BOARD AGENDA & PACKET

NACo BOARD OF DIRECTORS | JULY 11–14 | ORLEANS PARISH, La.
2014 NACo ANNUAL CONFERENCE;
COUNTY SOLUTIONS AND IDEAS MARKETPLACE
I. 2014 NACo Annual Conference Board Overview Schedule
   A. Board Forum Agenda

II. Board of Directors Business Meeting Agenda

III. Board Action Required
   A. 2014 WIR Conference Board of Directors Draft Minutes
   B. NACo Consolidated Financial Report
   C. Gulf Coast Caucus Bylaws
   D. Policy Committee Realignment Proposal

IV. Reports
   A. Membership Report
   B. FSC Report

V. Special Guest Speaker Biographies
   A. Vets Community Connection

VI. NACo Research Executive Summaries
   A. Strong Economies, Resilient Counties: The Role of Counties in Economic Development
   B. County Health Benefits 2014, NACo Trend Analysis Paper

VII. Other Information
   A. Transportation Symposium-December 2014
   B. Board Reception Invitation
   C. Map of events during the Annual Conference
   D. Useful Links
2014 NACo Annual Conference
NACo Board of Directors
Overview of Schedule of Events

July 11 - 14, 2014
Morial Convention Center
900 Convention Center Blvd | Orleans Parish, LA

Conference Attire: Business

FRIDAY, JULY 11

7:30 a.m. – 5:00 p.m. Conference Registration (Hall B Lobby)
8:30 a.m. – 10:30 a.m. NACo Audit Committee (Room 205)
10:30 a.m. – 12:30 p.m. NACo Finance Standing Committee (Room 205)
8:30 a.m. – 5:30 p.m. Affiliate & Subcommittee Meetings

SATURDAY, JULY 12

7:30 a.m. – 5:00 p.m. Conference Registration (Hall B Lobby)
8:00 a.m. – 5:00 p.m. Affiliate Meetings
8:00 a.m. – 10:30 a.m. Telecommunications and Technology Steering Committee (Room R01)
9:00 a.m. – 12:00 p.m. Justice & Public Safety Steering Committee (Room 217-219)
9:00 a.m. – 12:00 p.m. Transportation Steering Committee (Room R02/R03)
9:00 a.m. – 12:00 p.m. Public Lands Steering Committee (Room R04/R05)
11:00 a.m. – 12:30 p.m. Programs and Services Standing Committee (Room 224)
<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>11:15 a.m.</td>
<td>Human Services and Education Steering Committee (Room 222)</td>
</tr>
<tr>
<td>12:00 p.m.</td>
<td>NACo Membership Standing Committee (Room 206)</td>
</tr>
<tr>
<td>12:00 p.m.</td>
<td>Environment, Energy &amp; Land Use Steering Committee (Room R04/R05)</td>
</tr>
<tr>
<td>12:30 p.m.</td>
<td>Finance, Pensions and Intergovernmental Affairs Steering Committee</td>
</tr>
<tr>
<td>1:00 p.m.</td>
<td>Community, Economic and Workforce Development Steering Committee</td>
</tr>
<tr>
<td>1:00 p.m.</td>
<td>Information Technology Standing Committee (Room 217-219)</td>
</tr>
<tr>
<td>1:00 p.m.</td>
<td>Health Steering Committee (Room R02/R03)</td>
</tr>
<tr>
<td>3:30 p.m.</td>
<td>Opening General Session (The Great Hall)</td>
</tr>
<tr>
<td>7:30 p.m.</td>
<td>NACo Board of Director’s Reception (Hosted by The New Orleans City Council) (Grand Isle) (575 Convention Center Blvd)</td>
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</table>

**SUNDAY, JULY 13**

<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
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</thead>
<tbody>
<tr>
<td>7:00 a.m.</td>
<td>Non-Denominational Worship Service (Room 212)</td>
</tr>
<tr>
<td>7:30 a.m.</td>
<td>Conference Registration (Hall B Lobby)</td>
</tr>
<tr>
<td>9:00 a.m.</td>
<td>NACo Board of Director’s Forum (Room 206)</td>
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<tr>
<td>9:00 a.m.</td>
<td>Workshop Block I</td>
</tr>
<tr>
<td>10:00 a.m.</td>
<td>LUCC Meeting (Room 209/210)</td>
</tr>
<tr>
<td>10:00 a.m.</td>
<td>RAC Meeting (Room 220/221)</td>
</tr>
<tr>
<td>10:30 a.m.</td>
<td>Workshop Block II</td>
</tr>
<tr>
<td>12:15 p.m.</td>
<td>NACo Awards Luncheon Pre-registration required (The Great Hall)</td>
</tr>
<tr>
<td>1:45 p.m.</td>
<td>NACo 2nd Vice President Candidates’ Forum (The Great Hall)</td>
</tr>
<tr>
<td>2:30 p.m.</td>
<td>NACo Board of Directors’ Business And Resolutions Committee Meeting (Room 220-222)</td>
</tr>
<tr>
<td>Time</td>
<td>Event</td>
</tr>
<tr>
<td>--------------</td>
<td>------------------------------------------------</td>
</tr>
<tr>
<td>8:00 a.m. – 2:00 p.m.</td>
<td>Conference Registration</td>
</tr>
<tr>
<td>9:00 a.m. – 10:15 a.m.</td>
<td>Workshop Block V</td>
</tr>
<tr>
<td>10:30 a.m. – 12:00 p.m.</td>
<td>NACo Annual Business Meeting</td>
</tr>
<tr>
<td>12:30 p.m. – 1:30 p.m.</td>
<td>West Region Meeting</td>
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<tr>
<td>12:30 p.m. – 1:30 p.m.</td>
<td>Central Region Meeting</td>
</tr>
<tr>
<td>12:30 p.m. – 1:30 p.m.</td>
<td>South Region Meeting</td>
</tr>
<tr>
<td>12:30 p.m. – 1:30 p.m.</td>
<td>Northeast Region Meeting</td>
</tr>
<tr>
<td>1:30 p.m. – 2:00 p.m.</td>
<td>New NACo Board of Director’s Organizational Meeting</td>
</tr>
<tr>
<td>2:30 p.m. – 4:00 p.m.</td>
<td>Closing General Session</td>
</tr>
<tr>
<td>6:30 p.m. – 9:00 p.m.</td>
<td>Conference Wide Celebration</td>
</tr>
</tbody>
</table>
NACo Board of Directors
Board Forum

Morial Convention Center
Room 206
900 Convention Center Blvd. Orleans Parish, LA 70130

Sunday, July 13, 2014
9:00 – 10:00 AM

I. NACo PROPOSED RESOLUTIONS
   - Review Resolutions Document

II. ELECTIONS REVIEW COMMITTEE
   The Honorable Lenny Eliason, Chair, Elections Review Committee
   - Rules/Guidelines
   - Weighted Voting

III. NACo RESEARCH PROJECTS
   Advocacy with Big Data: NACo’s Latest Interactive Tool, County Intelligence Connection (CIC 2.0)
   Dr. Emilia Istrate, NACo Research Director, NACo

Upcoming Meetings

NACo Fall Board Meeting
December 3-6, 2014
Grand Wailea Hotel
Maui County (Maui), Hawaii

NACo 2015 Legislative Conference
February 21-25, 2015
Marriott Wardman Park Hotel
Washington, DC
NACo Board of Directors
Business Meeting Agenda

Morial Convention Center
Room 220-222
900 Convention Center Blvd. Orleans Parish, LA 70130

Conference Attire: Business

Sunday, July 13, 2014
2:30 – 4:30 PM

I. PROCEDURAL ITEMS

2:30 p.m. Call to Order
- President Linda Langston, Supervisor, Linn County, IA

Invocation

Pledge of Allegiance

Roll Call of the NACo Board of Directors
** Attendance sheets will be circulated for Board member sign-in.**

II. NACo BOARD ACTION REQUIRED

2:35 p.m. Approval of the Minutes from the NACo Board of Directors’ Meeting, 2014 Western Interstate Region Conference, Anchorage Borough (Anchorage), Alaska May 22, 2014.

