

NACO National Association of Counties

Counties Care for America

Annual Report

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NACO Executive Committee



C. Vernon Gray

President
Council Member
Howard County
3430 Courthouse Drive
Ellicott City, MD 21043
410/313-2001
410/313-3297 (fax)
cygray@co.ho.md.us



Jane Hague

President-Elect
Council Member
King County
516 Third Ave.
Seattle, WA
206/296-1011
206/296-0389 (fax)
jane.hague@metrokc.gov



Javier M. Gonzales

First Vice President
Commissioner
Santa Fe County
102 Grant Ave.
Santa Fe, NM 87504
505/986-6353
505/995-2740 (fax)
javier@co.santa-fe.nm.us



**Kenneth A.
Mayfield**

Second Vice President
Commissioner
Dallas County
4403 W. Illinois
Dallas, TX 75211
214/339-8381
214/337-9558 (fax)
kamyfield@dallascounty.org



Betty Lou Ward

Immediate Past
President
Commissioner
Wake County
919/856-6160
919/870-4001 (fax)
bward@naco.org

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Introduction

Seize the opportunities

The sun is rising on a new millennium. As we look to the future, we realize that many challenges lay ahead. The **digital age** is upon us, offering a fast-paced world full of information and opportunity.



While traveling across the country as your President and meeting with county officials in nearly every state, I have learned many things. What stands out the most is that the **ideas and innovations** surfacing now will help us overcome any obstacles that we may meet in the years to come. And innovation will allow us to **seize the opportunities** that abound.

During my term, I wanted to help counties begin to capture these opportunities. But I also wanted to be sure that we did not leave anyone behind.

One of my top priorities as President of NACo was **economic development**. The booming economy has provided a boost for many counties, but not everyone is sharing in the wealth. This year, I wanted counties whose economic devel-

opment programs have succeeded to share their knowledge.

As part of this initiative, NACo held four forums in different parts of the country to discuss what works and what doesn't work. A best practices guide produced from the forums will give all counties valuable information about boosting their economies.

Technology plays a huge role in our lives today, and it will have an even bigger role in the future. To identify what NACo needs to do to help counties **use technology effectively**, we held an Information Technology Summit in Cook County in November.

The summit gathered together more than 50 county officials in order to begin developing Electronic Governance policy for the 21st century. Recommendations from the summit focused on identifying best practices, encouraging innovation, facilitating partnerships and providing leadership to close the "**digital divide**."

Healthy families also are one of my priorities. Recently, NACo received a **\$300,000 grant** from the Freddie Mac Foundation for its

Introduction

research foundation. The funds will be used to establish and enhance Healthy Families America programs in at least 200 counties across the nation.

Child abuse and neglect lead to other social problems, such as homelessness, juvenile delinquency, teen pregnancy, drug abuse, low academic achievement, and mental health problems. Each year, an estimated three million children are reported abused or neglected in the United States. The annual cost of treating child maltreatment is estimated to be at least \$9 billion.

This grant will help us to bring effective methods of preventing child abuse and improving family health to counties around the nation. One thousand county officials are expected to receive training through the program. At least 10 state associations of counties will partner with Healthy Families America and Prevent Child Abuse America state chapters in order to develop statewide campaigns against child abuse.

I also encouraged a focus on the arts during my term. I was pleased

to present to King County (Wash.) NACo's Arts & Culture Award at the Legislative Conference. The arts effort will culminate with an arts competition among high school students in Mecklenburg County, North Carolina. Winners of the arts competition will be presented with awards during the Annual Conference.

I feel that we have made considerable **progress on legislative issues** and have done much to improve our services to counties. This report offers a summary of NACo's many activities and accomplishments this year. I think that you might be surprised at the number of ways that the association helps counties. You may even find a program that your county can use.

This has been **an exciting year** for me—one that I will always remember. Thank you for giving me the opportunity to serve as President of the National Association of Counties.



C. Vernon Gray
President

Introduction

We have had a great year

Success has marked NACo's past 12 months in a number of areas, which are outlined in this report. We are approaching the important milestone of **2,000 members**—a goal that we have never reached and that some thought we would never achieve.



Today, we are less than 40 members away from that goal. We will push to reach that mark well before the end of the year, and I am confident that we will get there.

On **legislative** issues, we had a number of **successes**. AIR21—the airport legislation—was signed into law and provides for \$40 billion in funding for airport improvements over the next three years. On a most significant issue to counties—collection of taxes for Internet sales—NACo was able to stress the importance of services provided by this revenue and Capitol Hill's need to be fair to Main Street and brick and mortar businesses.

Throughout this effort, NACo has worked to prevent increasing the moratorium on **Internet taxes** and

to prohibit an outright ban on **Internet sales taxes**. But these issues are certainly not dead, and NACo will continue to fight, as it will on other preemption bills—the "takings" legislation and the Religious Liberty Protection Act.

In support of **NACo's grassroots network**, we have made a significant shift in emphasis to our action caucuses—the Large Urban County Caucus and the Rural Action Caucus. Associate Legislative Directors have been assigned to both of the caucuses and already have begun enhancing both groups' capacity to influence Congress and support NACo's legislative agenda.

NACo also has worked to raise the visibility of counties with the business community. Joining with the U.S. Conference of Mayors, NACo released the **Metro Economies Report** on Wall Street in January and in Chicago in May.

The **Counties Serve America (CSA)** program, and, specifically, the program's Acts of Caring Awards were a huge success this year. In April, 15 counties were recognized for their outstanding volunteer programs at an awards ceremony on Capitol Hill. The selected counties received special praise from 15

members of Congress who attended the ceremony.

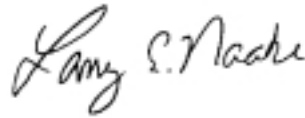
NACo continues its efforts to increase **research and education** assistance to county officials. NACo seeks to give county officials ideas and information that will help solve the problems that they face. Our conferences, which provide excellent networking opportunities, continue to grow. More county officials attend the conferences each year, and we continually add new elements to keep conference events interesting and informative.

