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Inside

2008-2009, the Enigma

By Bob McEvoy, Managing Editor

It is a great honor to introduce the clarifying wisdom we need in these extraordinary times, written for the Journal of County Administration as only our lead authors, Frank Mauro and James Parrott, can. Frank and James are well known for their cutting edge research and many outstanding publications which are used extensively by those who develop and implement public policy.

We're All in This Together: Federal, State, and Local Governments All Have a Part to Play in the Economic Recovery

By Frank Mauro, Executive Director, and James Parrott, Deputy Director and Chief Economist, of the Fiscal Policy Institute (www.fiscalpolicy.org)

Frank Mauro

The consensus among economists seems to be that we are entering uncharted territory and that we are in for something greater than an ordinary recession. At least two major American industries—financial services and auto manufacturing—and maybe more, are likely to be restructured in fundamental ways that could reduce their size and profitability. And it will take several years for other industries, even with significant governmental investment, to pick up the slack.

The American auto industry faces a number of other, longstanding challenges but the tightening of business and consumer credit that resulted from the finance sector's problems, and the related decline in consumer confidence, did not help. The causes of the financial sector's virtual meltdown are many and well documented—deregulation and weak oversight by the SEC and other watchdog agencies, easy credit and excessive leveraging, other countries trade surpluses which poured dollars back into U.S. markets looking for higher returns, financial "innovations" that supported massive subprime lending, and the housing bubble.

When the housing bubble burst, the results included an epidemic of foreclosures and significant declines in housing prices. This, in turn, triggered huge losses among many financial services firms that had bet heavily on mortgage-backed securities and derivatives. The continuing declines in housing prices kept eroding the value of bubble-generated "toxic" securities, and this ultimately called into question the solvency of several major financial institutions. Eventually, these firms' credit ratings and stock prices fell; some were taken over, others were bailed out by the federal government, and Lehman Brothers filed for bankruptcy. Former Treasury Secretary Henry Paulson's decision to not rescue Lehman Brothers has been identified by a number of insightful observers, including New York Times columnist and recent Nobel Prize winning economist Paul Krugman, as a turning point for the worse in the economic saga of 2008.

The federal government's initial rescue efforts (Bear Stearns in March and Fannie Mae and Freddie Mac in September) weren't sufficient to stem the tide. In a sense those rescues only pointed out how pervasive and serious the problems were. Attention then turned to the next weakest

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President's Corner

by Kathleen Kelley, Chief Administrative Officer, Douglas County, NE

When you were growing up, how many times were you challenged during periods of adversity with words such as "when life deals you lemons, make lemonade" or "look for the good that comes from the bad" or "make the most of what you have"?

Many county managers are grappling with the effects of the current national economic conditions and the rest of us are preparing for the hit. Learning from others' experiences has great value—whether it be initiatives to reduce energy costs, implementing consumer directed healthcare in an effort to reduce employee healthcare costs, restructuring the county organization to reduce operational costs, or exploring collaborative governance with public institutions and non-governmental organizations in order to enhance public involvement in public decisions and actions that will be more cost-efficient and productive.

How many of us have deferred capital projects due to the poor bonding market? How many have implemented hiring freezes or lay-offs, or placed a moratorium on salary increases? With falling tax revenues, have decisions been made to cut services, eliminate services or raise taxes, or all of the above? Are you feeling the pressure of pension plan losses?

The 2009 NACO Legislative Conference will be held March 7–11 at the Marriott Wardman Park Hotel in Washington, D.C. NACA will host the Idea Exchange on Sunday, March 8, 2009, from 1:45 p.m. to 4:45 p.m. Please plan on attending as it promises to be informative as well as cathartic. Succession planning will not be discussed as I have noticed that, at least in Douglas County, retirements just are not coming in at the same rate as in past months. Could this be the good that comes from the bad?

(Mauro, Parrott, continued from page 1)

links among institutions and the short-sellers then piled on and drove down stock prices.

As credit tightened and consumer spending declined, the real economy increasingly felt the pain. The unemployment rate reached 7.2 percent in December 2008, its highest level since 1993, and nonfarm payroll employment for the year fell by 2.6 million jobs, the biggest one-year decline since 1945. In 2008, the federal government expanded the unemployment insurance safety net and the push for a second stimulus package was a major focus of the Obama administration during the transition and since taking office.

State and local government budgets are almost always strained during recessions and the current downturn is not an exception to this general rule. During a recession, unemployment increases, the number of hours worked declines, consumer spending declines, and a downward economic spiral continues for some period. This translates into a reduction in government tax revenues sometimes absolutely and almost always in terms of the rate of growth. Some aspects of government spending, particularly spending on safety net programs, also increase as additional workers are laid off. With revenues declining and some expenditures increasing, states and localities almost always face increasing budget deficits during recessions.