Audit Committee Report
- The Honorable Nancy Hansen, Chair
- Second Vice President Sallie Clark, Liaison

Finance Standing Committee Report
- The Honorable Riki Hokama, Chair
- Dave Keen, Chief Financial Officer

Ratify Appointments to the NACo Financial Services Corporation Board of Directors
- Bill Jasien, Interim CEO and Managing Director, NACo Financial Services
Gulf Coast Caucus Proposal
• The Honorable Merceria Ludgood, Commissioner, Mobile County, AL

US Mexico Border Counties Coalition
• Matthew Chase, Executive Director

Policy Committee Realignment Process
• President Linda Langston

NACo Dental Program
• Tom Goodman, Public Affairs Director

III. NACO STANDING COMMITTEE REPORTS

3:10 p.m. Membership Standing Committee
• The Honorable Timothy McCormick, Chair
• The Honorable Sallie Clark, Liaison

Information Technology Standing Committee
• The Honorable Helen Purcell, Chair
• The Honorable Chris Rodgers, Liaison

Programs and Services Standing Committee
• The Honorable Gregg Goslin, Chair
• Dan Gillison, Director, County Solutions and Innovations, Liaison

IV. REPORTS AND PROJECT BRIEFINGS

3:30 p.m. President’s Report
• President Linda Langston

Executive Director’s Report
• Matthew Chase, Executive Director

NACo FSC Status Report
• Bill Jasien, Interim CEO and Managing Director, NACo Financial Services

National Association of County Veterans Service Officers
• James Young, Veterans Service Officer, Vernon County, Wisc.
• Kari McDonough and Doug Wilson, Vets Community Connections

Legislative Update
• Deborah Cox, Legislative Director, NACo
V. NACo BOARD OF DIRECTORS CONVENES AS THE NACo RESOLUTIONS COMMITTEE

4:00 p.m. **Steering Committee Reports**
- President Langston

**Rural Action Caucus Report**
- The Honorable Ray Jeffers, Chair

**Large Urban County Caucus Report**
- The Honorable Roy Brooks, Chair

**Western Interstate Region Report**
- The Honorable Lesley Robinson, WIR President

4:30 p.m. **Adjourn**

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**Upcoming Meetings**

**NACo Fall Board Meeting**
December 3-6, 2014
Grand Wailea Hotel
Maui County (Maui), Hawaii

**NACo 2015 Legislative Conference**
February 21-25, 2015
Marriott Wardman Park Hotel
Washington, DC
MINUTES
NACo Board of Directors Meeting
2014 WIR Conference
Anchorage, A.K.
Thursday, May 22, 2014

Presiding Officer: President Linda Langston
Officers Present: First Vice President Hokama, Second Vice President Clark, Immediate Past President Rodgers

1. Call to Order: 1:34 PM

2. Consent Agenda
   • Approval of the Minutes
     Minutes of the Board meeting held at the 2014 NACo Legislative Conference in Washington D.C. on March 3, 2014 were approved.

   • New Board Members Elected
     Ms. Mary Beth Davidson, IGR Director, Hennepin County, MN (NACIRO)
     Ms. Cherryl Ramirez, Executive Director, Association of Oregon Community Mental Health Programs (NACBHHD)

   • Standing Committee Reports
     o Membership

A motion was made by Director Victorino and seconded by Director Hyland to accept the Consent Agenda. Motion carried.

3. Audit Committee Report
   The Honorable Stephen Holt, member of the Audit Committee reported that minutes from the audit committee meeting the previous day had been distributed to the board. The Honorable Nancy Hansen, Chair conducted the meeting over the phone. Director Holt pointed out several items on the minutes of special note to the Board.

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

4. Finance Committee Report
First Vice President Riki Hokama gave the Finance Committee Report and updated the Board on NACo’s investment performance and budget. NACo’s investments are up 1.8% and are 25 basis points ahead of the benchmarks; since July of 2007 NACo has been consistently beating benchmarks.

- NACo is currently $120,000 ahead in the budget at this time due largely in part to revenue generating activities including conference sponsorships. Corporate premier members are up a net of 3 and so far the Annual Conference is ahead by $60,000 and LUCC is ahead by $50,000 from what was initially budgeted.
- This was the first year of the membership dues adjustment, although this had no significant impact on memberships. This year there have been 44 cancellations, compared to 62 at the same time last year. There is about $200,000 more in dues than originally budgeted.
- Attendance at the Legislative Conference was lower than expected, but because of that, expenses were lower than expected an sponsorship was on target.
- By the Annual Conference, the Finance Committee should be able to present a more in depth report on the progress of purchasing a building; including the recommendations of a consultant NACo is in the process of hiring. NACo Finance Director, Dave Keen also mentioned that NACo is exploring the option of collocating with NLC and others. They have worked on a joint RFP in order to research this option in order to increase NACo’s buying power.

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

5. Reports and Briefings
   - President’s Report: President Linda Langston
   - Bylaws Committee Report: The Honorable Chris Rodgers, Chair
A lengthy and thorough discussion ensued regarding Article XII Section 2 (formerly Section 3) and the term “50% +1”.

A motion was made by Director Hyland and seconded by Director Victorino to accept the Bylaws Committee Report with the request that the Bylaws Committee amend the language in Article XII Section 3. Motion carried.

- Membership Committee Report: The Honorable Mike Victorino, Vice Chair
- Information Technology Committee Report: The Honorable Helen Purcell, Chair
- Executive Director’s Report: Matthew Chase, Executive Director
- Federal Policy Report: Deborah Cox, Legislative Director
- Gulf Coast Caucus Presentation: Matthew Chase, Executive Director

   - Lessons Learned from NACo Board Members: The Honorable Sallie Clark, Commissioner, El Paso County, CO; The Honorable Christian Leinbach, Commissioner, Berks County, PA; The Honorable Kenneth Dahlstedt, Commissioner, Skagit County, WA
   - Lessons Learned and Observations from State Association Executive Directors: Harold Blattle, Montana Association of Counties; Matt Cate, California State Association of Counties; Dan Chadwick, Idaho Association of Counties; Mike McArthur, Association of Oregon Counties.

There being no further business the meeting adjourned at 4:28pm.
For the first five months of 2014, NACo had net income of $2,252,598 based on net revenue generating activities of $5,957,618, member programs and services expenses of $1,654,398, operational expenses of $2,760,049 and investment income of $709,427. Net income from operations is forecast to end the year at $303,074, which is $262,692 greater than the budgeted net income.

The NACo consolidated balance sheet (Statement of Net Assets) continues to be strong with net assets of $36,312,202, an increase of $2,675,188 over the December 31, 2013 balance. Cash and equivalents decreased by $64,192 based on the investment of $490,000 in new Certificates of Deposit. Investments increased by $1,201,689 due to reinvested dividends and unrealized gains of $709,427, $490,000 net investment of excess cash in CD’s, and accrued CD interest of $2,262.

Other significant line items on the statement of net assets are:

- **Accounts receivable** of $2,855,749 include $932,669 in royalty and marketing payments due from the NACo subsidiaries, the Financial Services Center and the NACo RMA LLC, $1,216,667 in deferred compensation payments due from Nationwide Retirement Solutions, $200,000 in loans to the NACo RMA LLC and $69,514 in grant receivables.

- **Prepaid expenses** of $942,636 include $173,000 in prepaid rent, $434,528 in prepaid conference expenses and $77,663 in prepaid insurance premiums.

- **Accounts payable/Accrued expenses** of $1,086,890 include $368,806 in vendor payables, $394,408 in accrued vacation, $273,903 in accrued pension contributions and $49,973 in Health Retirement Account liabilities.

- **Deferred revenue** of $3,329,267 includes $3,169,449 in prepaid dues and $56,400 in prepaid revenue for the Annual conference.

- **Deferred Rent expense** of $1,007,735 is the sum of the unamortized rent incentives provided to NACo as part of the current office space lease and the accumulated difference between the amount of rent paid and the rent.
expense based on the average rent cost over the life of the ten-year lease (e.g. straight-line).

- **Capital Lease liability** represents the present value of the total lease cost for the copiers located in NACo’s offices. A five-year lease was executed in January of 2011 utilizing the US Communities purchasing program.

The budget approved by the NACo Board of Directors was based on conservative revenue projections with membership dues increasing by $100K as a result of the dues adjustment effective in 2014; revenue from FSCorp growing 5% over 2013; conference registration revenue growing by 10%; as well as increased revenue from corporate fundraising. NACo allocated these resources throughout the budget in order to accomplish the goals laid in the strategic plan. At least quarterly, NACo reviews the current year activities in order to project where we are going to end financially so that we can reallocate unused resources to the strategic priorities. The most recent projections are reflected in the 2014 forecast column of these financial statements, which now project a surplus of $303K or $263K greater than budgeted.