Simply put, we have had a great year. It is interesting to think that, a year ago, there was worldwide concern that when the clock turned to 12:01 a.m. on Jan. 1, that life as we know it, so dependent on computers and computer chips, would change dramatically. But the **Y2K**

bug caused virtually no problems for counties or others, showing that preparation often makes all the difference.

NACo also sees the value of preparation. We have developed a **strategic plan** that will guide the association into the future. This plan will position NACo to compete and succeed in years to come, as we continue to provide and improve our services to counties.

There are challenges ahead. I am confident that we will be prepared to meet them, and, by working together, we will overcome them.



Larry E. Naake
Executive Director

Presidential Initiatives

Economic development initiative shares success stories

One of NACo President C. Vernon Gray's top priorities was his Economic Development Initiative.

The thrust of the initiative was to focus on successful county programs and to share their experiences with those that are struggling. Three regional hearings were held to discuss economic development

created to address the area's economic development.

The second hearing emphasized "Financing Economic Development and Revitalizing Stressed Communities and Workforce Development." A case study of Hennepin County, Minnesota, showed how the city and county



issues and present case studies of successful programs.

The hearings were conducted in Harrison County (Biloxi), Mississippi; Clark County (Las Vegas), Nevada; and Fayette County (Peachtree City), Georgia.

The first hearing focused on the "Unique Economic Development Challenges for Rural Governments." The hearing included a case study of Mobile County, Alabama, in which a public/private coalition was

and private sector all came together in order to save a deteriorating downtown community and prevent several big corporations from relocating out of the area.

The final hearing addressed "The Importance of Strategic Planning and Technology to Economic Development." The case study involved a city and county that had worked together to become the most "wired community" in Georgia.

The final phase of the initiative

involves the production of a handbook for counties to use in order to plan for economic development. The guide will open with a self-assessment tool as well as suggestions for conducting an inventory of

a county's readiness for economic development. It also will include specific chapters on financing readiness, rural challenges, technology challenges, workforce development and strategic planning.

Summit identifies how NACo can help counties use technology effectively

Exploring counties' information technology use now and in the future was another Presidential Initiative. On November 12 and 13, 1999, more than 50 county officials gathered in Cook County, Illinois to begin developing policy regarding Electronic Governance in the 21st century.

The summit identified a number of recommendations that NACo should pursue to help counties use technology effectively. Among its recommendations, the group advised NACo to:

- Establish a clearinghouse for best practices and a technical database, as well as encourage peer-to-peer technical assistance.
- Lobby on key legislative issues related to technology—and, specifically, work with other levels of government to achieve equity between "Main Street" and "e-merchants" for the collection of sales/use tax.
- Advise and encourage counties to

strategically position themselves for innovation in technology and governance.

- Facilitate public-private partnerships with regards to technology.
- Act as a policy leader in breaking down the "digital divide."

The group arrived at these recommendations after hearing experts speak on electronic governance and meeting in small work groups related to specific technology issues.

The group also was briefed on a NACo survey that showed that counties with a population greater than 250,000 are the most likely to have computer access, email and Internet access for the majority of their employees.

In contrast, county governments with the smallest populations are the least likely to have Intranet systems. They also have the lowest percentage of county web pages, according to the survey. The

Presidential Initiatives



smallest counties, especially those below 50,000 population, are those least likely to provide interactive services for citizens on the Internet.

Counties across the country, regardless of size, have many of the

same concerns and challenges regarding information technology. Keeping up-to-date with technological advances and the necessary training are two challenges that all counties are facing.

NACo's information technology summit concluded with the realization that its own end was just a beginning for counties as they address these pressing issues. There is much work to be done to prepare county leaders, both elected and appointed, to meet the operational, policy and practical needs of digital governance.

Initiative launched to assist counties prevent child abuse

Each year, an estimated three million children are reported abused and neglected in the United States. Studies have proven that child abuse and neglect is directly linked to other social problems such as homelessness, juvenile delinquency, teen pregnancy, drug abuse, low academic achievement and mental health problems.

In April, NACo received a grant of \$300,000 from the Freddie Mac Foundation to help counties combat child abuse and neglect, as well as

encourage the development of programs that support healthy family practices. These funds will be used to replicate Healthy Families America programs in at least 200 counties nationwide.

In partnership with Prevent Child Abuse America, NACo will provide information and assistance to county officials about child abuse prevention. In this way, even more counties will be able to share in Healthy Families America's success in addressing these concerns.

Internet sales tax issue is a question of fairness

The most important effort of the Legislative Affairs Department has been NACo's congressional and public education campaign concerning the collection of sales taxes on Internet commerce. The Advisory Council on Electronic Commerce spent much of the year discussing possible solutions, but was unable to reach a consensus on the specific actions that Congress should take.

NACo's legislative and public affairs staff and outside consultants have spent hundreds of hours explaining to Congress and the public the importance of Internet sales taxes, not just today, but far into the future.

While the debate continues, Legislative Affairs has made significant progress in advancing the message of counties, which has led to changes in the public debate. This message of fairness for counties and Main Street bricks-and-mortar busi-

nesses has begun to resonate and is beginning to have an impact on Capitol Hill.

The Legislative Affairs staff also concentrates a great deal on the federal funding streams that impact county



NACo President C. Vernon Gray spoke at a news conference on Capitol Hill in April at the Rally for Fairness, calling for a level playing field in the debate over the collection of internet sales tax. Also speaking were other state and local officials.

budgets. NACo has been successful in convincing Congress to increase funding for some programs, maintain adequate funding for others, and avoid draconian cuts in all other important federal programs.

The association also has been at the forefront when it comes to the protection and enhancement of funding for programs such as: summer youth employment programs, the Community Development Block Grant, HOME, Payments In Lieu of

Legislative Affairs Department

Taxes, the Social Services Block Grant, and Temporary Assistance to Needy Families. This is in addition to funding from other infrastructure programs, such as TEA21, AIR21, and the Conservation and Reinvestment Act.

