order to ensure that employee contributions to the plan are made on a timely basis. The cost of the 401(k) plan has met the reasonableness test in the past, but NACo is currently conducting a formal RFP process to compare plan providers.

   The staff travel and American Express Rewards statement were reviewed and there were no concerns.
NACo is currently using a SunTrust Corporate Card program in order to pay vendors, as it offers a 1% rebate on expenditures of $500,000 and greater, and NACo is working with hotels, restaurants and other vendors that are willing to accept payment with the corporate card.

The Board needs to elect two members and appoint a chair to the Audit Committee during the New Organizational Board Meeting on Monday July 14th. Chair Hansen thanked the Board for allowing her to serve as the chair of the Audit Committee.

A motion was made by Director Holt and seconded by Director W. Cox to accept the Audit Committee Report. Motion carried.

4. Finance Standing Committee Report
First Vice President Riki Hokama, Chair, reported that the committee reviewed the NACo investment portfolio with RAFFA Wealth Management. The investments have performed well through June earning a 4.64% return, which is 8 basis points better than the benchmarks. Over the past five years, the investments have averaged an annual return of 10.52%.

The NACo Financials are in good shape and are projecting a surplus of $262,000 over the original budget. The Finance Committee also met with NACo’s new real estate advisor, Jones Lang LaSalle. JLL is an international firm that has many resources to help NACo determine the appropriate real estate strategy. They were selected through a joint RFP process with the National League of Cities. They will begin working with NACo and NLC to develop individual strategies and will then put the plans together to see how they match up. NACo wants to be thoughtful in this process and will come back to the Board at the 2015 Legislative Conference with an analysis on the decision of whether or not to pursue leasing or purchasing NACo’s next office space.

A motion was made by Director Hokama and seconded by Director Hyland to accept the Finance Standing Committee Report. Motion carried.

5. NACo Financial Services Corporation Board of Directors Board Action Items
Bill Jasien, Interim CEO for the NACo Financial Services Corporation asked for the ratification of Shelby Scharbach from Maricopa County, Arizona to fill the unexpired term until December 31, 2014, on the NACo FSC Board of Directors.

A motion was made by Director Hyland and seconded by Director Troy to ratify the appointment. Motion carried.

Bill Jasien also asked for the ratification of the revised contract language between NACo FSC and Nationwide Retirement Solutions.

A motion was made by Director Hyde and seconded by Director Archuleta to ratify the revised contract language. Motion carried.

6. Regional Groups Recognition
- The Honorable Merceria Ludgood, Commissioner, Mobile County, Ala. requested official NACo recognition of the Gulf Coast Caucus on behalf of its members including counties in Florida, Alabama, Mississippi, Louisiana and Texas. The Caucus is not seeking representation on the
NACo Board of Directors, rather it is looking for an official mechanism to operate under the NACo umbrella and receive some staff support. The group has drafted bylaws for the Board’s consideration.

A motion was made by Director Victorino and seconded by Director Haymon to formally recognize the Gulf Coast Caucus. Motion carried.

- **US Mexico Border Counties Coalition**
  Executive Director Matt Chase reported that the US Mexico Border Counties Coalition is working towards a similar recognition. The coalition has been working for several years and is currently seeking NACo staff support, which NACo is currently able to offer. There was no formal presentation on this matter, and they are not yet ready to seek formal recognition from the Board.

7. **Policy Committee Realignment**
President Linda Langston referred the Board to the Policy Committee realignment documents that were included in the Board Agenda Packet. Based on the work that the committees have done over the past year, President Langston requested that the Board approve the suggested policy committee realignments.

A motion was made by Director Hyland and seconded by Director McCormick to approve the suggested policy committee realignments. Motion carried.

8. **NACo Dental Discount Program**
Executive Director Chase reported that NACo is currently looking at the Careington Dental Discount program, as their contract with NACo is up for renegotiation. NACo is recommending changing programs to CVS Caremark. This will consolidate the prescription drug and dental discount programs into one card for users. Executive Director Chase asked that the Board give approval to allow the Executive Committee to make the final decision based on staff recommendations.

A motion was made by Director Hyland and seconded by Director Holt to allow the Executive Committee to approve the final NACo Dental Discount Program contract. Motion carried.

9. **Reports and Briefings**
- **Membership Committee Report:** The Honorable Timothy McCormick, Chair
- **Information Technology Committee Report:** The Honorable Helen Purcell, Chair
- **Programs and Services Committee Report:** The Honorable Gregg Goslin, Chair
- **Nominating Committee Report:** President Linda Langston
- **President’s Report:** President Langston
- **Executive Director’s Report:** Matthew Chase, Executive Director
- **NACo FSC Report:** Bill Jasien, Interim CEO NACo
- **Guest Speaker Presentation:** Mr. James P. Young, Veterans Service Officer of Vernon County, Wisconsin and Mr. Doug Wilson, Vets Community Connection
10. Elections Review Task Force
The Honorable Lenny Eliason, Chair of the Elections Review Task Force reported that there were 2 outstanding issues from the task force, and he asked the board to allow the task force to continue working on those issues.

1. Changing election guidelines to election rules. The task force understands that there was some concern regarding the reporting mechanism specifically whether or not this function would be taken over by the Nominating Committee. If the Elections Review Task Force could continue working on this issue, they could present their completed recommendation to the Board at the Fall Board Meeting.

2. Addressing the perceived unfairness of weighted voting. The current process has not been readjusted since 1991, meaning that large counties have doubled their number of votes while small counties have remained the same. If the committee could continue its work on this issue they could present their recommendations to the Board at the Legislative Conference so that it could be reviewed and then acted upon by the membership at the 2015 Annual Conference. Following a bylaws change in 2015, the changes would then take effect for the 2016-2017 election cycle.

Following a thorough and lengthy discussion on both of the issues brought forward by the Elections Review Task Force; a motion was made by Director Hyland and seconded by Director Doherty to allow the Elections Review Task Force to continue its work on weighted voting, with a presentation expected at the 2015 Legislative Conference. Motion carried.

A motion was made by Director Whitley and seconded by Director Hyland to allow the Elections Review Task Force to continue its work on changing the elections guidelines into rules. Motion carried.

THE NACO BOARD OF DIRECTORS RECONVENED AS THE NACO RESOLUTIONS COMMITTEE

11. Caucus Reports
- Rural Action Caucus Report: The Honorable Ray Jeffers, Chair
- Large Urban County Caucus Report: The Honorable Roy Charles Brooks, Chair
- Western Interstate Region Report: The Honorable Lesley Robinson, WIR President

12. Proposed Resolutions
- Agriculture and Rural Affairs Steering Committee – 1 platform change and 4 Resolutions

A motion was made by Director Fox and Seconded by Director Errico to approve the Agriculture and Rural Affairs Steering Committee Report. Motion carried.

- Community, Economic and Workforce Development Steering Committee – a platform rewrite and 10 Resolutions

A motion was made by Director Cadwell and seconded by Director Hyde to approve the Community, Economic and Workforce Development Steering Committee Report. Motion carried.
The Honorable Welton Cadwell, Chair of the Community, Economic and Workforce Development Steering Committee was called back to the podium in order to read the committee’s minority report.

A motion was made by Director Hyde and seconded by Director Hyland to accept the minority report from the Community, Economic and Workforce Development Steering Committee. Motion carried.

After a lengthy and thorough discussion a motion was made by Director Whitley and seconded by Director McGinley to reconsider the approval of all of the Community, Economic and Workforce Development Steering Committee resolutions. There was not a clear outcome from the voice vote, and a counted tally by the raising of hands was conducted. 31 in the affirmative and 47 against. Motion Failed.

- Environment, Energy and Land Use Steering Committee – 3 platform changes and 5 Resolutions

A motion was made by Director Doherty and seconded by Director Hyland to approve the Environment, Energy and Land Use Steering Committee Report. Motion carried.

- Finance, Pensions and Intergovernmental Affairs Steering Committee – 3 Resolutions

A motion was made by Director Hyland and seconded by Director Holton to approve the Finance, Pensions and Intergovernmental Affairs Steering Committee Report. Motion Carried.

- Health Steering Committee – a number of platform changes and 19 Resolutions

A motion was made by Director Preckwinkle and seconded by Director Jeffers to approve the Health Steering Committee Report. Motion Carried.

- Human Services and Education Steering Committee – a number of platform changes and 14 Resolutions

A motion was made by Director Shiprack and seconded by Director Hyland to approve the Human Services and Education Steering Committee Report.

A motion was made by Director Whitley and seconded by Director Houseman to separate out the resolution on Unaccompanied Children Crossing the Border. The voice vote was not clear, so a tally by the raising of hands was held. 17 in favor to 41 opposed. Motion Failed.

President Langston referred to the motion on the floor to approve the Human Services and Education Steering Committee Report. Motion carried.

- Justice and Public Safety Steering Committee – 1 platform change and 13 Resolutions

A motion was made by Director Cashion and seconded by Director Larson to approve the Justice and Public Safety Steering Committee Report. Motion carried.