The following are descriptions of significant items in the 2014 financial statements:

**Financial Services Corporation** net revenue is forecast to be $144K lower than budgeted based on one time leadership transition expenses at the NACo Financial Services Center (“FSCenter”). The additional expenses are in excess of the revenue growth occurring at the FSCenter, where first quarter revenue from US Communities grew by 16%, which is well above the 5% growth anticipated in the budget.

**Membership Dues** net revenue is forecast to be $194K greater than budgeted based on the dues adjustment that went into effect in 2014. The budget conservatively projected a $100K increase in dues thinking that the adjustment may have a negative impact on membership retention. That has not been the case to date and cancellations have actually been lower than in previous years.

**Conference & Meetings** net revenue is forecast to be $172K greater than budgeted in due to significantly higher than anticipated attendance at the Annual conference as well as increased corporate sponsorship of the conference. As of the date of this report, paid county attendance has increased 30% over 2013. The corporate relations team has expanded the number of sponsors resulting in an additional $70K in revenue.
Legislative expense is forecast to be $39K lower than budget as a result of unfilled intern positions and a higher than budgeted amount of staff time spent on LUCC issues.

Community and Economic Development expense is forecast to be $27K higher than budgeted expenses pertaining to the Resilient Counties forums and the Motorola Foundation grant. A portion of the expenses from the forums was offset by higher than budgeted corporate sponsorships, while the increased costs from the Motorola grant are covered fully by the grant.

IT & Innovation net expense is forecast to be $75K lower than budgeted, in large, due to a change in the way staff time is allocated. The budget anticipated that the corporate development team would allocate significant time to the IT Innovation Summit and the County Innovation Network ("COIN"); however, through the first quarter of 2014 many of those anticipated hours were spent developing relationships with corporate sponsors. The additional time has resulted in higher sponsorship of the Annual conference and the Large Urban County Caucus.

Research expense is forecast to be $61K lower than budgeted due to vacancies in the research team. As of the date of this report only one vacant position remains and NACo is actively recruiting for this position.
*Communications* expense is forecast to be $31K higher than budgeted because NACo expects to hire consultants to assist in the development of a more user friendly NACo.org.

*Governance* expense is forecast to be $28K greater than budgeted due to the shifting of several NACo Research Foundation staff to assist with the operations of the foundation.

*Support Services* expense is forecast to be $35K greater than budgeted in large part due to the additional cost of printing materials in house. NACo has released a significant number of publications during the past 12 months and each one of those was produced internally. By using internal production capacity NACo estimates that it spent approximately 28% less than if the reports were produced externally.

*Change in Investments* – For the five months ended May 31, 2014, the investment portfolio was higher by $1.2M based on a $490K in net investments of excess cash as well as investment returns of $709K or 3.25%. 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.
US Stocks
US stocks bounced back in May ending the month at a new record high driven by expectations for an improving economy and corporate earnings that outpaced estimates. Economic news has continued to be a bit of a mixed bag with forecasts expecting improving growth as the year continues. While manufacturing accelerated, auto sales rose yet again, and the jobs report topped expectations with the unemployment rate falling to 6.3%; concerns increased around the housing sector, retail sales were weak, durable goods orders missed estimates and first quarter GDP was revised to a 1.0% contraction. Corporate earnings rose 2.1% for the first quarter and merger and acquisition activity hit an all time high for this point of the year. US stocks gained 2.18% in May and are now up 4.32% for the year to date.

International Stocks
Foreign Stocks posted gains in line with US stocks as the ECB made its most concrete comments yet about taking action to help fight inflation. EU inflation was projected to be 0.8% for the year, well below the ECB’s target level. Economic activity in the country bloc also grew at just 0.8% in the first quarter. The central bank stated it would look to take action to stimulate the economy at its June meeting. China exports improved and manufacturing showed signs of stabilization in a positive sign for the second largest economy. Emerging markets topped developed markets over the month. International stocks were up 2.14% for the month and have advanced 4.08% for the year to date.

Bonds
Bonds posted positive results over the month as further assurances were made from Fed officials and other governments that accommodative monetary policy would remain for some time. In addition lackluster growth has spurred investor purchases. The 10 year Treasury yield fell over the month ending at 2.48% near the lowest level since June of last year. Treasurys and corporates were the top performing sectors with longer term bonds outpacing shorter term bonds. The broad bond market rose 1.14% in May bringing the year to date return to 3.87%.
-The NACo Reserve portfolio is designed to provide capital appreciation while minimizing risk.

-The IPS states a mix of 50% to equities and 50% to fixed income and cash.

-The portfolio was in line with its target allocations as of May 31st.

<table>
<thead>
<tr>
<th>Description</th>
<th>Weight</th>
<th>Current Value</th>
<th>Target Percent</th>
<th>Target Value</th>
<th>Percent Variance</th>
<th>Dollar Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Stock</td>
<td>34.6%</td>
<td>$ 7,722,377</td>
<td>32.5%</td>
<td>$ 7,244,636</td>
<td>6.6%</td>
<td>$ 477,741</td>
</tr>
<tr>
<td>Foreign Stock</td>
<td>18.6%</td>
<td>$ 4,139,734</td>
<td>17.5%</td>
<td>$ 3,900,958</td>
<td>6.1%</td>
<td>$ 238,776</td>
</tr>
<tr>
<td>Intermediate Bond</td>
<td>23.9%</td>
<td>$ 5,323,236</td>
<td>25.0%</td>
<td>$ 5,572,797</td>
<td>-4.5%</td>
<td>$ (249,561)</td>
</tr>
<tr>
<td>Short Bond</td>
<td>22.4%</td>
<td>$ 4,982,263</td>
<td>24.0%</td>
<td>$ 5,349,885</td>
<td>-6.9%</td>
<td>$ (367,623)</td>
</tr>
<tr>
<td>Cash</td>
<td>0.6%</td>
<td>$ 123,579</td>
<td>1.0%</td>
<td>$ 222,912</td>
<td>-44.6%</td>
<td>$ (99,333)</td>
</tr>
</tbody>
</table>

100%  $ 22,291,189
The Reserve portfolio gained 3.25%, or $701,977 over the year to date.

-For the trailing year the portfolio has risen 10.34%, or $2,089,694.

-For the trailing five years the portfolio has risen 10.32% annually, or $8,358,951.

<table>
<thead>
<tr>
<th>Description</th>
<th>Year to Date</th>
<th>Last 12 Months</th>
<th>Last 5 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Value</td>
<td>$ 21,589,212</td>
<td>$ 20,201,495</td>
<td>$ 12,682,238</td>
</tr>
<tr>
<td>Net Contributions</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Capital Appreciation</td>
<td>$ 624,017</td>
<td>$ 1,740,006</td>
<td>$ 6,782,233</td>
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<tr>
<td>Income</td>
<td>$ 106,019</td>
<td>$ 404,714</td>
<td>$ 1,823,480</td>
</tr>
<tr>
<td>Management Fees</td>
<td>$ (28,060)</td>
<td>$ (55,026)</td>
<td>$ (246,762)</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Ending Value</td>
<td>$ 22,291,189</td>
<td>$ 22,291,189</td>
<td>$ 22,291,189</td>
</tr>
<tr>
<td>Total Investment Gain/Loss</td>
<td>$ 701,977</td>
<td>$ 2,089,694</td>
<td>$ 8,358,951</td>
</tr>
</tbody>
</table>

Time Weighted (gross) 3.39% 10.63% 10.64%
Time Weighted (net) 3.25% 10.34% 10.32%

Performance is net of mutual fund fees and Raffa Wealth Management advisory fees. You are encouraged to compare the account information in this report to the account information sent to you from the account custodian.

** Inception date as of: 6/30/2007
Benchmark Comprised of:
06/07 - Pres: Russell 3000 (32.5%), FTSE AW ExUS (17.5%), BarCap Agg (25%), BarCap Gov 1-3 (20%), BofAML US TBill 3M (5%)
-The portfolio outpaced the benchmark over all time periods primarily driven by the U.S. Stock allocation outpacing its benchmark.
-U.S. Stocks have led the way for the past five years and foreign stocks have also posted strong gains. Over the year to date U.S. Stock has performed in line with the benchmark aided by strong performance from the DFA Real Estate position. Over the trailing year the allocation has been by far the top performer, outpacing its benchmark due to its small and value tilt. Foreign Stock has slightly trailed its benchmark in 2014 due to weakness earlier in the year from emerging markets. Over the trailing year the allocation has outpaced the benchmark due to the small and value emphasis.
-Fixed income has bounced back in 2014 as investors sought safe havens over global growth concerns. Intermediate Bonds were up and outpaced their benchmark aided by strong performance from international bonds. Similarly, Short Bonds rose and outperformed their benchmark driven by the foreign bond holding. Over the trailing year its a similar story for both allocations as they have outpaced their benchmarks due to the international bond allocations. Both allocations have displayed strong performance over the last five years as well.