In support of NACo's grassroots

reconstitute the Congressional Rural Caucus, which had been inactive since 1995. LUCC collaborated with the U.S. Conference of Mayors to jointly sponsor the Metro Economies Report, which documents the significant contributions that urban and suburban counties make to the national



NACo, the Large Urban County Caucus (LUCC) and the U.S. Conference of Mayors (USCM) took their message to Wall Street in January to emphasize the importance of metro economies. Giving the thumbs up are (left to right) USCM President Brent Coles, LUCC Vice Chairman Ron Sims, NACo President-Elect Jane Hague, LUCC Chairman Wayne Curry, USCM Past President Wellington Webb, New York Stock Exchange Chairman Richard Grasso, NACo President C. Vernon Gray, USCM Advisory Board Chair Marc Morial, NACo Executive Director Larry E. Naake and USCM Executive Director Tom Cochran.

development, there has been a significant shift in emphasis upon the association's action caucuses – the Large Urban County Caucus (LUCC) and the Rural Action Caucus (RAC). Associate Legislative Directors have been assigned to both of the caucuses and have begun to enhance both groups' capacity to influence Congress and support NACo's legislative agenda.

This year, RAC worked closely with members of Congress to

economy.

Over the course of this year, both caucuses have held very successful meetings in Washington, D.C. with members of Congress and Administration officials. LUCC also has hosted a number of successful regional meetings that helped bring important urban issues into their proper context.

One major new initiative for Legislative Affairs that has already

Legislative Affairs Department

begun to bear fruit is a voting scorecard, which tracks

Congressional votes on issues of importance to counties. This scorecard is intended to hold members of Congress accountable for their votes and

provide county officials with the critical information they need when addressing their local members of Congress, particularly when these members visit their district or state offices.

NACo's cyber-activism and grass-



Led by Chair Colleen Landkamer (center upper right), members of NACo's Rural Action Caucus met with Rep. Jo Ann Emerson (R-Mo.), co-chair of the Congressional Rural Caucus.

roots development is continually reinvented as new opportunities become apparent and enthusiasm for the programs grows. Legislative Affairs is in the process of instituting a grassroots effort that would target congressional committee members who have the greatest impact on county programs.

County Services Department

Research increases data collection

This year, NACo's Research Division increased its use of surveys to provide data and information about county governments and their activities. Often working with outside consultants and other departments within the association, the division completed surveys and reports concerning: the activities of the Large Urban Counties, skill shortages in

urban counties, information technology, wage and salary levels, public safety, county finances, and county operations.

In addition to these major surveys, NACo's researchers prepared and conducted an affiliate services survey, as well as assisted with the development of surveys on drought relief and telecommunications.

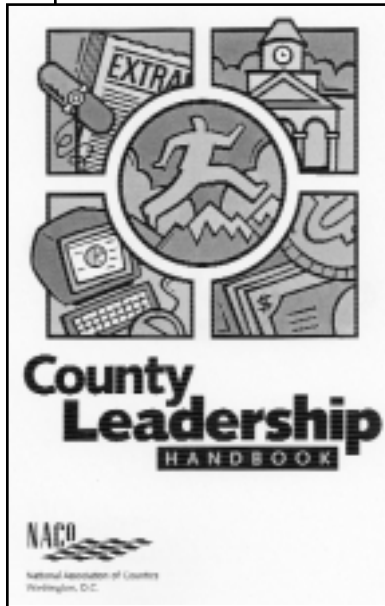
Leadership Handbook produced

NACo's Education Division achieved much success this year. The division, in partnership with state associa-

tions of counties, produced a Leadership Handbook for county officials. The division also launched the NACo Internet University with an on-line course on risk management, created an introductory workshop for those new to conferences called "NACo

Niche," and established multiple Advanced Leadership Training (ALT) seminars.

The ALT seminars, which were launched at NACo's 2000 Legislative Conference, are expected to become a cornerstone of the Education Division's programming. The seminars are designed as pre-conference sessions for all NACo conferences. They also will be held in various regions of the country and, by invitation only, in a number of states and counties. NACo has established partnerships with several organizations for the ALT seminars, including Enlightened Leadership International (ELI) and Professor John Splaine, a consultant with C-SPAN.



Conference trade show

The meetings division has had a busy and productive year. One of its greatest accomplishments has been the growth of the annual exposition, part of NACo's annual conference. The number of exhibitors in the 2000 trade show has increased by approximately 20 percent over 1999.

This year's exhibit hall also includes

the addition of a special exhibit area called "Crossroads: Where Technology and Counties Meet." This exhibit showcases a range of high technology, cutting-edge solutions that can provide faster, cheaper and more efficient county services. The addition of this special exhibit has allowed NACo to reach out to new companies who may not have exhibited at a NACo show in the past and may not have been

aware of the value of partnering with NACo.

These new relationships may prove to be valuable beyond future exhibitor possibilities. These companies may choose to become new

corporate and premier members, conference sponsors, and advertisers for *County News*. The growth of NACo's exhibit hall promises increased revenue that can be put back into improving the association's conferences.

Campaign promotes 100 percent access and zero health disparities

Across the nation, approximately 44 million Americans do not have access to health care. These may be working adults whose employers do not offer health care benefits or unemployed individuals who cannot afford adequate health care. Every illness, every accident puts people lacking health care coverage on the brink of a major life crisis, no matter what their position or status in life.

Tired of temporary and partial solutions, several county governments have developed community-based health care programs for the uninsured. These communities have launched their own programs, instead of waiting for the federal or state government.

NACo, through grant funding from the federal Bureau of Primary

Health Care, has initiated a program to assist counties as they explore the possibility of developing their own community-based health care systems for the uninsured. Through this initiative, NACo links counties that are interested in providing such care with communities who have successfully achieved this goal.

Models of successful programs include: the Hillsborough Healthcare Plan in Hillsborough County, Florida; Project Access in Buncombe County, North Carolina; and Project Access in Sedgwick County, Kansas. Each of these efforts has proven that when counties partner with their local medical communities, hospitals, public health departments, religious institutions, and non-profit health care providers, funds can be redirected in order to provide quality health care to the uninsured.