- Public Lands Steering Committee – 1 platform change and 39 Resolutions
A motion was made by Director Bobbitt and seconded by Director Josi to approve the Public Lands Steering Committee Report. Motion carried.

- Telecommunications and Technology Steering Committee – 1 platform change and 1 Resolution

A motion was made by Director Troy and seconded by Director Ham to accept the Telecommunications and Technology Steering Committee Report. Motion carried.

- Transportation Steering Committee – a number of platform changes and 2 Resolutions.

A motion was made by Director Victorino and seconded by Director Prinkki to accept the Transportation Steering Committee Report. Motion carried.

There being no further business the meeting adjourned at 5:33PM.
Call to Order:  10:30 AM

Presiding: President Linda Langston

Reports received from:
Credentials Committee
The Honorable Glen Whitley, chair

Parliamentarian
The Honorable Marc Hamlin

Each NACo Steering Committee reported to the membership.
The resolutions adopted by the Membership can be found at:

There was significant discussion regarding two resolutions: on Urging Congress to Increase the Minimum Wage and on Unaccompanied Children Crossing the Border.

A motion was made by The Honorable Welton Cadwell and seconded by the membership to separate out the resolution On Urging Congress to Increase the Minimum Wage and to accept the remaining resolutions from the Community, Economic and Workforce Development Steering Committee. Motion Carried.

A motion was made by The Honorable Welton Cadwell to approve the resolution on Urging Congress to Raise the Minimum Wage and seconded by the membership.

During the debate a motion was made by the Honorable Lew Gaiter and seconded by The Honorable Kenneth Epperson to amend the resolution to change ‘increase’ to ‘address’ in the title and policy. Motion Carried.

Following debate the amended resolution passed by a weighted vote from the states with 2,396 in favor; 1,309 against and 3 abstentions.

Significant discussion also transpired regarding the suspension of the rules concerning credentialing for the annual business meeting. A motion was made by The Honorable Keith Batman and seconded by The Honorable John Becker to suspend the rules concerning voting and credentialing in order to allow states and counties to receive their votes during the annual business meeting. Motion Failed.
For the second resolution on Unaccompanied Children Crossing the Border, a motion was made by The Honorable Toni Carter and seconded by The Honorable Manny Ruiz to separate out that resolution and to accept the remaining resolutions from the committee. Motion Carried.

A motion was made by The Honorable Lenore Stuart and Seconded by The Honorable Katie Cashion to amend the resolution as follows: “NACo calls on the Administration and Congress to address the growing humanitarian crisis of unaccompanied children crossing the border from Central America, to ensure that the costs of the care provided to these children are not transferred to counties and to work with the countries of origin to address the conditions that have led to this crisis.”

A motion was made by The Honorable Toni Preckwinkle and seconded by the membership to amend the resolution with the addition of: “NACo calls on the Administration and Congress to address the growing humanitarian crisis of unaccompanied children crossing the border from Central America, to ensure that adequate federal funds are appropriated to shelter and provide care, including medical assistance, while they remain in the country, to ensure that the costs of the care provided to these children are not transferred to counties and to work with the countries of origin to address the conditions that have led to this crisis.”

A motion was made by a NACo member and seconded by The Honorable John Martin to replace the words ‘humanitarian crisis’ with ‘number’. Motion Failed.

A voice vote to accept the amended language was held. Motion Carried.

A voice vote to accept the resolution as amended was held. Motion Carried.

Nominating Committee
The Honorable Lynn Padgett, chair

The Nominating Committee submitted the following nominations:
For NACo President, The Honorable Riki Hokama
For NACo First Vice President, The Honorable Sallie Clark

The nomination for The Honorable Riki Hokama as NACo President, was seconded by the membership. Motion carried.

The nomination for The Honorable Sallie Clark as NACo First Vice President, was seconded by the membership. Motion carried.

President Langston referred the body to the ten amendment changes as submitted by the Bylaws review Committee. There was a request to separate out the bylaw change in Article VI, Section D. 3 and President Langston requested that the remaining bylaws changes be placed in bloc and approved.

A motion was made by The Honorable Michael Victorino and seconded by the body to accept the remaining bylaws changes. Motion Carried.

President Langston recognized The Honorable Ray Long of Morgan County, Alabama to speak about the amendment to the suggested bylaw change in Article VI Section D. 3.
After viewing the amended bylaw, a motion was made by The Honorable Ray Long and seconded by the body to accept the amended bylaw. By unanimous consent, the motion carried.

Two announced candidates were placed in nomination for Second Vice President.

The Honorable Allan Angel, Levy Court Commissioner, Kent County, DE
Nominating speech by Commissioner Bill Doherty, Barnstable County, MA
First Seconding speech by Commissioner Bronwyn Asplund-Walsh, Merrimack County, NH
Second seconding speech by Commissioner Duane Patrick, McPherson County, KS

The Honorable Bryan Desloge, Commissioner, Leon County, FL
Nominating speech by Commissioner Sally Heyman, Miami-Dade County, FL
First Seconding speech by Commissioner John Martin, Garfield County, CO
Second seconding speech by Council Member Helen Holton, Baltimore City, MD

The NACo membership cast their votes and The Honorable Bryan Desloge was elected as the NACo Second Vice President.

A motion made by the Honorable Lynn Padgett, chair of the Nominating Committee, and seconded by the membership, to accept en bloc the nominations made by the state associations and the affiliates to elect the 2014-2015 NACo Board of Directors. Motion carried.

President Hokama made a motion to elect The Honorable Linda Langston as NACo Immediate Past President. The motion was seconded by the membership. Motion carried.

President Hokama was sworn in by The Honorable Ronald Houseman.

The NACo Officers were sworn in by President Hokama.

President Hokama gave his acceptance speech and presented his list of presidential appointments.

There being no further business, the meeting was adjourned at 12:50 PM.
MINUTES
New NACo Board of Directors
Organizational Meeting
2014 Annual Conference and Exposition
Orleans Parish, Louisiana
Monday, July 14, 2014

Presiding Officer: President Riki Hokama

Officers Present: First Vice President Clark, Second Vice President Desloge, Immediate Past President Langston


Call to Order: 1:31 PM

1. Audit Committee Election -- The Board of Directors will elect two new members to the Audit Committee to serve a full three-year term: July 2014 – July 2017. These new members must continue to be current board members from active member counties during this three-year term.

   Nominations to the Audit Committee:
   A. The Honorable Stephen Holt, Jasper County, MO
   The Honorable Mike McGinley, Beaverhead County, MT
   The Honorable Allan Angel, Kent County, DE

   The Honorable Mike McGinley elected to the Audit Committee, 2014-2017.

2. Report of the Regional Caucus Elections

   The Honorable Christian Leinbach elected as Regional Representative of the Northeast Region, 2014-2016.

   The Honorable Ronald Houseman elected as Regional Representative of the Central Region, 2014-2016.

   There being no further business, the meeting adjourned at 1:50 PM.
MEMBERSHIP REPORT TO THE BOARD
NACo Second Vice President Bryan Desloge
Membership Committee Chair, Tim McCormick
2014 Fall NACo Board of Directors Meeting

Membership Numbers: As of November 5, NACo had 2,288 members which represent 74.5 percent of the nation’s counties. Thirty-four counties with dues of $103,000 have joined NACo including six of the top 50 largest nonmembers. The pace of new membership recruitment continues to be slow due to elections and the overall economic climate for counties.

Fifty-six counties have cancelled membership with dues of $48,000. NACo’s retention rate actually improved .3 percent compared to 2013 even with a census dues adjustment that was put into effect this year, which led to some dues increases for members. The retention rate now stands at 97.5 percent. This figure is in line with previous years where NACo has maintained its “one of the best in the nation” retention rate of more than 97 percent. This is the eighth consecutive year above the 97 percent mark.

Membership revenues are at $4,467,000 which has already surpassed the revenue budget by more than $223,000 and FY 2013 revenue by $320,000.

NACo Board/Membership Committee “2 Names” Campaign: The Membership Committee initiated a membership campaign in 2014 to encourage all members of the Board of Directors and the Membership Committee to pledge to personally assist membership in 2014-15.

As part of the campaign, NACo Board and Membership Committee Members are asked to assist the membership effort by providing two names of officials from nonmember counties that NACo can contact to inform and reinforce the value of NACo membership. For 100 percent membership states, board and committee members are being asked to provide names from counties not currently on NACo’s health discount programs or US Communities purchasing programs. Each board and committee member is being given a card to fill out at the Fall Board Meeting with your respective state maps. These contacts are vital in opening doors for NACo staff and as an added bonus for each county that joins NACo or a NACo program, the Board or committee members will be entered into a drawing to win one of five iPads that will be given away at NACo’s Annual Conference in 2015.

Membership Activities: Activities completed in 2014 include multiple direct mails with special promotional offers, email promotion series with micro-targeted advocacy funding messaging, nonmember contact with a focus on the top 50 nonmember counties for in-person visits, calls to all nonmember counties, email messaging to newly
elected officials, welcome calls to new members from membership staff and a staff campaign to engage members and encourage involvement.