Because of their balanced budget requirements, state and local governments almost always end up cutting spending and/or increasing taxes during a recession. Unfortunately, cutting spending and/or increasing taxes

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Does NACA Have Your E-mail Address?

Members are encouraged to alert NACA staff of changes to their e-mail addresses. New addresses or corrections to addresses can be e-mailed to naca@icma.org.

(Mauro, Parrott, continued from page 2)

during a recession serves to make the economic situation worse rather than better. It is also the opposite of what the federal government tries to do during a recession which is to stimulate the economy by increasing spending and/or cutting taxes. These state and local actions thus serve to cancel out some, or conceivably even all, of the stimulative impact of those federal actions.

State and local governments must balance their budgets in both good times and bad; but the federal government is not bound by such a requirement and can, during bad times, actually increase spending and reduce taxes to stimulate the economy. This is one part of the federal government's fiscal policy toolkit, which along with the available monetary policy tools allows the federal government to exercise its responsibility for overall macroeconomic management. Since the main interest rate under the control of the Federal Reserve is now at the extremely low level of one-quarter of a percent, the onus is clearly on federal fiscal policy actions. Given the different fiscal policy rules and responsibilities that govern the different levels of government in our federal system, it makes sense for the federal government to provide more fiscal relief to states and localities in bad times than it provides to them in good times. By providing such fiscal relief, the federal government can reduce the amount of tax increasing and/or the amount of budget cutting that state and local governments have to do during a recession, thus reducing the amount of "economic drag" generated by these budget balancing activities.

The official length of the last recession (in 2001) was a relatively short eight (8) months, but it was followed by a prolonged "job loss" recovery and the recession-induced deficits faced by the states continued to grow in 2002 and 2003. As the states were debating their 2003-2004 budgets in 2003 they collectively faced state budget shortfalls of an estimated $80 billion. While a core group of U.S. Senators and Representatives had been arguing for state fiscal relief for over a year, it was not until May 2003 that the President and a majority of both houses of Congress finally took such action.

The federal government's May 2003 stimulus package included $20 billion in fiscal relief for the states. $10 billion was provided through a temporary 15-month increase of 2.95% in each state's Federal Medicaid Assistance Percentage (FMAP). The other $10 billion was in the form of revenue sharing, i.e., a "no strings attached" block grant to the states based on population. Both of these mechanisms allowed federal fiscal relief to flow to the states very quickly without the need for the establishment of any new programs or the submission and approval of plans for using the money.

But was $20 billion in state fiscal relief provided by the federal government in 2003 and 2004 too little and too late for maximum impact? In testimony presented on October 28, 2008, to the U.S. House of Representative's Budget Committee, Iris Lav, the deputy director of the nonpartisan Center on Budget and Policy Priorities (www.cbpp.org) answered that question as follows: "While extremely important, the 2003 fiscal relief package was not enacted until after 1 million people lost eligibility for Medicaid because of state cutbacks, and deep cuts had been made in K 12 education, child care, state workforces, and a variety of other areas. In the best of all worlds, it would have been enacted before those demand reducing cuts were made."

While the current recession is already over a year long, and if it lasts until April, which is very likely, it will become the longest recession since 1933. Many economists and President Obama have warned that the economic situation is likely to get worse before it gets better. In adopting their 2008-09 budgets and in making mid-year adjustments in those budgets, at least half the states cut spending for public health programs, services for the elderly and disabled, K 12 education, or universities and colleges. Most importantly, as Lav pointed out in her October testimony, "states are on the verge of making far more drastic cuts as they deal with their mid year deficits and begin to enact fiscal year 2010 budgets."

The $787 billion American Recovery and Reinvestment Act (ARRP) that was signed into law by President Obama on February 17, 2009, a scant four weeks after taking office, included about $140 billion for the explicit purpose of "state fiscal relief." $87 billion of that total was in the form of a 27-month increase in each state's FMAP, with the remainder coming in the form of a State Fiscal Stabilization Fund to be administered by the U.S. Department of Education."

While the ARRP provides a significant lifeline to the states at a critical point in time, it will not completely eliminate the need for some painful budget balancing actions by the states themselves and by their local governments.