NACo plays lead role in developing national drought policy

NACo Board member and Santa Cruz County (Ariz.) Supervisor Ronald R. Morriss served as vice chair of the National Drought Policy Commission, which was charged with providing advice and recom-

mitigation, and asking the federal government to better coordinate its services with state and local governments.

The commission's final report also included assessments of federal,

regional, state and local drought-related programs. As part of this effort, NACo conducted a sample survey of county members to gather information on the needs and issues



Ronald R. Morriss (right), chairman of the Board of Supervisors of Santa Cruz County (Ariz.) and vice chair of the National Drought Policy Board, discusses drought policy at a meeting with Jim Laver (left), a representative of the Department of Commerce, and Brian Schweitzer, a Montana farmer and rancher.

mendations on federal drought policy.

In May, the commission, which was comprised of federal agencies, state and local officials and others affected by droughts, delivered its final report to Congress and the Administration. The report included a policy statement favoring preparedness, calling for research into

arising from local government drought assistance. More than 75 percent of the 177 respondents indicated that they rely on federal programs for drought emergency assistance. This information, along with scores of public comments addressing the needs of local government, was included in the commission's final report.

Sustainable Community Awards presented

In December 1999, the Inaugural Joint Center Sustainable Community Awards were presented to 15 projects from around the country. NACo and the U.S. Conference of Mayors developed the Joint Center Sustainable Community Awards Program to recognize outstanding city/county collaborations on issues such as: balanced and sustainable growth, welfare reform, metropolitan economic strategies, affordable housing, crime prevention, and environmental improvement.

An extensive evaluation and judging process culminated with an awards ceremony at the White House. Hosted by White House Intergovernmental Affairs Director

Mickey Ibarra, the ceremony was attended by administration officials, representatives from the U.S. Department of Housing and Urban Development (HUD), other federal agencies, and over 90 representatives from the award winning communities themselves.

NACo President and Joint Center Advisory Committee Co-Chair C. Vernon Gray presided over the event. President Gray was joined by U.S. Conference of Mayors Vice-President H. Brent Coles in presenting the awards. HUD Assistant Secretary Bill Apgar also designated several HUD Secretary Award winners from amongst the honorees. HUD co-sponsored the awards program.

Public Affairs Department

Membership--Effort Achieves Tremendous Results

The ongoing effort to achieve "2,000 county members by the end of the year 2000" is on target. At

the beginning of June 1997, NACo had counted a total of 1,727 county members and had not grown significantly in many years. By June of

Public Affairs Department

1999, NACo membership had grown 7.5 percent, standing at 1,854 county members.

As of June of 2000, NACo membership is at 1,968 and continues to increase toward the important milestone of 2,000. NACo membership has never been this high. With each new member, NACo sets another record for membership.

Even though NACo's retention rate decreased slightly in 1999-2000 and now stands at 97.1 percent, the association continues to have one of the highest retention rates in the nation,

when benchmarked against similar associations. And finally, NACo dues revenue continues a steady climb, with the membership effort showing success with counties of many different sizes.

All of these successes have been attained through the combined efforts of: the Membership Committee, the executive directors of state associations of counties, countless member county officials, and the NACo membership staff, all of whom have worked tirelessly to introduce NACo's benefits to more and more counties across the nation.

County News staff wins awards

It was kudos for *County News* this past year as senior writer Kevin Wilcox and editor Beverly

Schlotterbeck won Awards of Excellence in the APEX '99 Awards for Publication Excellence contest. Wilcox was honored for feature writing and Schlotterbeck for rewriting. The APEX '99 Awards for Publication Excellence is sponsored by the publishers of Communications Concepts, a newsletter for professional communicators.

The spotlight struck *County News* again as readers across the country were directed to www.countynews.org, *County News Online*. In its review of NACo's Website (which received three out of a possible four stars for



a "great" rating. Access Internet magazine, a nationally syndicated newspaper supplement, advised readers that "to keep up with the hottest topics, read articles from *County News*." The review appeared on Feb. 6, 2000.

February 2000 was also the month

that *County News* launched a new service for its readers – electronic delivery. Readers can now have *County News* delivered to their computer desktops in their choice of three formats: headlines only, a complete PDF File, or *County News* Online's Front Page.

Caring Awards recognize outstanding volunteer programs

NACo's Acts of Caring Awards ceremony on April 13 at the U.S. Capitol was a resounding success. Fifteen counties received awards for their outstanding volunteer programs and also received praise from members of Congress.

Fifteen members of Congress—four Senators and 11 Representatives—attended the ceremony. The most prestigious award for overall excellence, the Legacy Award, was presented to Harris County, Texas, for The Children's Assessment Center, a program designed to protect and improve the lives of sexually abused children.

Other counties winning awards in



Receiving the top overall award for Harris County are County Judge Robert Eckels (third from right), Roz Hill, assistant director of the program and Alan Pinkett (c), board member of the program. The award was presented by judging panel co-chairs Greg Lashutka (l) of Nationwide Financial and Harris Wofford of the Corporation for National Services and NACo President C. Vernon Gray. Rep Ken Bentsen (D-Texas) was on hand to congratulate the winners.

the national program were: Bernalillo County, N.M.; Clark County, Wash.; Cook County, Ill.; Fairfax County, Va.; Hanover County, Va.; Henrico County, Va.; Jackson County, Mo.; Marin County, Calif.; Northhampton

Public Affairs Department

County, Pa.; Orange County, Calif.; Salt Lake County, Utah; Skagit County, Wash.; Sonoma County, Calif.; and Washington, County, Minn. Fairfax County won two awards.

NACo President C. Vernon Gray pre-

sented the awards along with the judging panel's co-chairs: Harris Wofford, chief executive officer, Corporation for National Service; and Greg Lashutka, senior vice president, corporate relations, Nationwide Financial. Nationwide provided funding in support of the program.

Media coverage rises

NACo continues to build on its past success in promoting positive media coverage of county issues. In 1999, media coverage increased approximately 40 percent over the previous year; in 2000 coverage continues to be outstanding. An average of 35 articles a month are published on county issues or NACo policy positions.