**NACo Prescription, Health and now Dental Discount Program:**

NACo has created one, unified health discount solution for counties and their residents by adding the dental program to the NACo Prescription & Health Discount Program. This change, which became effective November 1, will make the programs easier for counties to administer and help residents better understand what is available and how to take advantage of the great savings.

The current name of the program is the NACo Prescription – Health – Dental Discount Program. New marketing materials are being developed and the name could change to enhance the promotion of the program. NACo has renewed its contract with CVS Health, which will administer the unified program.

The NACo Prescription & Health Discount Program offers amazing discounts on prescriptions, vision care, LASIK & PRK vision procedures, hearing aids & screenings, prepaid lab work, prepaid diagnostic imaging and diabetic supplies. The prescription portion of the program provides average savings of 24 percent on thousands of medications. The savings range from 15 to 75 percent, and the free discount card is accepted at more than 65,000 pharmacies nationwide.

Since the prescription program began, residents nationwide have saved $590 million on 47 million prescriptions. The beauty of this program is that residents can begin saving on prescriptions as soon as they receive a free prescription discount card.

To receive savings on health services, memberships are available on a monthly or annual subscription basis for both individuals and families. The best part is that the discounts are available immediately upon enrollment. For individuals, the fees are $6.95 a month or $69 a year. For families, the fees are $8.95 a month or $79 a year.

Adding the dental discount program enables residents to save on all health services through one program. This program helps residents of NACo member counties save 15 to 50 percent on dental care, and is accepted by more than 110,000 participating providers nationwide. The dental discounts help people who are uninsured, but can also complement health insurance plans or work with health savings accounts and flexible spending accounts. For individuals, the fees are $6.95 a month or $69 a year. For families, the fees are $8.95 a month or $79 a year.

**NACo took action to create one program based on a decision by the Board of Directors at the Annual Conference in July that directed the staff to negotiate a contract for a new administrator for the NACo Dental Discount Program. Following the conference, Careington, Inc., the original dental program administrator, terminated its agreement**
with NACo, effective Oct. 25. Staff then worked with CVS Health to create one program.

**State Association Meeting Trips:** NACo officers and staff strive to speak at and visit at least one meeting at all of the state associations each year and 55 meetings will have NACo participation, by the end of 2014 which is a new record! In 2013, NACo officers and staff attended 50 state association meetings. NACo membership provides an exhibit booth whenever possible. Contact with counties at state association meetings continues to prove to be one of the most successful ways to recruit, retain and engage members.

NACo has received help from Membership Committee members as well as Board members to reach out to counties at these meetings. **All Board members and Membership Committee members are encouraged to help at future meetings, including newly elected officials trainings, by talking about the benefits of membership, spending time at the NACo booth or setting up a NACo information table when staff is not present.** Please contact NACo’s membership staff for more information on the turn-key resources that are available.

**Other Membership Activities:** State associations of counties, parishes and boroughs have continued to provide electronic roster updates to NACo in 2014 continuing the successful program started in 2001. **NACo has received 46 rosters in 2014 and welcomes the 2015 updates when ready, especially from states with election changes.** These rosters are extremely important as it allows NACo to keep its database current. Thank you to all state associations that have participated in this program. The information is vital to membership initiative and retention efforts and ability to engage members especially after election changes.
<table>
<thead>
<tr>
<th>State</th>
<th>Total Counties</th>
<th>Member Counties</th>
<th>Member Dues</th>
<th>NonMember Counties</th>
<th>NonMember Dues</th>
<th>% of Members</th>
<th># of Leg Attendees</th>
<th># of Annual Conference</th>
<th># of Steering Com. Members</th>
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<td>$10,894</td>
<td>87%</td>
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**Totals:**
- Total Counties: 3,069
- Member Counties: 2,288
- Member Dues: $4,514,511
- NonMember Counties: 781
- NonMember Dues: $1,100,750
- % of Members: 74.6%
- # of Leg Attendees: 1,088
- # of Annual Conference: 1,621
- # of Steering Com. Members: 871
National Association of Counties
Financial Update and 2015 Draft Budget
Presentation to the NACo Board of Directors
December 5, 2014
Table of Contents

Organizational Overview

Financial Update through September 30, 2014

Budget Overview

Budget Detail

Functional Budget Comparison
(2015 Budget vs. 2014 Forecast)
For the first three quarters of 2014, NACo had net income of $1,909,511 based on revenue generating activities of $9,625,757, programs and services expenses of $3,270,195, operating and management expense of $5,135,792 and investment income of $689,741. The current financial forecast shows the NACo will end the year with a surplus of $1,159,756 based on a much better than expected income from revenue generating activities.

The NACo consolidated balance sheet (Consolidated Statement of Net Assets) continues to be strong with net assets of $35,936,702, an increase of $2,299,688 over the December 31, 2013 balance. The increase is attributable to net operating income of $1,219,770, investment returns of $689,741 and changes in temporary restricted assets of $390,177. The NACo reserves are separated into two pieces: 1) The long-term reserve fund, which is maintained at 45% of NACo’s consolidated revenue in order to fund NACo’s operations in case of extreme financial circumstances and 2) the board designated building fund, which is the reserve balance over and above the long-term reserve fund.

The 2014 forecast was updated at the end of the third quarter and now projects net income to be $1,119,374 greater than budgeted based in large part due to increased income from revenue generating activities. NACo budgeted net income of $12,084,577 from revenue generating activities and is now forecasting net revenue of $13,129,248, a difference of $1,044,671. Significant items in the financial forecast are as follows:

**Financial Services Corporation** net revenue is forecast to exceed the budget by $432,789 based on a significantly higher revenue due to the following: 1) the plan assets in the NACo Deferred Compensation Program have grown significantly over the eighteen months resulting in additional revenue for NACo and the sponsoring state associations. Accordingly, NACo will receive an additional $100,000 than was originally budgeted; 2) U.S. Communities cooperative purchasing program sales have increased by 23% over 2014. The growth is attributable to pent up demand from the recession, growth in New York and New Jersey (new states to the program) and growth at colleges and universities. As a result, NACo will earn an additional $266,000 in royalty income and $132,000 in ownership distributions to the NACo FSCorp. The additional revenue is partially offset by higher corporate income taxes.
Membership Dues net revenue is forecast to be $274,397 higher than budgeted due to lower than expected membership cancellations as a result of the dues adjustment that went into effect in 2014. The budget conservatively projected a $100,000 increase in dues thinking that the adjustment may have a negative impact on membership retention. That has not been the case and NACo has actually added several larger counties in 2014.

Conference & Meetings net revenue is forecast to be $247,245 above the budget due to the overwhelming success of the Annual Conference in New Orleans. Paid attendance by members at the conference was 32% higher than in 2013 and the corporate relations team was able to raise an additional $70,000 in corporate sponsorships. The expenses for the conference were up only $23,000 making this one of the most financially successful annual conferences in recent memory.

Member Programs & Services expense is forecast to be $102,819 lower than budgeted in large due to vacant positions throughout the year. This has been especially true in the research area where it has proven difficult to find individuals that have the research skills and the understanding of county government.

Change in Investments – Through September 30, 2014, the portfolio was higher by $1,699,929 based on $1,012,050 in net investments of excess cash as well as investment returns of $689,741. This item is not budgeted or included in the forecast because NACo does not rely on the income from reserves to fund operations and because we cannot control the volatility in the markets.

- The Reserve portfolio gained 3.19%, or $689,741 over the year to date.
- For the trailing year the portfolio has risen 7.33%, or $1,522,165.
- For the trailing five years the portfolio has risen 7.94% annually, or $6,893,278.
Budget Overview

The 2015 budget is similar in many respects to previous NACo budgets; however, it is also significantly different in several ways. NACo is a financially strong organization with healthy reserves, but annually faced the resource constraints of maintaining a balanced operating budget. During 2013, NACo laid the financial foundation on which the organization could build for the future by renegotiating the NRS agreement to provide a stable revenue stream for both NACo and the state associations until 2020, when the current agreement ends. That revenue stream in conjunction with stable membership dues and conference attendance allowed NACo to afford current programs, but left little room for new programs or future inflationary pressures.

In 2014, that dynamic changed as the investments in rebuilding the NACo reputation with grant funders and in supporting the U.S. Communities program began to pay dividends. Our efforts with grant funders has been rewarded with several new grants in 2014 as demonstrated by the additional $558,553 in grant funding budgeted in 2015. The additional funding is important because it supports enhanced educational programming in the areas of economic development, veteran’s issues and smart justice. Also, in 2014 NACo’s subsidiary, the Financial Services Center, dedicated more staff to supporting the national sponsors of the program which has given the sponsors better resources to market the program and freed up U.S. Communities staff to focus on assisting the vendors more effectively market the program. The results have been a 23% increase in program sales during 2014 and a projected 10% growth in 2015. Nowhere is the impact of these changes seen more so than in the bottom line, where NACo has forecast net income of $1,159,756 in 2014 and $524,818 in 2015.

The enhanced revenue streams will now allow NACo to make the investments required to take the organization to the next level. Specifically, NACo will make investments in:

1) Human Capital: The bar has been raised in terms of what we expect of NACo staff, both in skill sets and performance. We now have to compensate them in accordance with the DC marketplace or we will lose talented people, institutional knowledge and incur the costs of obtaining new talent.