### NACo Reserve - Asset Class Performance

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Market Value</th>
<th>Year to Date</th>
<th>Last 12 Months</th>
<th>Last 5 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>US Stock</td>
<td>$7,722,377</td>
<td>4.29%</td>
<td>20.96%</td>
<td>19.95%</td>
</tr>
<tr>
<td>Russell 3000</td>
<td></td>
<td>4.32%</td>
<td>20.57%</td>
<td>18.82%</td>
</tr>
<tr>
<td>Foreign Stock</td>
<td>$4,139,734</td>
<td>3.72%</td>
<td>15.41%</td>
<td>10.56%</td>
</tr>
<tr>
<td>FTSE All World ExUS</td>
<td></td>
<td>4.08%</td>
<td>14.97%</td>
<td>11.05%</td>
</tr>
<tr>
<td>Intermediate Bond</td>
<td>$5,323,236</td>
<td>4.03%</td>
<td>2.74%</td>
<td>5.35%</td>
</tr>
<tr>
<td>BarCap US Aggreate Bond</td>
<td></td>
<td>3.87%</td>
<td>2.71%</td>
<td>4.96%</td>
</tr>
<tr>
<td>Short Bond</td>
<td>$4,982,263</td>
<td>1.16%</td>
<td>1.02%</td>
<td>2.42%</td>
</tr>
<tr>
<td>BarCap 1-3 Yr Gov</td>
<td></td>
<td>0.47%</td>
<td>0.75%</td>
<td>1.22%</td>
</tr>
<tr>
<td>Cash</td>
<td>$123,579</td>
<td>0.00%</td>
<td>0.00%</td>
<td>0.01%</td>
</tr>
<tr>
<td>ML 3M Tbill</td>
<td></td>
<td>0.02%</td>
<td>0.06%</td>
<td>0.11%</td>
</tr>
<tr>
<td><strong>Total Portfolio</strong></td>
<td>$22,291,189</td>
<td><strong>3.25%</strong></td>
<td><strong>10.34%</strong></td>
<td><strong>10.32%</strong></td>
</tr>
<tr>
<td><strong>Portfolio Benchmark</strong></td>
<td></td>
<td><strong>3.18%</strong></td>
<td><strong>10.03%</strong></td>
<td><strong>10.15%</strong></td>
</tr>
</tbody>
</table>

Performance is net of mutual fund fees and Raffa Wealth Management advisory fees. You are encouraged to compare the account information in this report to the account information sent to you from the account custodian.

Benchmark Comprised of:
- 06/07 - Pres: Russell 3000 (32.5%), FTSE AW ExUS (17.5%), BarCap Agg (25%), BarCap Gov 1-3 (20%), BofAML US TBill 3M (5%)

Money. Grow it for Good®
Gulf States Counties and Parishes Caucus (G-PACC)

Bylaws

Article I

Name and Offices

The name of this organization is the National Association of Counties Gulf States Counties and Parishes Caucus (G-PACC). The principal office shall be located at 25 Massachusetts Avenue NW, Suite 500, Washington, DC 20001, or such other location that may become headquarters for the National Association of Counties.

Article II

Purpose

Section 1. The purposes for which this Caucus is formed are: to promote clearer understanding of mutual problems of Gulf Coast counties and parishes and their citizens; to establish a single source of information concerning county and parish governments in the Gulf region; and to advocate on behalf of those residing in Gulf Counties and parishes before federal and state governments, and other county officials.

Section 2. The Caucus will seek to achieve these purposes by sponsoring meetings, exchanging information and advice and organizing joint lobbying efforts, consistent with NACo lobbying guidelines.

Article III

Procedures

The order of business shall be determined by the members of the Caucus. Except as otherwise provided by these bylaws Robert’s Rule of Order (latest edition) shall govern procedure at all meetings of the Caucus.

Article IV

Membership

Section 1. The membership of this Caucus shall include elected officials who constitute the governing bodies of their respective counties and parishes in the following states: Florida, Alabama, Mississippi, Louisiana and Texas.
Section 2. Active member counties and parishes shall be those governments which contribute annually to the financial support of NACo according to its schedule of dues or service fees.

(Must be county members of good standing).

Article V

Conferences and Meetings

Section 1. The Caucus shall meet at least three times per year. Two of the meetings shall coincide with the NACo Legislative Conference and NACo Annual Meeting. The third shall be held during the fall in the state where the Caucus Chair resides and shall be hosted by that state. Members shall be responsible for ensuring notice requirements pursuant to their respective states’ Opening Meetings laws are provided.

Section 2. Special Meetings may be held as circumstances dictate. Except in the event of an emergency, notices for such meetings shall be provided at least fourteen (14) days in advance.

Article VI

Governance

Section 1. The Caucus shall have a Chair which rotates among the five member states, beginning with Alabama. The Chair shall serve a one year term that commences at the NACo Annual Meeting. The chair shall preside at Caucus meetings and host the Fall Meeting. Where appropriate, the Chair may initiate conference calls among Caucus members.

Section 2. Each state shall elect the person who will serve as Chair during its rotation. The decision of the state shall be binding on the Caucus.

Section 3. Additional officers shall include First Vice-Chair and Second Vice-Chair who shall succeed to Chair and First Vice-Chair respectively. These officers shall be filled in accordance with Section 2 of this Article.

Section 4: NACo staff shall serve as Secretary to the Caucus and shall take and keep minutes of all meetings and give notice of such meetings.

Section 5. Dues and Voting Rights

Each active member county is entitled to at least one vote on every question put before the Caucus. Active member counties and parishes whose population requires them to pay more than $499 in dues are entitled to one additional vote for each additional $500 or fraction thereof paid in the year in which the meeting is held. Every fully paid active member shall be allowed to
vote. Each county or parish shall determine the person or their designee who will cast the county’s vote(s). Any active member may but is not required to permit its votes to be cast by its state as a block.

Section 6: Notwithstanding the foregoing, the Caucus reserves the right to operate by consensus whenever possible.

Amendments

Section 1. Recommendations for Amendments

Bylaws amendments may be recommended as appropriate.

Section 2. Adoption of Amendments

These bylaws may be amended by a majority vote of all votes cast on the question by the voting active member counties and parishes.

Section 3. Effective Date of Amendments

Amendments to the bylaws shall become effective upon adoption, unless otherwise specified.
**PROPOSED STAFF RECOMMENDATIONS FOR NACO POLICY COMMITTEE STRUCTURE**

### AGRICULTURE AND RURAL AFFAIRS
- Agriculture and Food Safety Subcommittee
  - Food Safety Subcommittee (Merge with Agriculture subcommittee)
- Rural Development Subcommittee

### COMMUNITY, ECONOMIC AND WORKFORCE DEVELOPMENT STEERING COMMITTEE
- Economic Development Subcommittee
- Housing Subcommittee
  - Workforce Development Subcommittee

### ENVIRONMENT, ENERGY AND LAND USE STEERING COMMITTEE
- Air Quality Subcommittee
- Energy/Renewable Subcommittee
- Water Quality
- Land/Solid Waste

### FINANCE, PENSIONS AND INTERGOVERNMENTAL AFFAIRS STEERING COMMITTEE
- Fiscal Policy and Pensions Subcommittee
- County and Tribal Government Relations Subcommittee
- Elections Subcommittee

### HEALTH STEERING COMMITTEE
- Health Disparities Subcommittee (Eliminate and merge with Public Health & Healthy Communities Subcommittee)
- Behavioral Health Subcommittee
- Medicaid and Indigent Care Subcommittee
- Public Health and Healthy Communities Subcommittee
- Long Term Care Subcommittee
  - Health Reform Subcommittee (Eliminate and handle ACA implementation at the full committee level)

### HUMAN SERVICES AND EDUCATION STEERING COMMITTEE
- Welfare, Social Services and Immigration Subcommittee
- Aging Subcommittee
- Education, Children and Families Subcommittee

### JUSTICE AND PUBLIC SAFETY STEERING COMMITTEE
- Courts and Corrections Subcommittee (Merge Courts subcommittee with Corrections subcommittee)
  - Juvenile Subcommittee
  - Law Enforcement Subcommittee
  - Homeland Security and Emergency Management Subcommittee
  - Corrections Subcommittee (Merge with Courts subcommittee)

### LABOR AND EMPLOYMENT STEERING COMMITTEE
(Eliminated and Merged Workforce Development with CED and Merged Pensions with FIGA in 2013)
- Workforce Subcommittee (Moved subcommittee to Community, Economic and Workforce Dev. Committee)
- Pension Subcommittee (Moved subcommittee to Finance, Pensions and Intergovernmental Affairs Committee)

### PUBLIC LANDS STEERING COMMITTEE
- Management Subcommittee
  - Gateway Subcommittee (Eliminate)
- Payments Subcommittee

### TELECOMMUNICATIONS AND TECHNOLOGY STEERING COMMITTEE

### TRANSPORTATION STEERING COMMITTEE
- Airports Subcommittee
- Highways Subcommittee
- Transit Subcommittee
- Ports Subcommittee
AGRICULTURE –
  - Merge Food Safety Subcommittee with Agriculture Subcommittee. Health’s Public Health Subcommittee may also address food safety issues since county public health officials are often responsible for public food safety oversight.