The key challenge for the states involves choosing that mix of spending cuts and/or tax increases that will do the least harm to the state's economy. A sound framework for evaluating these difficult choices was provided in an important 2001 policy paper by Joseph Stiglitz, a professor of economics at Columbia University and one of the recipients of the 2001 Nobel Prize in economics, and Peter Orszag, then of the Brookings Institution, more recently the director of the Congressional Budget Office and now the director of the U.S. Office of Management and Budget. In that 2001 paper, Siglitz and Orszag point out that while some state officials apparently believe that reducing spending is preferable to raising taxes, "economic analysis suggests that tax increases would not in general be more harmful to the economy than spending reductions. Indeed, in the short run (which is the period of concern during a downturn), the adverse impact of a tax increase on the economy may, if anything, be smaller than the adverse impact of a spending reduc-

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tion, because some of the tax increase would result in reduced saving rather than reduced consumption." Applying basic economic principles, Stiglitz and Orszag conclude that "direct spending reductions will generate more adverse consequences for the economy in the short run than either a tax increase or a transfer program reduction. The reason is that some of any tax increase or transfer payment reduction would reduce saving rather than consumption, lessening its impact on the economy in the short run, whereas the full amount of (a reduction in) government spending on goods and services would directly reduce consumption."

The more that tax increases and transfer payment reductions are focused on those with lower propensities to spend (that is, on those who spend less and save more of each additional dollar of income), the less damage is done to the weakened economy. Since higher income households tend to have lower propensities to spend than lower income households, the least damaging approach in the short run involves tax increases concentrated on higher income households. Across the board tax increases and reductions in transfer payments to low income families would generally be more harmful to the economy than increases in taxes on higher income families.

Stiglitz and Orszag also point out that these arguments are even stronger for state policymakers who are more interested in the impact of policy options on their own state's economy than on the national economy. "In particular, government spending that would be reduced if direct spending programs are cut is often concentrated among local businesses…By contrast, the spending by individuals and businesses that would be affected by tax increases often is less concentrated among local producers – since part of the decline in purchases that would occur if taxes were raised would be a decline in the purchase of goods produced out of state." They also point out that this is particularly true for expenditures by high income households, who "appear to consume relatively more goods and services produced in other regions of the country (or abroad) than lower income families do."

While the federal government must deal with the need to stimulate the economy in the short run and help state and local governments balance their budgets in ways that do the least damage to the economy in the short run, the nation needs a more far reaching "economic recovery" package given the fundamental changes that are going on in major sectors of the private economy. Simply put, much more is needed right now than short term cyclical stimulus and President Obama seems to recognize that with his call for a major job creation program, including infrastructure, education at all levels and scientific research, that will increase American competitiveness in the long run.

Two other major challenges facing the American economy involve the need to stabilize the housing market and shore up retirement savings. While housing prices have come down 20 to 25%, forecasts are that they will fall further. But falling housing prices will continue to destabilize the finance sector and impede the nation's economic recovery. Some but not all banks are acting to re negotiate mortgages so legislation may be needed to force the renegotiation of mortgages (including forced de-securitization if necessary). And lending institutions need to absorb most of the losses.

New economic models are necessary at the national and state levels. Not only did the financial system fail but the underlying economic model—that produced great income and wealth polarization and squeezed the middle class—collapsed. The United States needs a new model of public investment led growth in which American workers and communities share in the prosperity they create and do not have to rely on debt to maintain living standards. We need a model that rebuilds the middle class and supports sustainable communities.

With the federal deficit soaring because of the various financial rescue actions, there may well be intense pressure to limit further federal spending. But economists across the economic spectrum agree that this cannot be a priority in the first year or two of the new Obama Administration. The federal government must address short-term and long-term challenges simultaneously. It must provide sufficient stimulus to "kick start" a sustainable recovery and it must address the nation's long standing investment needs.

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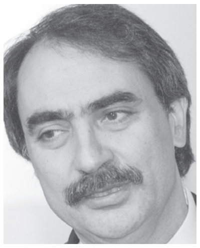
1 On June 30, 2008, an Emergency Unemployment Compensation (EUC) program was created by the Supplemental Appropriations Act of 2008, providing up to 13 additional weeks of unemployment insurance benefits to individuals who were still looking for work after having exhausted the 26 weeks of regular state benefits for which they were eligible. On November 21, 2008, President Bush signed the Unemployment Compensation Extension Act of 2008, expanding the EUC to 20 weeks nationwide, and creating a second tier of 13 weeks of EUC for individuals in States with high unemployment rates.

2 46 of the 50 states have fiscal years that begin on July 1 of one year and end on June 30 of the following year. The four exceptions and the starting dates of their fiscal years are New York (April 1), Texas (September 1), and Alabama and Michigan (October 1).