2) Technology: We propose to recreate the website to be more user friendly and more effective. This will require a new content management platform and some additional staff to keep the content relevant. In addition, we’ll look to add the technology infrastructure to allow us to present our content in different formats such as videos, web interactive visualizations and robust podcasts.

3) Branding and Marketing: One of the central themes for the NACo leadership has been “Making NACo more relevant”. This requires having quality content, professional staff and the appropriate presentation to create the wanted perception. The budget includes resources to refresh the logo, update NACo’s digital brand and reformat content presentations so that we have brand consistency with the goal of presenting NACo as the thought leader on county issues.

In summary, the 2015 budget includes reasonable revenue growth assumptions that include no changes to current vendors participating in U.S. Communities and no economic events that put stress on county
budgets, and provides for a budgeted surplus of $524,818 and includes the required investments in order to build on NACo’s successes and move the organization forward. We will continue to be sound financial stewards of the association’s resources which means continuing to manage expenses and plan for the needs beyond the current budget year.
2015 PROGRAMS & SERVICES

- Legislative (net of revenue): 40%
- Research: 15%
- Community and Economic Development: 11%
- Leadership Development: 6%
- Smart Justice: 9%
- IT & Innovation: 5%
- Healthy Counties: 8%
- Transportation & Infrastructure: 2%
- Caucuses & Affiliates: 4%
- Other Programs & Services: 0%

Total: $5,441,083
# National Association of Counties (Consolidated)

**Detailed Statement of Activities**

For the Period ending September 30, 2014

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<th>2014 Budget</th>
<th>2014 Actual</th>
<th>2014 Forecast</th>
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**Membership Dues & Support**

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$3,963,976.40 | $3,771,186.88 | $2,982,697.30 | $4,045,583.88 | $3,983,955.66 |

**Conferences & Meetings**

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<th>2014 Forecast</th>
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$288,271.56 | $215,305.08 | $595,872.16 | $462,549.79 | $259,744.16 |
## National Association of Counties (Consolidated)

**Detailed Statement of Activities**

*For the Period ending September 30, 2014*

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<th>2014 Budget</th>
<th>2014 Actual</th>
<th>2014 Forecast</th>
<th>2015 Budget</th>
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**Grant Funding**

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**Legislative Expense**

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### National Association of Counties (Consolidated)
#### Detailed Statement of Activities
#### For the Period ending September 30, 2014

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<td>59,367.66</td>
<td>40,500.04</td>
<td>60,926.93</td>
<td>60,859.83</td>
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<tr>
<td>Robert Wood Johnson Foundation</td>
<td>113,220.16</td>
<td>141,730.79</td>
<td>91,605.07</td>
<td>140,759.15</td>
<td>155,412.24</td>
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<td>HHS - Rural Health Works</td>
<td>37,983.48</td>
<td>-</td>
<td>36.30</td>
<td>-</td>
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<td>Vet’s Community Connection</td>
<td>-</td>
<td>-</td>
<td>2,547.71</td>
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<td>93,291.11</td>
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<tr>
<td>Veteran’s Issues</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,500.00</td>
<td>-</td>
</tr>
<tr>
<td>CNCS Social Innovation Fund</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,771.02</td>
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<tr>
<td>Freddie Mac Foundation</td>
<td>546.78</td>
<td>-</td>
<td>12.00</td>
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<td>Network for Better Futures</td>
<td>15,044.23</td>
<td>19,558.72</td>
<td>-</td>
<td>1,257.85</td>
<td>-</td>
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<tr>
<td><strong>Total</strong></td>
<td>$269,240.05</td>
<td>$384,530.97</td>
<td>$263,780.82</td>
<td>$364,231.33</td>
<td>$415,656.08</td>
</tr>
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</table>
### National Association of Counties (Consolidated)
#### Detailed Statement of Activities
For the Period ending September 30, 2014

<table>
<thead>
<tr>
<th></th>
<th>2013 Actual</th>
<th>2014 Budget</th>
<th>2014 Actual</th>
<th>2014 Forecast</th>
<th>2015 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IT &amp; Innovation</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>IT Innovation Center</td>
<td>$187,728.46</td>
<td>$182,913.11</td>
<td>$165,928.00</td>
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<tr>
<td>County Innovation Network (COIN)</td>
<td>-</td>
<td>79,652.58</td>
<td>32,707.32</td>
<td>53,106.93</td>
<td>28,819.79</td>
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<td>CYBER for Counties</td>
<td>$43,477.34</td>
<td>$88,879.62</td>
<td>$28,565.19</td>
<td>$51,513.60</td>
<td>$39,950.00</td>
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<tr>
<td>Achievement Awards</td>
<td>$70,809.31</td>
<td>(12,973.44)</td>
<td>(4,456.14)</td>
<td>(4,518.15)</td>
<td>(11,471.06)</td>
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<td><strong>Total</strong></td>
<td>$302,015.11</td>
<td>$338,471.87</td>
<td>$222,744.37</td>
<td>$343,319.45</td>
<td>$266,807.25</td>
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<tr>
<td><strong>Smart Justice</strong></td>
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<tr>
<td>Smart Justice Forum</td>
<td>- $</td>
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<td>$14,225.74</td>
<td>$29,026.18</td>
<td>$31,504.97</td>
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<td>MacArthur Foundation</td>
<td>$2,977.99</td>
<td>$185,491.82</td>
<td>$84,770.24</td>
<td>$180,954.61</td>
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<td>Public Welfare Foundation</td>
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<td>$71,322.40</td>
<td>$53,928.13</td>
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<td>NORC - Univ. of Chicago</td>
<td>$10,831.36</td>
<td>- $</td>
<td>$6,954.77</td>
<td>$9,556.69</td>
<td>$9,307.92</td>
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<tr>
<td>Justice Management Institute</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>62,615.18</td>
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<tr>
<td>Council of State Governments</td>
<td>-</td>
<td>56,896.07</td>
<td>-</td>
<td>47,457.37</td>
<td>131,863.35</td>
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<td><strong>Total</strong></td>
<td>$72,509.59</td>
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<td>$159,878.88</td>
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<td><strong>Transportation &amp; Infrastructure</strong></td>
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<tr>
<td>Transportation Initiative</td>
<td>- $</td>
<td>$78,899.84</td>
<td>$24,778.75</td>
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<td>$72,126.32</td>
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<td>President Clark’s Initiative</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>22,000.00</td>
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<td>ALTA Transportation Planning</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>13,809.43</td>
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<tr>
<td>DOT - Rural Road Safety</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>DOT - PIPA</td>
<td>$20,964.12</td>
<td>$15,969.57</td>
<td>$7,555.87</td>
<td>$12,400.58</td>
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<tr>
<td><strong>Total</strong></td>
<td>$20,964.12</td>
<td>$94,869.41</td>
<td>$32,334.62</td>
<td>$81,655.27</td>
<td>$107,935.75</td>
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<td><strong>Leadership &amp; Development</strong></td>
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<tr>
<td>County Leadership Institute</td>
<td>$39,784.59</td>
<td>$75,194.93</td>
<td>$46,462.92</td>
<td>$49,357.18</td>
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<td>Education &amp; Training</td>
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<td>$179,824.40</td>
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<tr>
<td><strong>Total</strong></td>
<td>$285,820.31</td>
<td>$234,902.19</td>
<td>$226,287.32</td>
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<td>$322,838.48</td>
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<tr>
<td><strong>Research</strong></td>
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<td></td>
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<tr>
<td>Expense</td>
<td>$371,640.14</td>
<td>$724,298.74</td>
<td>$398,558.71</td>
<td>$602,690.11</td>
<td>$829,705.59</td>
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<tr>
<td><strong>Other Programs &amp; Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Scholarship Programs</td>
<td>(13,393.48)</td>
<td>$6,000.00</td>
<td>$4,764.66</td>
<td>$6,000.00</td>
<td>$17,000.00</td>
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<td>Arts &amp; Culture Commission</td>
<td>$16,217.35</td>
<td>$15,975.00</td>
<td>$13,685.71</td>
<td>$17,966.71</td>
<td>$15,975.00</td>
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<tr>
<td>NACo Presidential Initiatives</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Fellowship Programs</td>
<td>$271.28</td>
<td>$1,500.00</td>
<td>$100.14</td>
<td>$1,500.00</td>
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<tr>
<td>Other Programs</td>
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<td>$1,255.00</td>
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<tr>
<td><strong>Total</strong></td>
<td>$11,973.18</td>
<td>$23,475.00</td>
<td>$20,358.96</td>
<td>$26,721.71</td>
<td>$32,975.00</td>
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<tr>
<td><strong>Communications</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Affairs/Press</td>
<td>$447,754.10</td>
<td>$453,438.08</td>
<td>$317,827.07</td>
<td>$447,537.46</td>
<td>$500,760.71</td>
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<td>County News (net of advertising)</td>
<td>$522,407.45</td>
<td>$588,177.71</td>
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<td>County Government Month</td>
<td>$8,980.89</td>
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<td>$4,883.56</td>
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<td>Marketing</td>
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<td>$95,310.52</td>
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<td>NACo.org</td>
<td>$288,743.71</td>
<td>$323,962.68</td>
<td>$208,322.62</td>
<td>$361,159.39</td>
<td>$394,179.65</td>
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<td><strong>Total</strong></td>
<td>$1,347,324.71</td>
<td>$1,511,952.98</td>
<td>$1,025,110.12</td>
<td>$1,507,809.06</td>
<td>$1,711,013.23</td>
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</tbody>
</table>
### Governance Expense