COMMUNITY, ECONOMIC AND WORKFORCE DEVELOPMENT –
  - Added workforce development subcommittee as part of reorganization of Employment and Labor Committee last year under Community, Economic and Workforce Development Committee
  - Retain International Economic Development Task Force as a separate ad hoc group.

ENVIRONMENT, ENERGY AND LAND USE –
  - Functions as a Full Committee. While EELU has official subcommittees with chairs and vice chairs, the committee has developed a successful process where they divide meetings into educational presentations/peer exchanges and resolutions. The full committee chair routinely defers to vice chairs, subcommittee chairs and vice chairs to lead the educational sessions focused on their subcommittee issue or area of expertise.

HEALTH –
  - Eliminate Health Disparities Subcommittee as the issues can be covered by the Public Health & Healthy Communities Subcommittee. Addressing health disparities and the social determinants of health is part of the population-based, community-level work of public health. Note: Subcommittee was formed as follow up to Angelo Kyle’s presidential initiative.
  - Eliminate Health Reform subcommittee as work should be handled by the full Health Steering Committee and the other subcommittees as the ACA is "institutionalized" within HHS. Subcommittee was formed as follow up to a presidential initiative and passage of ACA. Note: There is room for NACo policy development around county employee health benefits in the Finance, Pensions and Intergovernmental Affairs Steering Committee.

HUMAN SERVICES AND EDUCATION –
  - Ensure “Children” is added to subcommittee for Education and Families.
  - Retain Immigration Task Force as a separate ad hoc group.

JUSTICE AND PUBLIC SAFETY –
  - Merge Courts subcommittee with Corrections subcommittee.
  - Further analysis may be needed of committee structure, membership, focus and goals.

PUBLIC LANDS –
  - Eliminate Gateway Community Subcommittee. This subcommittee was added as part of a presidential initiative but has lost momentum and interest in recent years.

TELECOMMUNICATIONS AND TECHNOLOGY –
  - Retain Cyber Task Force as a separate ad hoc group but encourage collaboration with T&T.
  - NOTE: We have 66 members of the Cyber Security Task Force.
<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Subcommittees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture &amp; Rural Affairs</td>
<td>Agriculture, Food Safety, Rural Development, Workforce</td>
</tr>
<tr>
<td>Community &amp; Economic Development</td>
<td>Economic Development, Housing, Workforce</td>
</tr>
<tr>
<td>Environment, Energy &amp; Land Use</td>
<td>Air, Energy/Renewables, Land &amp; Solid Waste, Water Quality</td>
</tr>
<tr>
<td>Finance &amp; Intergovernmental Affairs</td>
<td>County &amp; Tribal Government Relationships, Elections, Fiscal Policy &amp; Pensions</td>
</tr>
<tr>
<td>Health</td>
<td>Behavioral Health, Health Disparities, Health Reform, Public Health &amp; Healthy Communities</td>
</tr>
<tr>
<td>Human Services &amp; Education</td>
<td>Aging, Education &amp; Families, Welfare, Social Services &amp; Immigration, Public Health &amp; Healthy Communities</td>
</tr>
<tr>
<td>Justice &amp; Public Safety</td>
<td>Corrections, Court, Homeland Security &amp; Emergency Management, Juvenile Justice, Law Enforcement</td>
</tr>
<tr>
<td>Public Lands</td>
<td>Gateway Management, Payments</td>
</tr>
<tr>
<td>Telecommunications &amp; Technology</td>
<td>N/A</td>
</tr>
<tr>
<td>Transportation</td>
<td>Airports, Highways, Ports, Transit</td>
</tr>
</tbody>
</table>

All matters pertaining to legislation and administrative actions affecting agriculture, rural development, workforce development, and public works including the creation of affordable housing and housing options for different populations, residential, commercial, and industrial development, and building and housing codes.

All matters pertaining to water resources/management, streamwater, pesticides, air quality, climate change, solid, hazardous, and nuclear waste handling, transport and disposal, national energy policy, renewable energy, alternative energy, energy facility siting, electricity, utility restructuring, pipeline safety, oil spills, superfund/brownfields, eminent domain, land use, coastal management, oceans, parks and recreation.

All matters pertaining to housing programs, community and economic development, workforce development, and public works including the creation of affordable housing and housing options for different populations, residential, commercial, and industrial development, and building and housing codes.

All matters pertaining to air, water, energy, and land use, including water resources/management, streamwater, pesticides, air quality, climate change, solid, hazardous, and nuclear waste handling, transport and disposal, national energy policy, renewable energy, alternative energy, energy facility siting, electricity, utility restructuring, pipeline safety, oil spills, superfund/brownfields, eminent domain, land use, coastal management, oceans, parks and recreation.

All matters pertaining to health and health promotion, health disparities reduction, health care delivery, vulnerable populations, and health services for the uninsured, medically indigent, Medicare, Medicaid, long-term care, behavioral health services, substance abuse prevention and treatment, and services for persons with developmental disabilities.

All matters pertaining to public health and health promotion, health disparities reduction, health care delivery, vulnerable populations, and health services for the uninsured, medically indigent, Medicare, Medicaid, long-term care, behavioral health services, substance abuse prevention and treatment, and services for persons with developmental disabilities.

All matters pertaining to children’s issues, foster care, public assistance and incomes support, services to senior citizens and individuals with disabilities, immigration policy, social services, and elementary, secondary and post-secondary education.

All matters pertaining to public health and health promotion, health disparities reduction, health care delivery, vulnerable populations, and health services for the uninsured, medically indigent, Medicare, Medicaid, long-term care, behavioral health services, substance abuse prevention and treatment, and services for persons with developmental disabilities.

All matters relating to federally-owned public lands including federal land management programs, natural resources revenue sharing payments, payments in lieu of taxes, and property tax immunity concerns.

All matters pertaining to telecommunications and technology policy, including, but not limited to, the county role as a telecommunications regulator, service provider, and consumer, cable services technology innovation, e-governance, and geographic data collection and utilization.

All matters pertaining to federal transportation legislation, funding and regulation, and its impacts on county government, including highway and bridge development, airport development and service, passenger and freight transportation, and research and development of new modes of transportation.
MEMBERSHIP REPORT TO THE BOARD
NACo Second Vice President Sallie Clark
Membership Committee Chair, Tim McCormick
2014 NACo Annual Conference: County Solutions and Ideas Marketplace

Membership Numbers: As of June 24, NACo had 2,279 members which represent 74 percent of the nation’s counties. Twenty counties with dues of $54,731 have joined NACo including four of the top 50 largest nonmembers. The pace of new membership recruitment continues to be slow due to impending elections, election changes and the overall economic climate for counties. But it has picked up over the last couple of months.

Fifty-two counties have cancelled membership with dues of $41,048 and seven counties with dues of $59,885 have not yet renewed their membership for 2014, but have indicated they are intent on renewing. 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.

Membership revenues are at $4,349,000 which has already surpassed the revenue budget by more than $104,000 and this figure is anticipated to continue to rise as the year progresses.

NACo Board/Membership Committee “Make 2” Campaign: The Membership Committee initiated a membership campaign for 2014 to encourage all members of the Board of Directors and the Membership Committee to pledge to personally recruit and/or retain their state’s counties in 2014-15.