This growth is the direct result of solid strategic planning in conjunction with Legislative Affairs, the

Research Division and other NACo departments, as well as the use of scientific surveys to advance NACo's agenda.

Two issues that have received the most coverage were Internet sales taxes and the release of the Metro Economies Report. An excellent relationship has been established with *American City & County* and *Governing*—two publications that now welcome NACo story ideas and regularly publish stories about county issues.

Information Technology Department

Digital Divide initiatives pursued

The digital divide is not only a gap between the rich and poor, but also a gap between government and the private sector. NACo's latest survey of information technology use in the nation's counties was con-

ducted in April 2000. It showed that only 41 percent of the counties report they are planning to use the web to perform business in the near future. Since an Internet year today lasts only three months, the gap between government and the

Information Technology Department

private sector will continue to grow larger.

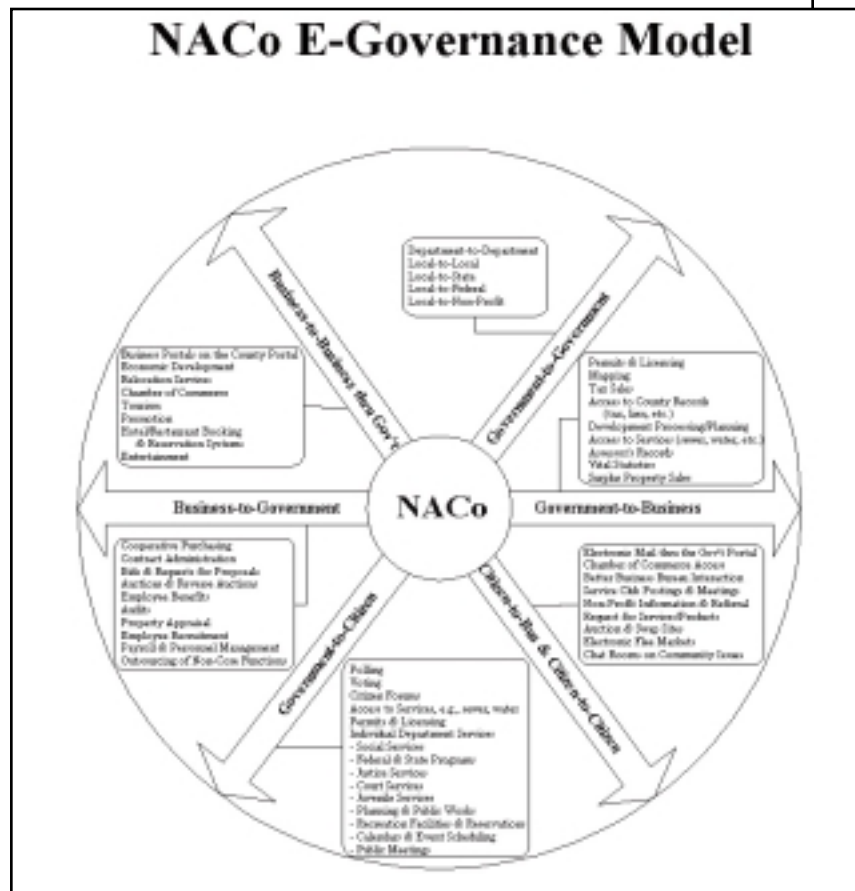
The primary weapon in NACo's fight against the digital divide is the public/private partnerships. These partnerships are the key ingredients that run through all of the IT initia-

tives. Partners consist primarily of NACo's Premier Partners, as well as the NACo Financial Services Center (FSC), a subsidiary for-profit partnership of NACo and the Davenport Financial Group. The following is a summary of IT initiatives designed to attack the digital divide.

National Electronic Government Program

NACo is launching a new comprehensive program that will deliver electronic government and governance services to local governments in the United States. The NACo Financial Services Center will strategically partner with one or more private sector firms to design, develop, implement and market this program.

A formal Request for Proposals will be submitted to prospective private sector partners in July 2000, with an anticipated launch date of January 2001. The diagram (at right) is a graphic representation of the potential service and business opportunities the FSC has identified.



E-Government Pilot

The NACo Financial Services Center authorized a pilot project with Ezgov.com, a NACo Premier Member, in order to test the receptivity to and impacts of providing citizen access to the payment of var-

ious fees, fines, taxes and charges on-line. Ezgov.com is currently piloting ezProperty, their property tax application, with Whatcom County, WA, Burleigh County, ND and Robeson County, NC.

Geographic Information Systems

GIS, the systems built to harness the power of spatial data for decision-making – have great value for policymakers dealing with situations at the local level. GIS is the

primary delivery medium for county services. NACo promotes the coordinated use, sharing, and dissemination of geospatial data on a national basis.

Public-Private Partnerships

Intergraph Corporation, a NACo Premier Member, provided GIS software, data and training to 2,700 county departments at no cost. This program's goal is to provide GIS Starter Kits to 5,000 county departments in over 300 NACo member counties. Intergraph, in conjunction with their business partners, is scheduled to complete this goal by year-end 2000. Environmental Systems Research Institute, Inc. (ESRI), a NACo Premier Member, will provide 300

grants to NACo member counties beginning in July 2000. These grants will include GIS software, data and training. This GIS grant program will finish by July 2001. Oracle Corporation, a NACo Premier Member, will provide NACo with the Oracle spatially enabled database, along with associated training by year-end 2000. The Oracle spatial database serves as a data repository for all GIS vendors, including Intergraph and ESRI. The Federal Geographic Data

Federal Geographic Data Committee

Committee coordinates the development of the National Spatial Data Infrastructure (NSDI). The

NSDI encompasses policies, standards, and procedures for organizations to cooperatively produce and

Information Technology Department

share geographic data. The 17 federal agencies that make up the FGDC are developing the NSDI in cooperation with organizations from state, local and tribal governments, the academic community,

and the private sector. NACo actively participates in the FGDC. Discussions are underway to obtain a full-time FGDC Liaison to the NACo Staff. An organization is being formed to

GeoData Alliance Organized

lead a national effort that will enable the effective and equitable flow of geographic information within the public and private sectors to enhance the nation's economic, environmental and social progress. Along with governmental entities (federal, state, tribal, city and county) and private sector

companies, NACo has actively participated in shaping this new organization. The structure (purpose, principles, participants, organizational concept, and constitution) for this national organization will be completed by year-end 2000.