3 In early December, the National Bureau of Economic Research (www.nber.org), the official arbiter of the beginning and ending dates of recessions in the United States, announced that its Business Cycle Dating Committee had met on Friday, November 28, and had "determined that a peak in economic activity occurred in the U.S. economy in December 2007. The peak marks the end of the expansion that began in November 2001 and the beginning of a recession. The expansion lasted 73 months; the previous expansion of the 1990s lasted 120 months."

4 Peter Orszag and Joseph Stiglitz, *Budget Cuts vs. Tax Increases at the State Level: Is One More Counter Productive than the Other During a Recession*, Center on Budget and Policy Priorities, November 6, 2001, http://www.cbpp.org/10-30-01sfp.pdf .

with Dr. Costis Toregas, PTI President Emeritus



Technology's Role in a Fiscal Crisis (Part 1)

As traditional revenue sources for counties such as sales, recordation and property taxes continue to yield fewer revenues, administrators around the country are anxiously scouring their budgets to find places that can provide cost cuts. Information technology provides the indispensible infrastructure for most county administrative, planning and operational functions, but it cannot be immune from these cost-cutting forays. This article will present some ideas of possible reduction targets in IT that may not only produce savings, but happily strengthen and improve this IT infrastructure at the same time.

Energy management

It may be surprising to compute electric power savings that accrue when simple power management procedures for PCs are put in use. These procedures are usually incorporated in the operating system of the PCs, and relate to powering down the spinning disk drive, turning off the monitor and placing the system in a state of hibernation after pre-set periods of inactivity. These simple methods are many times made inoperative by the users because they can be inconvenient (guilty as charged! my own power management settings are not set to these efficiency standards). An aggressive energy management program launch can provide significant energy savings at the time power bills are due, and have no negative effect on employee performance.

Thin client computing

Not surprising, the vast majority of county IT users are not very demanding of their technology. E-mails, web surfing and an occasional Word document preparation define the average user, and the licenses we buy and maintain for the sophisticated software, and the fully configured PCs we place on employee desks could represent an over commitment of resources. There are now less powerful PCs called think clients that are stripped down versions of their fully configured "fat client" cousins, cost about 25% of the traditional PC price and have neither disk drives nor resident software. Their use is made possible by centralized software that is invoked only when needed through telecommunications links. Before considering this option, a quick analysis of PC usage will point out the employees who may be happy with this option, and an implementation at PC replacement time could provide significant cost reductions to the IT budget (both hardware and software services).

SaaS

SaaS stands for "Software as a Service" and describes a new way of providing software to employees- not from county computers, but from private industry that is happy to become a provider of this service, and also to offer data storage and data access through the Internet (this is why SaaS is sometimes also called "Cloud Computing"). This option is provided by major actors in the field, with GoogleApps being an example that jurisdictions like Washington DC are using to provide word processing, spreadsheets and email services without having to become involved in any technology installation and maintenance, and at a fraction of the traditional cost. Security concerns can be handled through smart negotiations and demanding Service Level Agreements that provide penalties for any security breaches, and upgrades to new technology become the responsibility of the private partners.

Consolidating services across departments

For the larger counties that maintain multiple facilities, the ability to reduce the number of facilities needed to maintain and operate an information environment for several departments and agencies can be the key to significant cost savings. Data storage, data back up, data disaster recovery sites and other similar facility-oriented services have to be provided and maintained for major users, and are usually done in a redundant manner because of "turf" concerns by the user departments. In times of fiscal difficulty, the wise administrator will want to explore opportunities for data center consolidation and other similar moves to make deep reductions in carrying costs for this important service.

Procurement

Simple economies of scale when it comes to procurement of IT can provide significant savings. Making sure that PC procurement is coordinated across all departments can lead to savings, as can the notion of asking other organizations who work with the county to partner in joint technology procurement efforts. Independently elected officers who may traditionally have bought their own technology, other local or state governments in the area and non-profits can create buying consortia to reduce technology acquisition costs. In addition, there are state and national purchasing programs that can also reduce these costs, including offers from NACo's own Financial Services programs.

Ultimately, savings in the technology budget can contribute well to an overall cost cutting program. But the contributions of technology to cost reduction can be far more effective and powerful in a different arena that the administrator has direct command: that of operational costs in all county departments. The notion of reducing operational costs through automation and process re-engineering is well established in private, as well as public sectors alike. The next Technology Corner column will explore this additional role of technology in times of fiscal crisis, and give Guiding Principles to help you take advantage of it.

Two Legendary NACA Leaders Rise to Honorary Member Status

David Krings

Mort McBain

David Krings and **Mort McBain** have been designated by the NACA Board as Honorary Members. This distinguished status is conferred on members who are "persons who have rendered distinguished service to the cause of better county government."