As part of the campaign, Board and Membership Committee Members were asked to assist with the membership efforts by contacting at least two member and/or nonmember counties to inform and reinforce the value of NACo membership. Each Board and committee member was e-mailed two county officials to contact concerning membership. Twenty-five officials have made contact so far. Those Board and committee members who have not made their calls yet are asked to make them ASAP following the conference. These contacts are vital in opening doors for NACo staff. NACo Membership staff can also assist with letter templates, information packets, e-mail/phone lists or exhibit materials to facilitate additional membership efforts.

Membership Activities: Activities completed and with more planned for 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 Discount Card Program: Since the Prescription Discount Card Program was launched in 2005, the program continues to grow and save money for county residents. As of the end of May, 1,363 counties, parishes and boroughs participate in the program. The participation total represents 45 percent of the nation’s counties.
Current totals show the program saving more than $577 million on 45 million prescriptions for an overall average savings of 26 percent. The program has also resulted in positive coverage by print, radio and TV press throughout its successful run with more than 6,100 reports.

Eighty-six counties have signed the marketing reimbursement fee agreement and 33 state associations have signed the marketing/endorsement agreement with NACo. In addition, 13 state associations and 30 counties have signed on to endorse the health discount program.

NACo and CVS Caremark added discount medical services to the NACo Prescription Discount Card Program in July. The services include vision and eyeglass discounts, diabetic services, hearing aids, and lab/imaging discounts. Discounts range from 20 percent to 75 percent depending on the service. Discounts on other services could be added in the future.

**NACo Dental Discount Program:** As of the end of May, 85 counties have signed on to be a part of the NACo Dental Discount Program. Participating counties have had more than 3,800 county residents sign up for the program while many other residents have requested additional information be sent to them. Eleven state associations have signed on to endorse the dental discount 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 20 meetings have already had NACo participation, while 27 more are planned so far in 2014. 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 2014 updates when ready especially from states with election changes. In 2013, NACo received roster updates from 46 state associations as well. 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.
FSC Overview: The mission of the NACo Financial Services Corporation is to deliver national enterprise revenue solutions to the pain points of county government and affiliated organizations. We do this by leveraging our purchasing power and delivering high quality and value-added products and services. Our vision 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, financial, healthcare, and infrastructure, which are outlined below:

Program Updates:

1. Solutions - U.S. Communities
   - Background: NACo FSC is a founding sponsor of the U.S. Communities Government Purchasing Alliance. U.S. Communities 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 increased 11% to $1.5 billion in 2013, compared to $1.35 billion in 2012. U.S. Communities also increased its participation by the largest number since inception, adding approximately 7,000 new registrants, which now includes over 77,000 user registrations. The sales goal for 2014 is $1.7 billion, anticipating strong performance from long-term suppliers as well as new contracts awarded in the past year. Six new contracts have already been launched in 2014 with several more slated for later this year.

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: The NACo Deferred Compensation Program closed the first quarter of 2014 with assets of nearly $13.8 billion—almost $1.4 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 and robust retirement project to include broader institutional and individual services as well as a pooled alternatives investment platform.
3. Financial Services - 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 also 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 and through February 2014 total more than $1.7 billion. Of the 56 projects, 10 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. Financing requests continue to come into the PFA. The current pipeline includes 25 transactions for about $600 million. Total transactions for 2014 are projected to be approximately $1.5 billion for the following types of projects: continuing care facilities, medical facilities, community health facilities, Section 8 housing, student housing (universities), and parking facilities.

- **New Projects:** The FSC is considering a more economical and efficient solution for short-term cash management. This program is focused on supporting treasurers and finance directors with a technology solution to gain better access to the fixed income marketplace.

4. 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.

5. Infrastructure: There are over 228,238 bridges owned and operated by counties, many of which are in disrepair. The FSC is exploring bridge bundling solutions, which will provide for a more economical and efficient approach to the required engineering, design and repair demands.
National Association of County Veterans Service Officers

Mr. James P. Young, Past President of NACVSO
Veterans Service Officer, Vernon County WI

James P. Young has served as the National Association of County Veterans Service Officers’ Chief Executive Officer, Liaison between the association and the Department of Veteran Affairs, and other Veteran Service Organizations responsible for keeping the Department of Veterans Affairs informed of the Association concerns and suggestions. He also serves as vice chair of the Veterans and Military Service Committee of the National Association of Counties.

In January, 1998, Mr. Young was hired as County Veterans Service Officer of Vernon County, Wisconsin under the oversight of the County Board of Supervisors. Responsibilities include informing, advising, assisting veterans, their spouses and family members. Securing all possible entitlements for which they are allowed under Title 38 of the Code of Federal Regulations (disability, pension, insurance, education, medical and general purpose loans, subsistance/medical, grant programs, alcoholism/drug dependency, etc. under State programs).

Prior to becoming an advocate for veterans, Mr. Young was a Civil Servant at Ft. McCoy, Wisconsin for eight years.

Mr. Young joined the Army in February 1966 and served overseas in Germany, Vietnam, Czechoslovakia as well as several postings as an instructor, NCO, Traffic Manager and advisor to Reserve Components, and Strategic Planning throughout postings in within the United States. After serving for over 24 years, Mr. Young retired from active duty on July 31, 1990 at Ft. Lewis in Washington. He has a Bachelor degrees in Business Management and Human Resources with a minor in Women’s’ Studies from Viterbo University in La Crosse, Wisconsin and an Associate’s degree in transportation management from Green River Community College in Auburn, Wisconsin.

Mr. Young’s military decorations include the Combat Infantry Badge, Meritorious Service Medal, Army Commendation Medal and Oak Leaf Cluster Bronze Large, Good Conduct Medal and two Silver Loops (#7), Army of Occupation Medal and German clasp, National Defense Service Medal, Vietnam Service Medal and Bronze Star Attachment, NCO Professional Development Ribbon, Army Service Ribbon, Overseas Service Ribbon and Vietnam Campaign Ribbon.
Vets Community Connection

The Hon. Doug Wilson  
*Former Assistant Secretary of Defense for Public Affairs  
Senior Fellow and Chair, Board of Advisors, Truman National Security Project/Center for National Policy  
Co-Founder, Vets Community Connections*

Doug Wilson served as Assistant Secretary of Defense for Public Affairs – the Pentagon’s senior spokesman and communications strategist – during President Obama’s first term, playing key communication roles on all major national security and foreign policy issues, including Iraq, Afghanistan, China, Russia, the Middle East, NATO, the budget, weapons procurement, missile defense, military families and wounded warriors, counterterrorism and the aftermath of the death of Osama bin Laden. Wilson was the Pentagon lead in designing and implementing the White House “State Dinner” honoring returned veterans from Iraq. He has served in senior communications positions for US Defense Secretaries William Cohen, Robert Gates and Leon Panetta and has three times been awarded the Distinguished Public Service Medal, the Pentagon’s highest civilian honor. Wilson previously served as Board Member and Executive Vice President of the Howard Gilman Foundation, overseeing domestic and international policy programs at White Oak, including the seminal 2010 and 2012 conferences on military families. A former Foreign Service officer, Wilson served as Chief of Trade and Protocol for the City of Phoenix, Political Director of the Democratic Leadership Council, USIA’s Congressional Director and strategic communications consultant for such companies as Boeing and Microsoft. A founding member of the White Oak Steering Committee, he is now Senior Fellow and Chairman of the Board of Advisors of the Truman National Security Project & Center for National Policy; a Board member of Blue Star Families (the nation’s largest military family support organization) and America Abroad Media; and co-founder (with Kari McDonough) of the “Vets Community Connections” initiative.

Ms. Kari McDonough  
*Co-Founder, Vets Community Connections*

Kari McDonough worked as a management consultant for Andersen Consulting and for Accenture, assisting government, private industry and non-profit clients on multi-million dollar projects to design, develop and implement large organization change. She also worked at the Council on Foundations optimizing grant maker and corporate giving programs. Most recently, she has volunteered with the Red Cross at the Walter Reed Army Medical Center, interacting with Wounded Warriors and their families, helping coordinate the Red Cross move to the new Walter Reed. Additionally she has volunteered with Give an Hour, assisting with the Community Blueprint program which aims to facilitate discussion among local organizations of veteran needs.
Vets’ Community Connections

Locally-based community reintegration for our friends and neighbors who have served in uniform

Putting the “human” back in the loop to connect veterans and military families quickly and effectively with local community resources.

Record Numbers of Veterans Reintegrating Home

**48,000** vets will return from Afghanistan by the end of the year.

**100,000** troops and Marines will be downsized from the Army and Marine Corps within five years.

**2.5 million** service men and women are already home from Iraq and Afghanistan.

Returning vets and their families face unique and differing needs. More than 40,000 organizations exist to provide support services to vets and their families, but the quality and consistency is by no means of uniformly high standards and sorting through resources can be overwhelming. Vets and family members often miss out on local resources simply because they don’t know they exist.