<table>
<thead>
<tr>
<th></th>
<th>2013 Actual</th>
<th>2014 Budget</th>
<th>2014 Actual</th>
<th>2014 Forecast</th>
<th>2015 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Committee</td>
<td>$227,056.73</td>
<td>$216,300.00</td>
<td>$149,614.52</td>
<td>$218,962.02</td>
<td>$256,089.39</td>
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<tr>
<td>Board of Directors</td>
<td>126,638.51</td>
<td>176,860.43</td>
<td>82,745.13</td>
<td>181,147.83</td>
<td>172,126.31</td>
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<tr>
<td>Audit Committee</td>
<td>24,045.73</td>
<td>21,000.00</td>
<td>4,300.94</td>
<td>21,000.00</td>
<td>22,450.00</td>
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<tr>
<td>Executive Management</td>
<td>718,761.10</td>
<td>816,030.22</td>
<td>586,558.69</td>
<td>836,902.69</td>
<td>828,648.10</td>
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<tr>
<td>Research Foundation Management</td>
<td>222,557.67</td>
<td>162,007.21</td>
<td>126,742.51</td>
<td>190,455.63</td>
<td>229,274.22</td>
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</table>

**Total Governance Expense:**

$1,319,059.74

### Support Services Expense

<table>
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<tr>
<th></th>
<th>2013 Actual</th>
<th>2014 Budget</th>
<th>2014 Actual</th>
<th>2014 Forecast</th>
<th>2015 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information Technology</td>
<td>$837,739.70</td>
<td>$830,490.70</td>
<td>$637,795.25</td>
<td>$810,221.86</td>
<td>$862,838.54</td>
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<td>Accounting</td>
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<td>760,147.39</td>
<td>543,031.61</td>
<td>725,171.70</td>
<td>698,461.33</td>
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<td>Office and Administration</td>
<td>2,158,018.84</td>
<td>2,302,351.00</td>
<td>1,732,950.93</td>
<td>2,325,856.99</td>
<td>2,374,222.35</td>
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<tr>
<td>Human resources</td>
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<td>416,627.55</td>
<td>246,942.65</td>
<td>424,356.38</td>
<td>484,246.35</td>
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</tbody>
</table>

**Total Support Services Expense:**

$4,111,830.75

### Investment Activity

#### Operating Accounts

<table>
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<tr>
<th></th>
<th>2013 Actual</th>
<th>2014 Budget</th>
<th>2014 Actual</th>
<th>2014 Forecast</th>
<th>2015 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest - NACo</td>
<td>$44,059.26</td>
<td>$42,000.00</td>
<td>$44,214.83</td>
<td>$52,000.00</td>
<td>$48,000.00</td>
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<td>Interest - NACoRF</td>
<td>206.97</td>
<td>-</td>
<td>-</td>
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<td>-</td>
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<tr>
<td>Interest - NACo FSCorp</td>
<td>480.00</td>
<td>480.00</td>
<td>360.00</td>
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<td>480.00</td>
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</table>

**Total Operating Accounts:**

$44,746.23

#### Reserve Accounts

<table>
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<tr>
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<th>2013 Actual</th>
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<th>2014 Actual</th>
<th>2014 Forecast</th>
<th>2015 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and Dividends</td>
<td>438,126.42</td>
<td>60,000.00</td>
<td>286,023.43</td>
<td>60,000.00</td>
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<td>Realized G/L on investments</td>
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<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Unrealized G/L on investments</td>
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<td>-</td>
<td>446,123.35</td>
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<td>-</td>
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<tr>
<td>Investment Management Fees</td>
<td>(53,143.42)</td>
<td>(60,000.00)</td>
<td>(42,405.87)</td>
<td>(60,000.00)</td>
<td>(60,000.00)</td>
</tr>
</tbody>
</table>

**Total Reserve Accounts:**

$2,450,442.97

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**National Association of Counties (Consolidated)**

**Detailed Statement of Activities**

**For the Period ending September 30, 2014**
FSC Overview: The mission of the NACo Financial Services Corporation is to deliver national value-added enterprise programs that offer solutions and savings to our members and partners. We do this by leveraging our purchasing power and delivering high quality and value-added products and services at a national level with a compelling revenue model. This includes managing a process that combines the services and innovation of market-leading private sector firms with the brand and access power of NACo and its affiliates. We focus on five strategic market sectors including purchasing, retirement, finance, healthcare and infrastructure, which are outlined below:

Program Updates:

1. Purchasing - U.S. Communities
   - **Background:** NACo FSC is a founding sponsor of the U.S. Communities Government Purchasing Alliance, which is the leading national government purchasing cooperative that reduces the cost of goods and services by aggregating the purchasing power of public agencies nationwide. U.S. Communities provides participants with access to a broad line of competitively solicited contracts with national suppliers that have committed to providing their lowest overall public agency pricing. U.S. Communities is proud to be the only government purchasing cooperative founded by public agencies for public agencies.
   - **Results:** Total sales are projected to increase 22% in 2014, increasing from $1.5 billion in 2013 to $1.83 billion by the end of the year. U.S. Communities is experiencing the highest sales numbers in the history of the program, with a record 28% growth in the second quarter of 2014. The top three suppliers for sales growth were Ricoh, Home Depot and Insight, all with over $30 million in program growth.

2. Retirement - Deferred Compensation Program
   - **Background:** The NACo Deferred Compensation Program is one of two cornerstone programs for the FSC. Through this program, county employees can participate in a voluntary, tax-deferred retirement savings program that supplements employer-sponsored retirement plans. Nationwide Retirement Solutions (NRS) is the preferred partner for retirement and savings-related programs.
   - **Results:** In March 2013, NACo and NRS entered into a new contract for the NACo Deferred Compensation Program through 2020. The NACo Deferred Compensation Program closed the third quarter of 2014 with assets of nearly $14.2 billion – almost $1.2 billion more than at the close of the same period of 2013. We are pleased to support the retirement needs of 1.5 million county employees over the last 34 years in 3,000 local governments.
   - **New Projects:** NACo Financial Services has been working on developing a more expansive retirement project to include broader institutional and individual services as well as a pooled alternatives investment platform.
3. Finance - Public Finance Authority

- **Background:** The Public Finance Authority is a governmental entity established to issue tax-exempt conduit bonds for public and private entities nationwide. PFA has the authority to issue multi-jurisdictional and multi-state bonds. PFA is sponsored by NACo, the Wisconsin Counties Association, the League of Wisconsin Municipalities and the National League of Cities.

- **Results:** Total financings since PFA’s inception through October 2014 total more than $2.1 billion. Of the 78 projects, 12 have been multi-state transactions. The types of facilities financed include, among other types of projects, air cargo facilities, charter and religious schools, affordable housing, commercial offices and manufacturing facilities. To date in 2014, PFA has issued 27 transactions for approximately $560 million, with total transactions for the year projected to be approximately $1 billion for the following types of projects: continuing care facilities, medical facilities, community health facilities, Section 8 housing, student housing (universities), and parking facilities.

4. eConnectDirect®

**Background:** eConnectDirect® is an online investment marketplace designed to help county investment officers search, compare, transact and manage their fixed income portfolios. It delivers information that allows them to perform transactions across thousands of fixed-income assets. The eConnectDirect® platform was created by Multi-Bank Securities, Inc. and has been used and tested by a number of counties.

**Results:** Rolled out in September 2014, eConnectDirect is already in use by a number of counties who report of its usefulness. FSC is also in dialogue with several state associations to endorse the program.

5. Healthcare: NACo members and affiliates continue to search for innovative approaches to manage their healthcare challenges. Our priority is to explore solutions for public employees and the FSC is assessing the marketplace for the right solution and partner. We have commissioned a study by Segal Consulting to focus our efforts and develop the right solution to complement state programs.

5. Infrastructure: Counties own and operate more than 250,000 bridges, many of which are in disrepair. The FSC is exploring bridge bundling solutions and corresponding financing, that will provide for a more economical and efficient approach to the required engineering, design and repair demands.
County Intelligence Connection 2.0
Interactive Map & Extraction Tool

Compare: See multiple indicators simultaneously for any county

Primary Indicator
- Administration
- County Employment
- County Finance
- County Structure
- Demographics
- Economy
- Education
- Federal Funding
- Geography
- Health & Hospitals
- Housing & Community Development
- Justice & Public Safety
- Public Amenities
- Public Welfare
- Transportation
- Utility
- Water, Sewerage & Solid Waste Management

Secondary Indicator
- Health & Hospitals Employment
- Health & Hospitals Expenditures
- Hospitals
- Nursing Homes
- Health Insurance

Monthly data updates bring the latest data to your fingertips

www.NACo.org/CIC

Benchmark counties quickly using the color-coded interactive map

Detailed data-points on every county

CIC Extraction Tool
Get full access to data for 18 categories and 500 indicators for 3,069 counties from 2000 to the latest year available. Available with annual paid subscription. For more information about the subscription, please contact Dr. Emilia Istrate, NACo Research Director, at eistrate@naco.org or 202-942-4285.