David Krings is a former President of NACA and ICMA, and is currently Director of Non-profit and Local Government Solutions for TechSolve, a not-for-profit consulting firm based in Cincinnati. He is also the Administrator of Lockland, Ohio.

Working to make it easier for county administrators to join national professional organizations, David initiated the reforms that allowed for NACA membership through state organizations. The "state block membership" allowed administrators to join NACA while only making one payment to their state organization. The success of this reform was evidenced by unprecedented membership growth.

David also led in gaining recognition for county members by leading ICMA's name change to the International City/County Management Association in 1991. This allowed county professionals to justify membership in ICMA as a county organization.

David also initiated the "idea exchange" at the semi-annual NACA meetings. He first observed the concept at meetings of the managers of large cities and counties that he attended as manager of Hamilton County, Ohio. The idea exchange involves managers presenting day-to-day issues that they face on the job. Peers in attendance then comment on the issues presented. These practical exchanges have consistently been a popular and useful benefit of NACA membership.

As NACA grew and matured, it became more difficult to operate as a purely volunteer organization. David responded to these new challenges as he signed the first contract for professional ICMA staff services to NACA.

In 2003, David became the president of ICMA. He is the first individual to serve as president of both ICMA and NACA.

David Krings, in addition to his very successful leadership of ICMA, brought great charm to the ICMA Presidency, always bringing this worldwide organization to the level of all members, new and old, the already distinguished and the aspiring. His wonderful humor was so looked forward to that attendance at the meetings where he was to be present was at record levels. His ability to motivate, with humor, even increased contributions to the Fund for Professional Management. David Krings is clearly, a "person who has rendered distinguished service to the cause of better county government."

Mort McBain is a former President of NACA and is currently Bishop of the Wausau Congregation of the Church of Jesus Christ of Latter Day Saints (Mormon).

Mort served on the Board of Directors of NACA for many years, rising to the Presidency. He served with great devotion as NACA's Representative to the NACo Board for five years, where his regular attendance and vigorous participation at NACo Board meetings, elevated NACA to a distinguished position amongst county organizations.

Mort took over the NACA Newsletter, reforming both style and content presentation bringing NACA's publication, now *The Journal of County Administration*, to new levels of readership and stature as a leading source of information about the administration of county government.

He also reorganized NACA regions to conform to ICMA regions.

In 2001, Mort authored a history of NACA, which is important to the next generation of professional county managers and administrators.

Mort also obtained NACA's 501c(4) status.

Mort is an international county government representative, making two USAID sponsored official delegate visits to the Ukraine and has served as guest lecturer for all Ukrainian delegations to the NTC over the past ten years. He also hosted and lectured to numerous delegations to the Marathon County Courthouse including high school and junior high school groups, delegations of Ukrainians, Russians and international students and visitors including Hmong Boy Scouts.

His academic endeavors also included teaching classes at the University of Wisconsin and developing and lecturing to all Hmong Leadership groups as well as teaching local government policy and administration to Leadership Wausau for the first ten years of the program.

Mort served as Vice President of the Wisconsin County Executives and Administrators Association for four years and was a registered lobbyist for Marathon County.

Mort's endearing personality perhaps is the best represented by his wonderful thoughts about his current and future service:

"Being the Bishop (Pastor) of a congregation is very fulfilling. In addition to the weddings and funerals, I spend quite a bit of time counseling people on a variety of issues. I really enjoy a good funeral (better than weddings) because people are much more reflective of spiritual things, being forced to confront their own mortality, which provides a great opportunity to preach. In our congregation we also have quite a few Hmong members (refugees from Laos). The older Hmong don't speak much English, so they can be a bit of a challenge to work with, but they are delightful people. Once my term as Bishop is concluded (probably another 2-3 years), I am hoping to go out as a missionary with my wife."

A Letter from the NACA President-Elect, the ICMA President, and the ICMA Executive Director

ICMA
Leaders at the Core of Better Communities

FOR IMMEDIATE RELEASE: December 10, 2008

The disturbing news coverage of the last several days has centered on Illinois being one of the most corrupt states in the nation. Chicago FBI Chief Robert Grant said "If it isn't the most corrupt state in the United States, it's certainly one hell of a competitor."

The problem with such broad statements is that it creates the impression that public officials at all levels of government throughout the state are using their positions for personal gain.

In response to the corruption, greed, and graft that plagued U.S. government in the early 1900s, reformers developed the council-manager structure of government and professional local government management. Thanks to these reforms, today, there are literally hundreds of cities, counties, and villages across Illinois that have hired professional managers who are committed to ethical, transparent, and responsive local government. From East Dubuque to Lake County to Carbondale, the professionals who manage our cities and counties voluntarily agree to abide by a stringently enforced Code of Ethics, established in 1924 by the International City/County Management Association (ICMA).