**Vets’ Community Connections** provides returning veterans and their families with a community-supported human point of contact. This local “Vet Rep” is someone who will personally take their calls and direct their questions to individuals, organizations, and resources within the community which have committed to provide needed help, answers, and solutions within their individual areas of expertise.

Connecting veterans to a full spectrum of local resources:

- Financial and Legal
- Education
- Housing
- Recreation
- Business
- Employment
- Family Strength
- Behavioral Health
- Social
- Cultural
- Volunteer Activities
Vet Reps: Helping veterans match needs with resources in their local community

The Vet Rep will have deep knowledge of the community in which he or she resides, and will have familiarity with the kinds of community reintegration problems and challenges faced by returning vets and their families. Ideal Vet Rep candidates will themselves be returning vets or military spouses who will be hired by the community, using varying models of funding, including private/public partnership.

The city or county leadership will assemble a "Community Veterans Team" of representatives from major local institutions -- private, government and non-profit. This Team – modeled on the economic partnership teams that cities and counties across the country have assembled to attract new business - will represent a full range of community resources, experience and expertise with which the local Vet Rep can personally connect bona fide callers.

PROJECTED TIMELINE
2014 - Begin pilot in 3 to 4 cities and counties
2015 - Expand pilot concept
2016 - Launch in a number of cities and counties

Not another veterans program, but a way to connect vets and families to existing resources and programs that meet their individual needs.

Long-term Goal: A nationwide network of Vet Reps in communities throughout the United States; harnessing public, private, and community resources to facilitate reintegration of military and their families.

Co-founders: Doug Wilson & Kari McDonough
EXECUTIVE SUMMARY

Counties are responsible for providing core services, such as human services, criminal justice, public welfare and infrastructure, to communities of all sizes across America. To ensure the delivery of these essential services, support job growth and maintain a healthy revenue base, counties invest in economic development activities in a number of ways. An examination of county involvement, challenges and solutions in economic development across the 3,069 counties shows that:

1. **Counties are sponsors of local economic development initiatives.** Funding — often from general funds — is the most common county contribution to economic development partnerships. More than 90 percent of county governments engage in economic development initiatives, but only 57 percent of counties have a county department managing economic development initiatives. Counties most typically focus on workforce training, business attraction and retention and regional marketing in their economic development partnerships. Additionally, counties collaborate with other stakeholders to promote broader resiliency goals.

For the full report, the companion interactive data tool and the text of the case studies, see the Strong Economies interactive at www.naco.org/StrongEconomies

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**Ethanol production equipment owned by Grass Roots Energy, a participant in the Agricultural Technology Business Incubator in Ottawa County, Mich.**
Counts of all sizes need more and better trade infrastructure, from ports and roads to transshipment facilities.

Workforce challenges are at the top of the county economic development agenda. Unemployment or underemployment is the most common challenge across counties (more than 80 percent of responding counties), followed closely by shortage of skilled workers (74 percent of responding counties) and the inability to attract and retain a young workforce (73 percent of responding counties). Maintaining a resilient economy with a diversified and competitive business environment is also a significant concern for counties. As major owners of infrastructure, counties deal directly with infrastructure challenges that affect the development and competitiveness of their local economies.

Workforce challenges for counties, percent of responding counties by county population size, 2013

- Unemployment or underemployment
- Shortage of skilled workers
- Inability to attract or retain young workforce
- Inadequate housing supply or insufficient affordable housing
- Dislocated workforce
- Inadequate primary and secondary education system
- Inadequate postsecondary education system

Notes: Large counties have more than 500,000 residents. Medium-sized counties have between 50,000 and 500,000 residents. Small counties are counties with less than 50,000 residents.

Collaboration is the key to county economic development initiatives. County economic development initiatives capitalize on the networks of public, nonprofit and private partners necessary for successful local economic development. This research developed 35 case studies of county economic development initiatives from around the country, featuring a wide range of activities from workforce training, regional marketing and business recruitment and retention to infrastructure financing, small business support, business incubators, disaster preparedness, industry diversification and international economic development. While each initiative solves an economic development problem within the framework of specific local resources and constraints, these case studies highlight some of the current county practices in economic development worthy of replication.

Together with partners, counties find solutions to the most pressing economic development problems facing their communities.

Case studies of county economic development initiatives

Note: The PUL Alliance in Mississippi is a regional economic development alliance among Pontotoc County, Union County and Lee County, part of the Three Rivers Planning and Development District. Susquehanna Economic Development Association - Council of Governments (SEDA-COG) is a regional multi-county development agency serving 11 Central Pennsylvania counties. For ease of visualization, this research identifies the one of the economic development initiatives featured in each case study. Most often, the case studies feature more than one initiative.

For the full range of the economic development initiatives profiled in each case study, see the Strong Economies Interactive at www.naco.org/StrongEconomies
Counties of all sizes across the country are problem-solvers, able to adjust their initiatives and programs to match local assets and needs. Drawing upon the answers of 480 counties responding to the 2013 NACo survey and the 35 case studies developed for this research, this study finds that counties have a distinct ability to mobilize and coordinate resources for economic development. Local economic development challenges often require a regional solution. Counties are best positioned to be conveners for such initiatives due to the legitimacy and accountability they have as formal governments covering both incorporated and unincorporated areas in a region.

Strong local economies enable counties to improve the quality of life for their residents, create the right environment for local businesses to flourish and reduce county costs with public welfare and criminal justice, while supporting the county tax base. Counties understand that strategic planning together with their public and private partners is necessary to build strong economies and in the process make their communities more resilient to unexpected events ranging from natural disasters and factory closures to long term declines in specific industries. As both global and local challenges arise, counties are poised to lead, convene and participate in economic development efforts.

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The National Association of Counties (NACo) developed this research in partnership with the Lyndon B. Johnson (LBJ) School of Public Affairs at the University of Texas at Austin. The study draws on the results of a NACo survey of the 3,069 counties conducted between September and October 2013 and 35 case studies of counties or regional economic development organizations with county government involvement.
Executive Summary

County governments not only provide vital health services to residents, but also serve as major public employers offering health benefits to their employees, dependents and retirees. Two surveys in April 2009 and March 2014 of the same sample of counties provide valuable insights and data on county employee health benefits coverage, changes and current challenges. An analysis of these survey results reveals:

1 – County health benefit eligibility for employees and dependents and county spending on health insurance increased significantly over the last five years. In 2014, an estimated 2.5 million county employees — out of 3.5 million full-time and part-time county workers — and nearly 2.4 million of their dependents are enrolled in health plans offered by county governments. For health insurance premiums alone, counties spend an estimated $20 billion to $24 billion annually. Between 2009 and 2014, average monthly premiums for county health plans increased by 20 percent. Full-time employees are eligible for county health benefits in almost all counties and 80 percent of counties offer health coverage for all employee dependents. Between 2009 and 2014, the share of responding counties offering health coverage to all of their part-time employees doubled (from 8 to 16 percent).

2 – Counties are making plan changes and reducing costs. One third of counties reported shopping for a new plan in 2013. Cutting costs was the most common reason cited by counties that changed their offerings (31 percent). Counties are also working with their employees to contain health care costs, by continuing to share premium costs or increasing the deductible amounts, copayments and/or out-of-pocket limits. Between 2009 and 2014, the share of employee contributions to health insurance premiums stayed relatively the same across plan types and coverage levels. The average deductible across all plans increased by 49 percent for single coverage and 67 percent for family coverage. Over the past five years, the average out-of-pocket maximums increased by an average of 59 percent across all plan types and coverage levels, but are still below the maximum amounts allowed by the Affordable Care Act (ACA).

For the full report, see [www.naco.org/healthbenefits](http://www.naco.org/healthbenefits).

The National Association of Counties (NACo) developed this research in partnership with the Carl Vinson Institute of Government (CVIOG) at the University of Georgia.
AVERAGE TOTAL MONTHLY PREMIUMS OF HEALTH INSURANCE OFFERED BY COUNTIES, BY PLAN AND COVERAGE LEVEL, 2009 AND 2014

Note: The total monthly premiums include the employer and employee contributions. Both 2009 and 2014 surveys used the same sample of counties. All estimates of change are significant at 95 percent level, except for HD plans under family coverage and POS plans under both single and family coverage. The response rate for these items ranged from 54 percent to 81 percent in the 2009 survey and from 80 percent to 89 percent in the 2014 survey. The survey does not distinguish between grandfathered and non-grandfathered plans.