Public/Private Partnerships

Retirement education campaign set

Counties play an important role in helping to ensure the future security of their citizen leaders and workforce members. In response to these increasing needs, NACo is developing a retirement education campaign that is designed for county officials and plan administrators who have oversight and responsibility for retirement programs in their counties. As authorized by NACo's Deferred Compensation Advisory Committee, training is being developed and test-

ed during 2000 and will be available for broad distribution in 2001.

NACo's Public/Private Partnership Program develops and offers innovative products, resources and services that support county government. Businesses participate with county officials through distinct venues: the Corporate Member Program, Technology Premier Member Program, Deferred Compensation Program, and the Financial Services Center.

Corporate membership offers forum for information exchange

NACo's Corporate Membership Program provides a forum for both county elected officials and businesses to exchange information and collaborate for mutual understanding and benefit. It is within this environment that county officials express the needs and challenges of counties across America. Equally, it also provides corporate America the opportunity to share their expertise and services.

Member corporations represent a broad cross-section of the nation's business community, from relatively small local firms to national and international companies. NACo is committed to assisting county elected officials and businesses explore new and innovative ways of working together.

In addition, NACo's corporate

member program provides a broad range of opportunities for corporations to reach county officials through events and services presented by NACo. Members are welcome to attend meetings, workshops, seminars, receptions and joint programs with NACo's county members. Corporate members meet as an organization during NACo conferences to exchange ideas, network, and build relationships.

Members receive discount registration fees to attend NACo conferences and to participate as exhibitors. Members are entitled to receive NACo resources and publications such as the *NACorp Quarterly*, *County News*, *Leadership Letter*, and the *Legislative Bulletin*, to name a few. NACo Corporate membership consists of 96 members with an annual membership dues of \$1,000.

Deferred Compensation Program exceeds \$7 billion in total assets

NACo's deferred compensation program continues to grow in terms of total assets, number of partici-

pating jurisdictions and number of individual participants. By the first quarter of 2000, assets exceeded \$7 billion; the program had more than

3,000 participating jurisdictions, including 1,883 counties with more than 360,000 participants. NACo, in partnership with Nationwide Retirement Solutions, Inc., and state associations of coun-

ties, delivers a comprehensive deferred compensation program to county employees. NACo is responsible for marketing, oversight, and administration of the program nationally.

Counties save more than \$100 million with cooperative purchasing

The cornerstone program of the Financial Services Center (FSC), which began operation in January 1995, is the national cooperative purchasing alliance. This program provides contracts for various commodities at substantial discounts and has saved local governments more than \$100 million in the past three and a half years.

The FSC is a partnership owned by the NACo Financial Services Corporation. Chartered to provide unique financial services to counties, county employees and retirees, the FSC offers cooperative purchasing, insurance and employee retirement and savings services.

In the cooperative purchasing program, large counties and cities bid on behalf of all local governments, and the ensuing contracts are

offered through a "piggyback" arrangement.

Presently, the program offers contracts for office supplies, office systems furniture, computers and peripherals, and general supplies. Vendors include Office Depot, KI Furniture, Knoll, Inc., Wareforce, Inc., Tangent Computers, EnPointe Technologies, Inc., IBM, Dell Computers, Gateway, Micron PC, COMARK, CompUSA, Software Spectrum and Graybar Electric Company.

The employee retirement and savings sector provides county employees with defined contributions plans, deferred compensation matching plans, Roth IRAs, college savings plans, and post-employment health plans.



Premier members gain access

The NACo Technology Premier Member Program is an opportunity for leaders in the information technology industry to feature their products and services to county governments across the country. The program creates a partnership between NACo's members and companies and allows those companies to showcase their capabilities that are relevant to county governments, discuss future information technology needs of counties, and provide information and education to counties on issues and trends in

the information technology industry. In addition to receiving the benefits of Corporate Membership, Technology Premier Members receive specific product education demonstrations, general county technology research and education, and interaction with county technology leaders through the NACo committee structure. Currently, there are eight Technology Premier Members. Membership dues are \$15,000 for the first year and decreases by \$1,000 each year for four years, after which the annual fee is \$10,000.

NACo maintains a diverse staff in today s economy

Over the years, NACo has been able to attract and retain a diverse staff without much difficulty. This has been due primarily to the fact that the association has remained competitive with other employers by providing interesting work, good benefits, a great work environment and competitive salaries.

With the tight labor market, NACo finds itself, like other employers, searching for new ways to attract and retain talented people. To do this, NACo believes that the association needs to address and satisfy the needs of the younger generations. In this regard, NACo has initiated some activities to improve staff morale and increase retention rates at the same time.

For instance, NACo changed its recognition and rewards program this year. In addition to giving

annual merit increases, NACo added a multi-tiered bonus system. Employees are now being recognized at several levels. The awards are presented at a recognition luncheon, which is held in February.