2013 Population Level
- Bottom 20%
- 50.0k
- 150.0k

2007 Administration Revenue
- $8.0mil
- $24.3mil
- $26.7bil

Agenda Packet Page 35
NACo 2014 Summary Board Report
Accomplishments

Membership
- Number of Members – 2,288
- Retention Rate – 97.5 percent
- Membership Revenue -- $4,467,000 -- $223,000 above budget
- Dental program added to the NACo Prescription & Health Discount Program
- Thirty-four counties with dues of $103,000 have joined, including six of the top 50 largest nonmembers
- Officers and staff participated in 55 state association meetings
- Produced new “Why NACo Matters” brochure to promote membership
- Distributed thousands of copies of reports, brochures and materials on all NACo programs and services at state meetings

County News
- Produced 24 issues of County News with the average size of the paper being 17 pages
- Produced three Hot Topics special sections on: Mental Health; The Road Ahead for Counties: Transportation Challenges and Opportunities; and Counties and the Juvenile Justice System.
- Produced 30 articles on county innovative programs
- Published timely, topical articles – some examples:
  - Dallas County takes on Ebola
  - Counties win major victories in Farm Bill
  - W.Va. counties drive response to water crisis
  - Rail transport of hazardous materials ups ante for counties
  - Iowa supervisor saves assessor from gunman
  - First-term council member faces early test with mudslide disaster (Snohomish County)
  - Derailed broadband project leaves rural counties still hopeful
  - County braced for tornado after years of disasters,
  - Costs mount for counties as immigration reform languishes
  - Proposed ‘Waters of U.S.’ rule would hit county budget
  - Child immigration crisis rallies counties pro and con
- Started new feature, called State-to-State, which identified issues that state associations are facing in their state legislatures and the problems their counties in the state are confronting.

NACo Website – naco.org
- Website redesign
  - Currently the web developers are working on wireframes and information architecture. From there they will be developing visual mock-ups of the front page and internal pages.
- Web and Social Analytic Highlights (2014 Third Quarter vs. 2013)
  - 11 percent increase in new sessions on the website (6,916,607 vs 6,234,282)
  - 18 percent increase in unique users (2,812,208 vs 2,365,777)
  - 3 percent increase in page views (1,200,585 vs 1,166,582)
  - 7 percent increase in number of pages per session (1.74 vs 1.87)

NACo 2014 Accomplishments
Top top-viewed pages continue to be “City Search”, the front page and “Find a County” along with—because of the time of year—the annual conference page.

Facebook showed a slight decline as there were 17 percent less referrals to the website from that social network (1,007 vs 1,223)

Twitter continues to grow in reach and effectiveness with 76 percent more referrals to the website (884 vs 502)

The top browser to access the site remains Internet Explorer, followed by Google Chrome

Mobile views are up 107 percent (33,957 vs 16,340) as is tablet views (+41 percent, 13,688 vs 9,733) but desktop remains the dominant source of access (642,052)

Improved the search engine function to assist visitors to the site with finding the information they are seeking

Media Relations

- Produced survey of county sheriff and police departments on the problem of human sex trafficking in America to provide substance for the news conference on the issue
- Produced and distributed more than 40 national news releases and advisories.
- Created issue-specific and targeted media lists with approximately 400 media contacts.
- Produced take-home press releases on committee appointments, achievement awards, products, policy priorities and events, which helped to generate hundreds of media hits in local outlets across the country.
- Helped to create and place op-eds and letters to the editor on surface transportation, “Waters of the U.S.” and PILT, which appeared in publications like The Denver Post, Tallahassee Democrat, Minneapolis Star Tribune and Reading Eagle.


- Produced written Annual Report with 1,200 copies distributed at the NACo Annual Conference
- More than 800 additional copies were distributed to county officials and at state association meetings
- Produced Annual Report video that was shown at the Annual Conference
- The Annual Report video was also shown at 10 state association meetings in the fall of 2014
- An electronic version of the Annual Report was also produced and a link to it was sent by email to 40,000 county officials

Why Counties Matter

- Distributed more than 2,000 copies of Why Counties Matter at state meetings and to officials for use in their counties
- Produced five state specific versions of Why Counties Matter brochures

NACo 2014 Accomplishments
Graphics
- Designed and produced more than 200 reports, brochures, posters and other printed material featuring NACo programs and services

Community and Economic Development

Conferences
(Combined totals for 2014 NACo Annual, Legislative and Western Interstate Region Conferences)
- 12 workshops
- 4 mobile workshops
- 1 focus group

Forums/Meetings (total: 3)
1. Symposium on America’s County Transportation and Infrastructure
2. Resilient Counties: Growing Stronger Places Forum

Publications (total: 13)
1. How Counties are Driving Economic Growth with Capital Investments
2. Improving Lifelines: Protecting Critical Infrastructure for Resilient Counties
3. Cultivating a Competitive Advantage: How Rural Counties are Growing Economies with Local Assets and Regional Partners
4. Partnering in Government Innovation: County Leadership in Action
5. Planning Resilient Water Systems: Coastal Resiliency County Case Studies (Part 1)
6. Severe Weather and Climate Change Adaptation: Coastal Resiliency County Case Studies (Part 2)
7. Restoring Habitats for Resilient Coastal Economies
8. Recommended Pipeline Safety Practices for Local Governments
9. Creating Consultation Zones for Pipeline Safety
10. A Workforce that Works: County Innovations in Workforce Development
11. Sustainable Ports: Strategies for Port Development and Operations
12. Understanding the Smart Grid: A Guide for County Leaders

Webinars (total: 14)
1. Next Generation 911: Upgrading County Emergency Communications
2. Combined Heat and Power: Resiliency Strategies for Critical Facilities
3. The Location Affordability Portal: Understanding the Impact of Location on Affordability
4. Creating Lasting Wealth: New Tools and Approaches to Economic & Community Development
5. Assessing Pipeline Infrastructure and Safety: A Primer for County Governments
7. Wetlands Restoration and Stewardship
8. Maximizing Volunteer and Partner Engagement
9. Effective Methods of Environmental Education
10. Relating Restoration Activities to Broader Watershed Outcomes
11. Creating New Partnerships for Successful Environmental Restoration Efforts

NACo 2014 Accomplishments
12. Green Technology: How Tech Enables Counties to Invest in Renewables
13. Strategies to Bolster Economic Resilience
14. Green Goods: How to Create Sustainable County Purchasing and Procurement Programs

**Presentations** (total: 10)
1. California Adaptation Forum: Forest and Flood Management as an Adaptation Strategy
2. NOAA Coastal Managers Meeting: Coastal County Resiliency and the Digital Coast Partnership
3. Educational Association of University Centers: County Economic Development Innovations
4. Interagency Network of Enterprise Assistance Providers: County Innovations in Economic Resiliency
5. Smart Growth Network: County Economic Resilience
6. New Partners for Smart Growth: Entrepreneurship in Rural Places
8. Prince George County Council: County Economic Resilience
9. Association of State Floodplain Managers: Planning and Policymaking for Coastal Resilience
10. Approximately 12 Digital Coast trainings to Congressional staff, Federal agency staff and other partners

**Podcasts** (total: 9)
1. Rural Broadband Development
2. Resiliency in New Orleans: the Urban Water Plan
4. Enhancing Community Engagement with Data
5. Partnering to Build Resilient Counties
6. Building Transportation and Infrastructure
7. Innovations in Workforce Development
8. Partnerships in Renewable Energy Financing
9. County Innovations in Transportation

**Other**
- Launched a competition for rural counties to apply to host a County Prosperity Summit

**Professional Development Education and Training**

**Conferences**
(Combined totals for 2014 NACo Annual, Legislative and Western Interstate Region Conferences)
1. 2 First Time Attendee Orientations
2. 1 Next Generation NACo Community Service Project
3. 3 Professional Development Workshops/Advanced Leadership Trainings
4. 4 Cyber for Counties Workshops
5. 2 Tours of the Department of Homeland Security National Cybersecurity Communications and Integration Center

**Forums** (total: 2)
1. County Leadership Institute

NACo 2014 Accomplishments
2. National Cyber Symposium

**Webinars** (total: 10)
1. Critical Infrastructure and the Internet of Things
2. Managing Secure Software Development and Outsourced Technology Services
3. Managing Work Stress
4. Recruiting and Maintaining Top Talent
5. Crucial Communication Tools
6. The Multigenerational Workforce
7. Giving and Receiving Feedback
8. Effective Process Management for Counties: The Quick and Dirty of Six
9. Building a Positive Workforce
10. Managing Upwards: How to Manage Your Manager