Sources: NACo/CVIOG surveys, 2009 and 2014

3 – Counties are still grappling with the effects of the Affordable Care Act (ACA) on the health benefits offered to their employees. While 34 percent of responding counties mentioned increased costs because of ACA implementation, 35 percent of counties reported no ACA effects and 7 percent were not aware of any impact on their county, as of March 2014. The complexity of the ACA statute and compliance requirements was the most commonly cited barrier to the implementation of federal health care reform, as reported by 42 percent of responding counties.

4 – Most counties offer some type of wellness program, at a higher rate than in 2009. A majority of counties (59 percent) offered one or more wellness programs in 2009. By 2014, the share of counties offering at least one wellness program rose to more than 80 percent. The most common wellness program among responding counties in 2014 was smoking cessation (60 percent) followed by weight loss programs (52 percent). Between 2009 and 2014, the share of counties offering any rewards to their employees for participation increased from 26 to 35 percent.

5 – Counties are more likely to offer retiree health benefits than other employers. Sixty-eight (68) percent of counties offered health benefits to their retirees in 2014, more than the 2013 national average for employers with more than 200 employees (28 percent). Counties offer retiree health benefits at a higher rate than employers with more than 200 employees for both early retirement (97 percent compared to 90 percent) and after the age of 65 (72 percent compared to 67 percent). In 2014, 93 percent of responding counties offered their current employees health benefits upon retirement.
America’s county leaders make important decisions every day about transportation, land use and economic development policies and investments that influence regional and local economic opportunities, shape how communities grow and change, and contribute to the quality of life and well-being of Americans.

Within the transportation arena, counties own 45 percent of roadways and nearly 40 percent of bridges, as well as are involved in the operations of 30 percent of public airports and nearly one-third of public transportation systems. Therefore, a vast majority of the people and goods in the United States travel via county transportation infrastructure every day.

At the same time, most counties are faced with the dilemma of declining federal and state funding, rising construction and maintenance costs, aging infrastructure and increasing traffic demands (especially with commodity and freight commerce). Through regional collaboration, public engagement and cooperation with other public and private sector partners, counties are pursuing new and innovative approaches to delivering modern transportation solutions and services, and infrastructure investments such as broadband expansion.

During NACo’s Symposium on America’s County Transportation & Infrastructure, county leaders will explore noteworthy practices from around the nation. The event will highlight trends in global freight movement, innovative transportation and infrastructure financing, multi-modal solutions, and county safety improvements.
WEDNESDAY, DECEMBER 3

9:30 a.m.  Registration (Open All Day)

10:00 a.m.  Mobile Workshop: Hawaii’s Role in Global Innovation (Requires Pre-Registration)

This mobile workshop will explore various efforts by Maui County’s public, private and nonprofit sectors to compete in the global economy. Participants will tour the Maui Research and Technology Center and the Maui High Performance Computing Center—one of five Department of Defense Supercomputing Centers—and the Haleakalā Observatory and Maui Space Surveillance Workshop to learn about how Maui has grown its economy by driving innovation in the high-tech industries, including space surveillance, renewable energy, robotics, engineering and supercomputing. Site tours and discussions will address public-private partnerships, global supply chains, talent development, business recruitment, support for start-ups, STEM education programs and more.

5:00 p.m.  2014 NACo County Economic Tracker

NACo’s County Tracker offers a reminder that the U.S. economy happens on the ground, in the 3,069 county economies that provide the basis for county governments. As fiscal tightening continues to limit the scope of state and federal investment, it is becoming imperative for states and the federal government to work with counties to maintain the fundamentals of U.S. economy — county economies. During this session, the association’s leadership and research team will unveil new data and trends for 2014.

6:30 p.m.  Opening Reception

THURSDAY, DECEMBER 4

8:00 a.m.  Peer Networking Breakfast

8:30 a.m.  Welcome and Introductions

•  Hon. Riki Hokama, NACo President and Council Member, Maui County, Hawaii

9:00 a.m.  Pacific Basin as a Key Gateway for International Commerce, Security and Trade

The islands of the Pacific Basin play a major strategic role for the United States in global commerce, security and trade. Hear from the region’s public and private sector leadership how counties on America’s Mainland are impacted by the trends and developments of this important region.

10:15 a.m.  Peer Networking Break
10:30 a.m.  How Does the Global Supply Chain Reach Your County?

Customers in 136 countries around the world buy Hawaii-grown and manufactured goods and services, according to the Business Roundtable. More than one in five Hawaii jobs depends on international trade. Transportation equipment (including aerospace products) was Hawaii’s leading export category in 2012. How do these realities compare with your county? Hear from leading experts about today’s global supply chain and the importance of a seamless intermodal transportation system.

12:00 p.m.  Luncheon Keynote: America’s Maritime Infrastructure of Ports and Inland Waterways

The U.S. has 360 commercial ports employing 13.3 million Americans, which contribute $3.15 trillion to the economy. U.S. inland waterways handle 63 million tons of cargo and contribute $74 billion to the economy. Overall, freight tonnage of all types, including exports, imports, and domestic shipments, is expected to grow 73 percent by 2035 from 2008 levels. The session will explore the national trends in water resource development and the potential impact on counties.

1:30 p.m.  Building Strategic Partnerships to Address Your County’s Transportation Needs

County officials are working with other public, private and nonprofit sector leaders in new ways to build and maintain vital transportation infrastructure and services. This roundtable discussion will explore noteworthy practices and examples of how county leaders are building strategic alliances to ensure America maintains a world-class transportation network.

2:30 p.m.  Break/Prepare for Mobile Workshop

3:00 p.m.  Mobile Workshop: Kahului Airport

Kahului Airport, Hawaii’s second-busiest airport, is currently undergoing a major expansion and modernization program. Learn from top airport officials about the airport expansion and how it is driving economic growth and promoting Maui’s competitiveness in the tourism market.

6:30 p.m.  Reception at Hotel
8:30 a.m.  Peer Networking Breakfast

9:00 a.m.  MAP-21 Federal Surface Transportation Reauthorization and the Outlook for America’s Counties

Here from top transportation policy experts about the current status of federal transportation funding authorization and engage in a roundtable discussion about the long-term direction for American transportation policy, and what it means for counties.

10:30 a.m.  Peer Networking Break

10:45 a.m.  How Are Counties Leveraging New and Traditional Funding and Financing Techniques to Address Transportation and Infrastructure Challenges

Smaller funding streams combined with higher infrastructure costs and increased pressure on existing transportation systems have led counties to pioneer new funding and financing solutions to meet critical local and regional needs. These solutions often involve partnerships with other jurisdictions and the private sector, as well as creative techniques to raise funds locally and streamline development processes. This panel discussion will highlight exemplary practices counties and their partners have pursued nationwide.

12:00 p.m.  Luncheon Address: Driving into the Future with Tech Innovation at the Wheel

How are driverless calls, mobile technology and the sharing economy changing how we will get around in the 21st century, and how can county leaders be prepared to address these new possibilities? Learn about how tech start-ups like Uber, Lyft, Zipcar and Car2Go are influencing personal travel choices and blurring the lines between public and private transportation, and get a preview of how driverless cars will reshape the built environment.

1:30 p.m.  Adjourn
FRIDAY, DECEMBER 5
2:00 – 5:00 p.m.  National Association of Counties Board of Directors Meeting
7:00 p.m.  NACo Board of Directors Dinner

SATURDAY, DECEMBER 6
8:30 a.m. – 2:00 p.m.  NACo Board of Directors Meeting
You and a guest are cordially invited to a

National Association of Counties

BOARD DINNER

Hosted by The New Orleans City Council

at

GRAND ISLE

575 Convention Center Blvd. • New Orleans, LA

A short 2 block walk from the Hilton Riverside

Saturday, July 12, 2014

7:30pm - 9:00pm

RSVP BY JULY 7, 2014 • NOCCI 504.293.2615
ADMIT TWO • BUSINESS CASUAL ATTIRE
Mercedes Benz Superdome | Conference Wide Celebration | Monday, July 14th, 6:30pm

Grand Ball | NACo Board of Directors Reception | Saturday, July 12th, 7:30pm | 575 Convention Center Blvd.

Ernest N. Morial Convention Center | 900 Convention Center Blvd.
Proposed Changes to the NACo Bylaws

NACo Staff Directory

Map of Important Locations during the Annual Conference