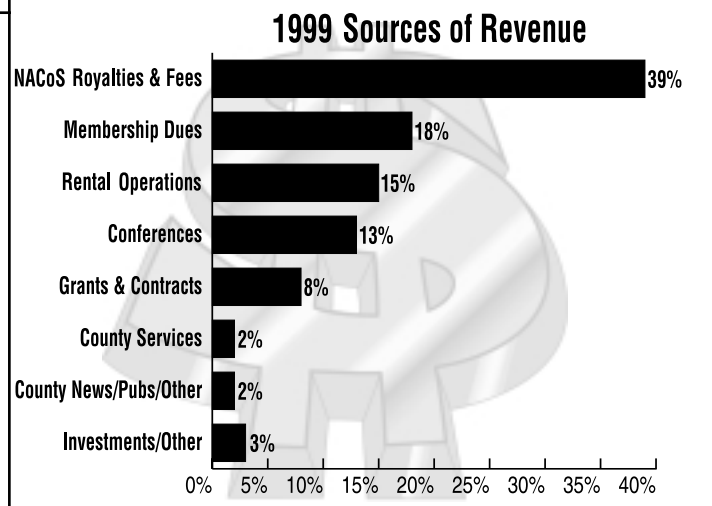
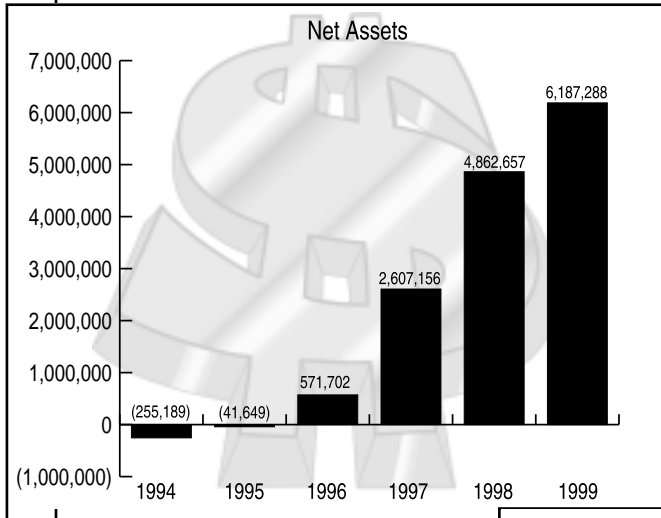
Other actions taken by NACo were to: restructure positions to provide advancement opportunities for several staff members, institute a telecommute program, offer a modified four-day work week during the summer months, and revise the performance appraisal system to promote greater job development. All these actions were taken with the intent of improving NACo's work environment.

NACo is proud of its employees and will continue to explore new ways to ensure that the association attracts and retains the best employees.

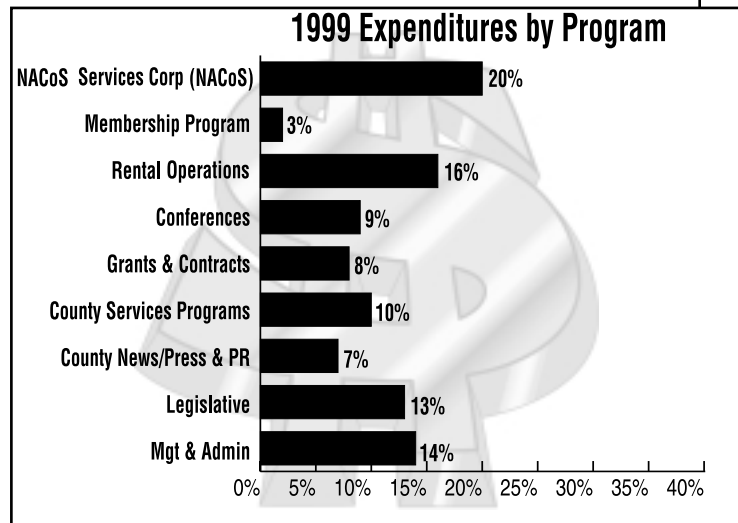
Finance & Administration Department

NACo Consolidated Statement of Activities and Change in Net Assets for 1999 (audit by Lang Group Chartered)

Since reducing its long-standing deficit in 1996, NACo has achieved net revenue surpluses in each year. In 1999, NACo ended the year with a \$1.3 million surplus—nearly \$800,000 higher than budgeted. This overall surplus was largely due to increased earnings from investments and royalties. These surpluses continue to develop NACo's reserves and enable us to provide superior legislative, research, and education services to the nation's counties.



Finance & Administration Department



December 31, 1999

<i>Sources of Revenue</i>	<i>Revenue</i>
NACoS: Royalties & Fees	7,509,237
Membership Dues	3,393,265
Rental Operations	2,834,874
Conferences	2,391,415
Grants & Contracts	1,572,463
County Services	459,982
County News/Pubs/Other	303,809
Investments/Other	620,511
Total Revenue	19,085,556

<i>Expenditures by Program</i>	<i>Expenses</i>
NACoS Services Corp (NACoS)	3,520,085
Membership Program	525,388
Rental Operations	2,892,740
Conferences	1,590,302
Grants & Contracts	1,411,648
County Services Programs	1,749,278
County News/Press & PR	1,166,112
Legislative	2,334,310
Mgt & Admin	2,571,064
Total Expenses	17,760,927

Change in Net Assets	1,324,629
Net Assets, beginning of year	4,862,650
Net Assets, December 31, 1999	6,187,279

NACo Staff

Executive Management

Larry Naake
Executive Director
lnaake@naco.org
(202)942-4201

Dottie Byars
State Assoc. Liaison
dbyars@naco.org
(202)942-4208

Veronica Epres
Admin. Assistant
vepres@naco.org
(202)942-4258

Karen McRunnel
Executive Assistant
kmcrunne@naco.org
(202)942-4238

County Services
Ed Ferguson
Director
eferguso@naco.org
(202)942-4214

Kandace Beamon
Education Assistant
kbeamon@naco.org
(202)661-8816

Peggy Beardslee
Research Associate
pbeardsl@naco.org
(202)942-4279

Jacqueline Byers
Director of Research
jbyers@naco.org
(202)942-4285

Sandra Clark
Senior Education
Associate
sclark@naco.org
(202)942-4277

Patrick Cokley
Meetings Assistant
pcokley@naco.org
(202)942-4228

James Culotta
Research Associate
jculotta@naco.org
(202)661-8801

James Davenport
Research Associate
jdavenpo@naco.org
(202)661-8807

Jane Forsythe
Director,
Conferences and
Meetings
jforsyth@naco.org
(202)942-4288

Abigail Friedman
Project Manager
afriedma@naco.org
(202)942-4225

June Garrett
Research Associate
jgarrett@naco.org
(202)942-4219

Gary Gortenbunrg
Project Dir.
Workforce
Development
ggortenb@naco.org
(202)942-4287

Martin Harris
Co-Director, Joint
Center for
Sustainable
Communities
mharris@naco.org
(202)661-8805