Notably, the ICMA Code of Ethics requires city and county managers to: be dedicated to the concepts of effective and democratic local government; be dedicated to the highest ideals of honor and integrity in all public and personal relationships; recognize that the chief function of local government at all times is to serve the best interests of all people; refrain from all political activities which undermine public confidence in professional administrators; and, seek no favor, believing that personal aggrandizement or profit secured by confidential information or by misuse of public time is dishonest.

Our commitment to unwavering integrity—both in our professional and personal lives—is just one of the many values professional local government managers contribute to the communities they serve. It is about dedication to the highest standards of honor and integrity in all public and personal matters to merit the trust and confidence of those we serve.

Not every elected and appointed official in the State of Illinois is corrupt. Many are quietly striving day-by-day to improve the lives of the millions of citizens of Illinois and to serve the people of our state with honesty and integrity.

Sincerely,

Patrick Urich
Peoria County Administrator
President, Illinois City/County
Management Association

Robert J. O'Neill, Jr.
Executive Director
International City/County
Management Association

David M. Limardi
Highland Park City Manager
President, International City/County
Management Association

Dawn S. Peters
Executive Director
Illinois City/County
Management Association

New Administration, Congress Unlikely to Focus on Retirement Actions in Early 2009 Agenda

By Joan McCallen, President and CEO, ICMA-RC and Milly Stanges, Vice President, Public Affairs, ICMA-RC

New Administration, Congress Unlikely to Focus on Retirement Actions in Early 2009 Agenda

With the impact of the recently enacted economic stimulus package and repairing the U.S. financial system dominating Washington in early 2009, any significant retirement related proposals will likely wait until a larger tax vehicle is proposed and taken up by Congress. In December, 2008, then President George Bush signed into law The Worker, Retiree, and Employer Recovery Act (H.R. 7327) – a package of retirement and pension provisions that includes suspension of the Required Minimum Distribution (RMD) for 2009. The package also includes the technical corrections bill to the Pension Protection Act (PPA) and several other retirement provisions.

RMD Suspension—The new law includes a provision to suspend the required minimum distribution (RMD) from retirement plans and IRAs for the 2009 tax year. Under the law, RMD payments (required for participants over age 70 ½) will not be required from IRA accounts and defined contribution plans, including governmental 457(b) plans, for 2009. However, the law does not eliminate the RMD requirements for 2008.

In late December, Treasury considered, but ultimately rejected a proposal to alter the RMD rules for 2008 in recognition of the complexity of a retroactive provision. A similar proposal has since been circulated to Congress that would direct the Treasury to suspend the RMD for 2008.

Technical Corrections to the PPA—Clarifies that retiree public safety employees covered by health plans that are self-insured qualify for a provision that allows for a $3,000 medical premium payment directly from their retirement plan. Also in the legislation is a provision to extend beneficiary coverage for Health Reimbursement Arrangements (HRAs) – but currently only for government HRAs that are funded by a medical trust and have been authorized by a state legislature or have received a favorable tax ruling from the IRS. It is our understanding that only two states qualify and it does not universally address the beneficiary issue.

HRA Beneficiary Fix—Legislation that would provide tax parity to all beneficiaries who qualify for and receive employer-provided health plan benefits is expected to be reintroduced in the House and Senate in the next few months. The HRA provision of this legislation would essentially fix the current beneficiary problem that exists with the RHS programs. Congressional support through new cosponsors continues to grow, thereby increasing its prospects for possible inclusion in a larger tax or health bill this Congress.

Roth 457 Arrangements—The proposal to allow state and local government 457 plans to offer a Roth feature in their plans was included in numerous legislative vehicles during the last Congress but never became law. We anticipate that it will be included as a revenue raiser again in this Congress since it is estimated to raise about $1 billion if enacted. A Roth 457 feature would provide parity with private-sector plans that already have that feature and is generally supported by public-sector groups. We will continue to track this proposal in the new Congress.

Fee Disclosure—The absence of final regulations on any of the previous Administration's fee disclosure proposals is likely to mean that House Education and Labor Committee Chairman George Miller (D-CA) will gain new momentum on 401(k) fee disclosure legislation. At a minimum, it is expected to mandate new fee disclosures from service providers to plan administrators and from plan administrators to plan participants as well as direct enforcement activity by the Department of Labor (DOL). Chairman Miller held the first in a series of public hearings on February 24, on fee disclosure and the health of 401(k) plans. Due to shared jurisdiction, the Ways and Means Committee will also likely consider any fee disclosure legislation and could extend it to government 457 plans. The two committees failed to reach a consensus on a bill last Congress. In addition, Senators Tom Harkin (D-IA) and Herb Kohl (D-WI), have introduced the Defined Contribution Fee Disclosure Act of 2009. It would require participants to be given information about the overall levels of fees when they choose investment options and on their quarterly statement.