**Presentations** (total: 2)
1. NACo FSC Defined Contribution and Retirement Advisory Committee Meeting
2. North Carolina Association of County Commissioners Advanced Leadership Program

**Podcasts**
1. Cybersecurity

**Other**
1. Coordinated 59 Workshops
2. Administered 56 webinars with over 3,300 attendees

**Health, Human Services and Justice**

**Conferences**
(Combined totals for 2014 NACo Annual, Legislative and Western Interstate Region Conferences)
- 16 workshops/meetings
- 2 mobile workshops
- 3 focus group

**Forums/Meetings** (total: 9)
1. 2014 Justice and Public Safety Symposium (Fulton County, Ga.)
2. Healthy Counties Forum: Improving Health in a Climate of Change
3. Leon County Community Dialogue to Improve Health
4. Juvenile Justice Reform Forum (Cook County, Ill.)
5. Bullitt County Community Dialogue to Improve Health
6. Salt Lake County, Utah: Building Healthy Communities: Salt Lake County’s Future (Salt Lake County Community Dialogue to Improve Health)
7. Washington County Community Dialogue to Improve Health
8. Wayne County Community Dialogue to Improve Health
9. Lights, Camera, Action: Building Award-Winning Healthy Communities in Fulton County (Fulton County Community Dialogue to Improve Health)

NACo 2014 Accomplishments
**Publications** (total: 23)
1. Profiles of County Innovations in Health Care Delivery: ACOs
2. Profiles of County Innovations in Health Care Delivery: ACCs
3. Behavioral Health: Why Parity Matters to Counties
4. Excise Tax
5. Marketplace
6. Employee Wellness
7. Leon County Community Dialogue Report
8. Questions & Answers: The Affordable Care Act and County Jails
9. ACA & Jails Suspension v. Termination of Medicaid One-Pager (Upcoming)
10. Community Dialogue to Improve County Health Final Report
11. Phases of FUSE: Planning and Implementing Successful Supportive Housing publication
13. Why Juvenile Justice Matters to Counties
14. Why Juvenile Justice Matters to County Human Services Agencies publication
15. Op-ed “Stop Sentencing Kids to Life Without Parole” (published at jjie.org)
16. County Concerns: Dual Status Youth
17. LUCC case studies
18. County Concerns: Status Offenses
19. Inpatient Exception
20. County Concerns: Juvenile Justice and Behavioral Health
21. County Concerns: Questions County Officials Should be Asking about Juvenile Justice
22. County Highlights in Juvenile Justice
23. County Jails and Health

**Webinars** (total: 19)
1. Practices for Improving Population Health
2. County Health Rankings Webinar
3. Integrating County Delivery Services to Obtain Transparent and Accountable Outcomes
4. Collaborating with County Partners to Create an Employee Wellness Program
5. Strengthening Mental Health in Our Communities Act of 2014 Webinar
6. Care Coordination: An Opportunity to Help Drive Change
7. Mental Health Parity: What It Means for Counties as Providers
8. Human Trafficking
10. Smart Pretrial Demonstration Initiative Q&A webinar I & II
11. Social Impact Bonds webinar I & II
12. Family Engagement – Models for Change Juvenile Justice
13. Human Services Committee webinar/call re: Dual Status Youth
14. Receiving Centers – Juvenile Justice
15. Status Offenses – Juvenile Justice
17. NACo Community Dialogues to Improve County Health: Lessons Learned
18. County Responses to Ebola
19. Unaccompanied Children Crisis with the White House

**Presentations** – 5

NACo 2014 Accomplishments
Podcasts (total: 12)
1. Counties and Behavioral Health Integration (June 3, 2014)
2. Leadership through Health (September 9, 2014)
3. From Health Assessment to Healthy County (September 30, 2014)
4. Creating Trauma-Informed Counties (forthcoming – November)
6. Risk-based Decisions in Pretrial Justice Improve Results podcast I & II
7. Indigent Defense podcast
8. Health Coverage for Incarcerated Individuals podcast I, II & III (Nov)
9. Creating a Culture of Health
10. Counties & National Drug Control Policy
11. RWJF Culture of Health Prize & Counties
12. RWJF Community Dialogues

Other
1. Ask the sponsor information cards – to be used for the Justice/Health Jan. 2015 event
2. Initiation of NACo Senior Fellows Program (Behavioral Health)

Conferences and Events

Events (total: 26)
1. NCCAE Presidents & Executives Meeting
2. 2014 Justice and Public Safety Symposium
3. Healthy Counties Forum: Improving Health in a Climate of Change
4. Legislative Conference
5. Powering County Resilience: Renewable Energy Solutions Forum
6. FSC Board Meeting
7. RAC Fly-in
8. National Cyber Symposium
9. Resilient Counties: Growing Stronger Places Forum
10. Justice and Public Safety Forum
11. WIR Conference
12. Bullitt County Community Dialogue to Improve Health
13. County Leadership Institute
14. LUCC Fly-in
15. Annual Conference
16. NACo Leadership Meeting
17. PILT Fly-in
18. WIR Board Meeting
19. Premier Corporate Member Forum
20. LUCC Symposium
21. NCCAE Annual Meeting
22. Finance Committee Meeting
23. Lights, Camera, Action: Building Award-Winning Healthy Communities in Fulton County (Fulton County Community Dialogue to Improve Health)

NACo 2014 Accomplishments
24. RAC Annual Meeting
25. FSC Meeting
26. NACo Board Meeting
27. Symposium on America’s County Transportation and Infrastructure

Business Development

Membership/Sponsorship Metrics

- 36 Corporate Premier Members
- 8 new members (net gain 5)
  - FireEye
  - Institute of Scrap Recycling Industries, Inc.
  - International Council of Shopping Centers
  - LexisNexis
  - 2U, Inc.
  - Salesforce
  - VMG Health
  - Witt O’Brien’s
- 53 unique corporations
- New Initiative sponsors
  - 10 Resilient Counties
  - 4 Smart Justice
  - 3 Transportation and Infrastructure

2014 Corporate Revenues

- Raised $1,648,000 in 2014
  - 8% above plan and our growth rate from 2013 is at 27%.
  - 27% growth rate from 2013

Conference Sponsorships
(2014 NACo Annual, Legislative and Western Interstate Region Conferences)

- Aetna, AT&T, IBM, Esri, SAIC, Google, PayPal, and TransCanada were Legislative and/or Annual Conferences
- Aetna hosted “Healthcare Breakfast Roundtables” at the Legislative, WIR and Annual Conferences
- TransCanada Presented at the Environment, Energy and Land Use Steering Committee at the Legislative Conference
- TransCanada sponsored a Pipeline Safety Mobile Workshop at the Annual Conference
- 8 Premier Members and 2 Sponsor Companies participated in Annual Conference workshops and committee meetings
- Google Sponsored the Innovation Lab at the Annual Conference
- Accella, Aetna, AT&T, Cisco, Google, HP, Hyland Software, IBM, Motorola, PayPal and SAIC served as Annual Conference Technology and Innovation Summit sponsors

Forums/Meetings

- AT&T was the Platinum Sponsor for the National Cyber Symposium, HP served as the Gold Sponsor, Cisco and IBM served as Silver Sponsors

NACo 2014 Accomplishments
• Esri facilitated a Climate Resilience App Challenge at the Resilient Counties Forum
• Accella representatives provided the keynote address at the Resilient Counties Forum
• Aetna, Esri and United Healthcare presented at the Healthy Counties Forum
• Google presented at the Justice and Public Safety Symposium
• Premier Corporate Membership Forum

Publications
• NACo Business Council: 2014 Year in Review
• Premier Corporate Membership Brochure

Webinar Sponsorship
• Practices in Improving Population Health (Aetna)
• Integrating County Delivery Services to Obtain Transparent and Accountable Outcomes (Accenture)
• Collaborating with County Partners to Create an Employee Wellness Program (Healthstat)
• Care Coordination: An Opportunity to Help Drive Change (Netsmart)
• Mental Health Parity: What it Means for Counties as Providers (United Healthcare)
• Sustainable Waste Management Strategies for Counties (Waste Management)

Other County Solutions and Innovation

Blogs (total: 118)
  1. 57 in Community and Economic Development
  2. 26 in Health and Human Services
  3. 14 in Justice and Public Safety
  4. 1 Misc.
  5. 17 about podcasts
  6. 3 in Tech and Innovation

Podcast (total: 18)
• Over 4 hours of content
• Over 2,700 downloads (as of 11.7.14)
• 28,866 hits on podcast feed

Achievement Awards (total: 629 applications)
• Awarded 480 programs

Congressional Hearings

Senate Environment and Public Works Committee: MAP-21 Reauthorization: State and Local Perspectives on Transportation Priorities and Funding
• March 27, 2014
• Testified: Hon. Bill Fontenot, President, St. Landry’s Parish, La. and Hon. Jim Wilcox, Commission Chair, Converse County, Wyo.
House Transportation and Infrastructure Subcommittee on Economic Development, Public Buildings and Emergency Management: Disaster Mitigation Reducing Costs and Saving Lives
  - April 3, 2014
  - Testified: Hon. Linda Langston, Supervisor, Linn County, Iowa.