Lois Kampinsky
Telecom. and
Education Director
lkampins@naco.org
(202)942-4267

Cindy Kenny
Senior Research
Associate
ckenny@naco.org
(202)942-4227

Scott Logan
Research Assistant
slogan@naco.org
(202)942-4228

Phyllis Pines
Admin. Assistant
Ppines@naco.org
(202)942-4276

Sandy Markwood
Deputy Director;
County Services
smarkwoo@naco.org
(202)942-4235

Swati Sheladia
Environmental
Assistant
sheladi@naco.org
(202)942-4252

Tim Walker
Meetings Assistant
twalker@naco.org
(202) 661-8804

John Lou Witt
Senior Program
Mngr.-Radon/Indoor
Air Program
jlwitt@naco.org
(202)942-4261

Pam Zarbatany
Research Associate-
Radon/Indoor Air
Project
pzarbata@naco.org
(202)942-4292

Finance and Administration

Kathynn Bosak
Director
kbosak@naco.org
(202)942-4206

Betty Lou Antonelli
Senior Staff
Accountant
bantonel@naco.org
(202)942-4226

Thomas Bussey
General Services
Assistant
tbussey@naco.org
(202)942-4211

Shannon Houston-
Smack
Assistant Controller
shsmack@naco.org
(202)942-4268

Renee Jackson

Accounting Tech.
rjackso@naco.org
(202)942-4244

Deborah King
Accounting Tech.
Dking@naco.org
(202)942-4289

Aruna Mall
Staff Accountant
amall@naco.org
(202)661-8835

Paula McMillian
Accounting Tech.
pmmcilli@naco.org
(202)942-4273

Sharon Plater
Office Assistant
splater@naco.org
(202)661-8827

Delano Scott
Manager General
Services
dscott@naco.org
(202)942-4265

Maria Wagner
Director of Human
Resources
mwagner@naco.org
(202)942-4202

Burnestine Ward
Human Resources
Assistant
bward@naco.org
(202)942-4232

Ronnette Watts
Accounting Tech.
rwatts@naco.org
(202)942-4283

Phyllis Williams
Receptionist
pwilliam@naco.org
(202)661-8802

Gail Yates
Senior Receptionist
gyates@naco.org
(202)393-6226

NACo Staff

Information Technology

Bert Jarreau
Chief Technology Officer
bjarreau@naco.org
(202)942-4248

Stephen Williams-Day
Telecom Engineer
sday@naco.org
(202)942-4266

Pat Fernandez
LAN Assistant
pfernand@naco.org
(202)942-4215

Sabrina Glover
Database Analyst
sglover@naco.org
(202)661-8803

Paul Keister
IT Director
pkeister@naco.org
(202)942-4264

Anne Powell
Database Manager
apowell@naco.org
(202)942-4245

Sok Son
LAN Administrator
sson@naco.org
(202)942-4229

Betty Thomas
Administrative Staff
bthomas@naco.org
(202)942-4209

Legislative Affairs

Edwin Rosado
Director
erosado@naco.org
(202)942-4271

Jeff Arnold
Deputy Director
jarnold@naco.org
(202)942-4286

Neil Bomberg
Associate Leg. Dir.
nbomberg@naco.org

(202)942-4205

Shawn Bullard
Associate Leg. Dir.
sbullard@naco.org
(202)942-4212

Eric Ciliberti
Associate Leg. Dir.
eciliber@naco.org
(202)942-4207

Marshall D. Edwards
Leg. Assistant
medwards@naco.org
(202)942-4236

Aster Eshete
Senior Administrative Staff
aeshete@naco.org
(202)942-4213

Andrea Fisher
Leg. Assistant
afisher@naco.org
(202)942-4237

Robert Fogel
Associate Leg. Dir.
bfogel@naco.org
(202)942-4217

Evelyn Gallmon
Administrative Staff
egallmon@naco.org
(202)942-4218

Tom Mainwaring
U.S. Forest Service Liaison
tmainwar@naco.org
(202)942-4234

Bob McCormick
NACo Fellow
rmccormi@naco.org
(202)942-4255

Sally McElroy
Associate Leg. Dir.
smcelroy@naco.org
(202)942-4230

Donald Murray
Associate Leg. Dir.
dmurray@naco.org
(202)942-4239

Stephanie Osborn
Associate Leg. Dir.
sosborn@naco.org
(202)942-4269

Marilina Sanz
Associate Leg. Dir.
msanz@naco.org
(202)942-4260

Ralph Tabor
Associate Leg. Dir.
rtabor@naco.org
(202)942-4254

Dianne Taylor
Associate Leg. Dir.
dtaylor@naco.org
(202)942-4204

Public Affairs
Tom Goodman
Director
tgoodman@naco.org
(202)942-4222

Liz Galewski
Media Relations Coordinator
lgalewsk@naco.org
(202)942-4220

Andrew Goldschmidt
Director, Membership Marketing
agoldsch@naco.org
(202)942-4221

Phillip Payette
Graphic Designer
ppayette@naco.org
(202)942-4250

Bev Schlotterbeck
Editor, *County News*
bschlott@naco.org
(202)942-4249

Victoria Vickers
Editorial Assistant
vvickers@naco.org
(202)942-4256

Public/Private Partnerships

Tom Sweet
Director;
Corp. Relations
tsweet@naco.org
(202)942-4290

Hirut Ayele
Administrative Assistant
hayele@naco.org
(202)942-4240

Kaye Braaten
County Services Representative
kbraaten@naco.org
(202)942-4291

Lisa Cole
Director, NACoS Operations
lcole@naco.org
(202)942-4270

Renata Lipscomb
Membership/Marketing Rep.
rlipscom@naco.org
(202)942-4233

Donna Smith
Director of Risk Services and Benefits
dks@cybermesa.com
(505)890-5700

Steve Swendiman
Managing Director/CEO FCS
sswendim@naco.org
(202)942-4282

Angie Upton-Caro
Marketing Coordinator - FCS
acar@naco.org
(202)942-4278



440 First Street, N.W.
Washington, D.C. 20001-2080
(202)393-6226
[www. naco.org](http://www.naco.org)