Regulatory Environment

Greater Role for Federal Reserve—Congress is likely to take action this year to boost the Federal Reserve's regulatory role, creating a super oversight agency. The legislation would put the Fed in charge of ensuring the stability of the entire financial system. As it stands now, despite the role of many federal agencies in regulating the financial industry, no single agency is responsible for understanding or containing the risks that are affecting the financial system. The House Financial Services Committee, led by Rep. Barney Frank (D-MA), is heading the effort, which has widespread support among elected officials, financial experts and industry groups.

Fee Disclosure—The Department of Labor had advanced two sets of proposed

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ICMA Embraces Sustainability

Randall Reid

CitiesGoGreen talked with **Randall Reid**, Chair of the International City/County Management Association Sustainability Advisory Committee, about the ICMA's growing involvement with sustainability issues and how he is pursuing sustainability as manager of Alachua County, Florida. Here's what he had to say.

ICMA and the Sustainability Advisory Committee

ICMA does a lot of work involving issues that affect local and county governments in the United States and worldwide. They have been part of the Smart Growth Network for years, and have done a lot of the leading work with the EPA and others on the smart growth idea.

It has been a long-term goal of most local governments to be sustainable—to be building good places for people to live in and to be good environmental stewards. That, combined with issues of climate change, changing economies, and the rising cost of energy, made it apparent that sustainability ought to be a major emphasis of our organization. At the ICMA national conference in October 2007, the members passed the resolution recommended by our subcommittee. It targeted ICMA members to be aware that sustainability in its broad context is the issue of our age. That's how it's phrased in all of our professional materials: "the issue of our age."

The Sustainability Advisory Committee is working to make sure the members of our association are aware of the concept of sustainability and of our role in promoting it within local government. We are currently doing that through teleconferences and through meetings at both annual and state conferences.

Our annual conference is international, typically held in the United States but with members from multiple countries in attendance. There are also state meetings—for example, Florida has the Florida City County Management Association, the FCCMA—and each of the state associations is working towards developing programs related to sustainability. We see our members being dedicated to implementing sustainability within our communities, and that is what the resolution calls for as well.

We put out an ICMA Management Perspective article to our members, and we are also encouraging new technologies. Our members tend to be innovators. The Alliance for Innovation is our sister organization, and many of our members who are particularly inclined to innovation are members of that organization as well.

As managers we have a lot of roles, and we want to make sure our members are aware they have an obligation and a responsibility to educate people on sustainability. We are trying to convey that to the public and to our elected officials, to organize and convene forms and seminars on various techniques for building more sustainable communities, to foster leadership from a community and organizational standpoint. And finally, we are all students; we need to keep learning these technologies. The events that are shaping climate change are something that every manager must be aware of and must be sensitive to, so we've been doing a lot of educational programs.

What is sustainability?

One of the ways we explain sustainability is with a three-circle Venn diagram: the economy, the environment, and social equity or fairness (see below). The area in the center is where we need to try to make our decisions. In the center are the things that are sustainable for the community, that have a synergy that helps create a long-term strategy in the community, that benefit both the environment and the economy, and that provide social fairness to our residents. Putting every bad land use in a low-income neighborhood is not a way to create a sustainable community. So even issues of land use, or issues of low-income areas, key neighborhoods, those kinds of issues are about sustainability, too. It's not just environmental, although the environment is certainly a focus.

If you look at the history of civilizations, those that abused their environmental settings have not been successful societies. So the idea of sustainability means we try to make decisions based in the center of that Venn diagram.

Creating conversation

The overlapping area between any two of the circles, such as between the environment and the economy, or between social equity and the economy are areas where we as managers really need to focus on building community conversations. Building community requires conversation, and to create a sustainable community, you need to encourage conversations between those elements of the community that are represented by those overlapping parts of the circle.

Community discussions are typically geared to the public forum format, where there are two sides, like a bride side and a groom side. People pack the place, and there are already positions taken. It's really not a dialogue, although it needs to be.

What we're trying to do in communities is encourage a broader-based conversation about what the community wants to be, what its future should be, what are the threats, what are the natural advantages our communities have. All of those visioning-type formats that are increasingly popular around the country are part of that idea. Environmental issues are often at the core of the discussion.