House Transportation and Infrastructure Subcommittee on Water Resources and Environment: Potential Impacts of Proposed Changes to the Clean Water Act Jurisdictional Rule
  - June 11, 2014
  - Testified: Warren “Dusty” Williams, General Manager and Chief Engineer for the Flood Control and Water Conservation District of Riverside County, Calif.

Senate Energy and Natural Resources Committee: Leveraging America’s Resources as a Revenue Generator and Job Creator
  - July 22, 2014

Senate Banking, Housing and Urban Affairs Subcommittee on Housing, Transportation, and Community Development: Building Economically Resilient Communities: Local and Regional Approaches
  - July 22, 2014

  - July 29, 2014
  - Testified: Hon. D.L. Wilson, Chairman, La Paz County, Ariz.

  - July 29, 2014
  - Testified: Hon. Lorinda Wichman, Commissioner, Nye County Commission, Nev.

Congressional Briefings

Behavioral Health Information Technology Coalition: Behavioral Health Information Technology: A Tool to Save Money and Improve Care Quality
  - July 22, 2014
  - Hon. Ben McAdams, Mayor, Salt Lake County, Utah

Payment in Lieu of Taxes (PILT): A team of 20-30 county officials from public lands counties across the country met with Members of Congress and their staff (before the November elections) to urge full FY 2015 funding for PILT—as well as a long-term funding solution. We will be targeted House and Senate leaders, House and Senate Appropriators, Members and leaders on the House and Senate Natural Resources Committees. NACo also conducted a PILT briefing on Capitol Hill for Congressional staff.
  - September 18, 2014

NACo 2014 Accomplishments
**Other Legislative Products and Events**

- Membership Webinar: General Legislative Update
- BLM Planning 2.0 Webinar
- Membership Webinar on “Waters of the U.S.”
- 2014 Mid-Term Election Analysis
- NACo Payment in Lieu of Taxes Hub
- NACo August 2014 Recess Toolkit
- Waters of the U.S. Action Hub
- House Transportation and Transportation Roundtable Infrastructure Committee

**Made In Rural America Regional Forums**

Five regional forum held in conjunction with the White House Rural Council’s “Made in Rural America” initiative to bolster rural exports. These regional forums will promote rural exports by helping rural leaders and businesses take advantage of new market opportunities and providing training from experienced exporters and federal officials on the basics of exporting, accessing federal support, and participating in major domestic and international trade events and trade shows.

**Northeast Regional Forum** - Canonsburg, Pennsylvania
- June 4, 2014

**Southeast Regional Forum** - Memphis, Tennessee
- July 17, 2014

**Midwest Regional Forum** - Mount Vernon, Iowa
- August 8, 2014

**Southwest Regional Forum** - Payson, Arizona
- August 11, 2014

**Northwest Regional Forum** - Oregon City, OR
- August 28, 2014

**Notable Legislation**

**Workforce Bill Signed Into Law**—In July, the President signed the Workforce Innovation and Opportunity Act (WIOA) (PL 113-128) into law. WIOA updates the rules governing federal employment and training programs. It maintains local governance authority while adding needed flexibility for training opportunities to meet the needs of businesses and jobseekers. Both the House and Senate overwhelmingly passed the bipartisan and bicameral legislation. The previous workforce legislation expired in 2003. NACo worked with both House and Senate leaders to provide a workforce bill that provides needed funding and framework for a modernized workforce development system by maintain a local role in the system with added flexibility.

**Short-Term Patch Passed to Keep High Trust Fund Solvent** — In July, Congress reached agreement over a short-term patch to keep the Highway Trust Fund solvent and extend the current surface transportation law – Moving Ahead for Progress in the 21st Century Act (MAP-21) – through May of next year. The Highway and Transportation Funding Act, H.R. 5021, was accepted by both chambers after NACo 2014 Accomplishments
much debate over the length of the patch. The bill will now move to the President for his signature. NACo continues to call on Congress to provide long-term certainty for the Highway Trust Fund and a multi-year authorization bill that supports counties’ work to strengthen surface transportation network.

**NACo Continues to Lobby on “Waters of the U.S.” Proposed Rule** – On April 21, the U.S. Environmental Protection Agency (EPA) and the U.S. Army Corps of Engineers (Corps) jointly released a new proposed rule—Definition of Waters of the U.S. Under the Clean Water Act—that would amend the definition of “waters of the U.S.” and expand the range of waters that fall under federal jurisdiction including county-owned roadside ditches, flood control ditches and stormwater ditches. The proposed rule would apply not just to Clean Water Act’s Section 404 permit program, but would also be applicable to other Clean Water Act programs. The proposed rule would impact county-owned and maintained roads and roadside ditches, flood control channels, drainage conveyances, stormwater systems, green infrastructure construction and maintenance. The public comment period for “Waters of the U.S.” is open until October 20, 2014. NACo has create an information hub on “waters of the U.S.” which provides a in depth analysis and updates on the recent proposed rule.

**Legislation Introduced to Ensure Full Economic Impact of Proposed Critical Habitat Designations** — In July, Senators Mark Pryor (D-Ark.) and John Boozman (R-Ark.) introduced the “Private Landowner Protection Act”. This bipartisan legislation would require the U.S. Fish and Wildlife Service (USFWS) to take the full economic impact of proposed critical habitat designations into account. NACo lobbies to support such legislation that would require the USFWS to perform appropriate economic analysis, prior to the designation of critical habitat, that would measure the effects of such a designation on all affected stakeholders – not just on federal agencies – and would include effects on possible uses of land and property values, employment and revenues available for state and local governments.

**House Democrats Introduce Alternative Mental Health Bill** — In May, Rep. Ron Barber (D-Ariz.) introduced the Strengthening Mental Health in Our Communities Act of 2014 (H.R. 4574). The measure serves as a Democratic alternative to the mental health overhaul legislation introduced by Rep. Tim Murphy (R-Penn.). That bill, the Helping Families in Mental Health Crisis Act (H.R. 3717), has generated controversy because, among other things, it would reduce the authority of the Substance Abuse and Mental Health Services Administration (SAMHSA) and make states’ eligibility for the Community Mental Health Block Grant conditional on the state’s adoption of assisted outpatient treatment (AOT), which some mental health advocates view as overly coercive. NACo prepared a side-by-side chart analysis of key provisions in the mental health legislative proposals and their impact on counties.

**$16.3 Billion Veterans Affairs Overhaul Deal Reached** - On July 28, House and Senate negotiators agreed to an overhaul package, the Veterans Access, Choice and Accountability Act of 2014 (H.R. 3230), that would reform the U.S. Department of Veterans Affairs (VA), including changes that would allow veterans to seek private care in their communities. $10 billion of the $16.3 billion agreement would be allocated to allow veterans to receive care from non-VA providers—private physicians, community health centers, U.S. Department of Defense health care facilities, or Indian Health Centers—if they live more than 40 miles away from a VA facility or if VA doctors cannot see them within 30 days. This authority would expire after three years and payment would generally be limited to Medicare rates, with exceptions for veterans living in “highly rural areas”—defined as areas located in a county that has fewer than seven individuals residing per square mile.

NACo supports legislative and administrative action at the federal level to develop alternate means of providing health care and related support services to veterans and their families, including partnership
with traditional for-profit, non-profit, county-based and community health care providers. Besides allowing for alternate service delivery, the bill would provide approximately $5 billion for hiring more doctors and nurses and $2 billion for the leasing of 27 new medical facilities across the country. It would also give the VA secretary broader authority to fire or demote senior officials and would limit employee bonuses. All of the funding in this measure is categorized as emergency spending, and the VA would have to rely on the annual appropriations process once these resources are depleted.

**Senate Introduces Bill that Combines the Marketplace Fairness Act and Internet Tax Freedom Act** - On July 15, Sens. Mike Enzi (R-Wyo.), Dick Durbin (D-Ill.), Lamar Alexander (R-Tenn.), Heidi Heitkamp (D-N.D.), Susan Collins (R-Maine) and Mark Pryor (D-Ark.) introduced the Marketplace and Internet Tax Fairness Act (MITFA). The bill (S. 2609) would combine two key issues important to counties:

- **The Marketplace Fairness Act (MFA) as passed by the Senate in 2013, with a few minor technical corrections.** MFA, which passed with the support of NACo, allows state and local governments to enforce existing sales taxes on remote sellers.

- **A ten-year extension of the Internet Tax Freedom Act (ITFA).** ITFA prohibits counties from collecting a tax on Internet access (typically a subscription service) until November 1, 2014. While a 10-year extension is not ideal for counties, NACo favors a temporary extension of ITFA in lieu of permanent measures like the Permanent ITFA (H.R. 3086) that passed in the House on July 14, 2014.

MITFA has garnered bipartisan support, with 14 Senators (11 Democrats and three Republicans) joining as cosponsors less than a week after its introduction. To quickly move MITFA forward, Senate Majority Leader Harry Reid (D-Nev.) invoked the “Rule 14” process which allows a bill to move to the Senate floor without going through the committee(s) of jurisdiction, in this case the Senate Finance Committee.
Useful Links

NACo Board Photo Directory

NCCAE Directory