Encouraging change

Local governments are a powerful source of change. I think one of the

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really positive things, one of the reasons I'm involved in the advisory committee of ICMA for sustainability, is that local entities are choosing to make an impact now. Very frequently you'll see a lot of leadership coming from local units of government.

We have elected officials to be out front on these issues. The business managers of cities and counties are usually not the people that want to be out front. That's why we have alliances with the National League of Cities, the National Association of Counties and the US Conference of Mayors. Those individuals, those political leaders who will likely rise up in office, they're very interested in being out front and being involved in these issues.

But there's a place for us who are behind the scenes. The managers behind the scenes are the ones making a lot of the business decisions. We are professionals, and we are trying to encourage the change occurring in each of our organizations toward more of a common sustainable culture.

Protecting Green Infrastructure in Alachua County

Alachua County's Green Infrastructure Investment Program received the National Association of Counties (NACO) 2008 "Best in Category" Award in the Planning Category. A central piece of the plan is Alachua County Forever.

From the Alachua County website:

In 1999, 84% of Alachua County voters polled felt that if natural lands are not protected now they will be lost forever. A citizen-led effort ... developed the ordinance and bond referendum for this program. The initiative was strongly supported by many different facets of the community. The Alachua County Commission ... adopted the ordinance on July 25, 2000.

The referendum passed with 60% of the popular vote on November 7, 2000. Voters agreed to raise up to $29 million through a property tax to fund Alachua County Forever land acquisitions.

Results so far: 13,000 acres saved, strategically chosen in many cases to protect even more land. A proposed ballot measure will make the land safe for perpetuity, requiring a vote of the people to rescind protected status.

Update: A survey in the summer of 2008 by the Trust for Public Lands and the Chamber of Commerce to gauge support among likely voters for a 1/2 cent "quality-of-life" sales tax showed 62% support. Specific components were then tested with "No" and "might vote for" voters to see if they would enhance the chances of passage. Five of the top seven components were in line with the existing Alachua County Forever program, indicating continued strong support for the program.

Percentage of voters much more likely to vote "yes" on the 1/2 cent "quality of life" sales tax if tax was linked to specific components.

- 57% Preserving land to protect drinking water sources
- 57% Protecting water quality of our river, lakes and creeks
- 53% Increasing the use of clean energy such as solar in public buildings
- 49% Protecting wildlife habitat
- 47% Extending useful life of school buildings through repairs and upgrades
- 47% Protecting environmentally sensitive lands
- 47% Protecting natural areas

Contact: Chris Bird, Director
Environmental Protection
201 SE 2nd Ave., Suite 201
Gainesville, FL 32601
Phone: (352) 264-6800

More information and current updates are at http://alachuacountyforever.us

Respect for people and place

In America, we are a society that used to pick up and move whenever things didn't go right. You could always go west, and now a lot of people are looking at the fact that you can't go west any longer. You have to go back and reinvest in places where you were. Sometimes it's investing in inner-city neighborhoods, and sometimes it's redeveloping your communities in a more sustainable way, like smart growth and higher density levels in certain areas and agricultural preservation in other areas. A resettlement of America is taking place in our cities and towns, one of denser development, of more civic space.

I see it as a major sea change in the last decade and a half. The disappearance of the frontier has obviously been a fact for longer than that, but not necessarily the idea that sustainable community is where you try to honor the history of the place. We teach our employees, for example, about the natural environmental history of Alachua County, because it's important when they become employed here that they recognize this as a unique place. There are historical places here, places that don't even have signs, yet everyone in our county can tell you what that historical place is.

Our leadership ethic here in Alachua County is really about creating respect for people and place. Those people are not only our employees but the public we serve, the taxpayers, the people who live here who consider Alachua County a special place.

Then there's also that idea of place itself. We have new towns being developed, modern university facilities at the University of Florida in Gainesville and historic structures. We have natural systems here such as wetland systems. We are the home of Paynes Prairie, which

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still has bison and other large animals on it that you would never picture in Florida. So we're trying to recognize the importance of this place.

If everybody could be just a little more respectful of people in their communities, of their heritage and background, of what they bring to the table, and be respectful of the places that exist in our communities, that respect would tend to create a more sustainable place. Part of the dialogue managers have to take part in is trying to build that respect, whether it's between the Sierra Club and the Chamber of Commerce, or the Chamber of Commerce and the NAACP. Sustainability gives you a larger vision of why you're doing it.

ICMA and its members have a long history of leading sustainability initiatives

- ICMA has been the institutional home of the Smart Growth Network for a number of years.
- Together with the EPA, ICMA co-sponsors the Brownfields Conference, which attracts more than 6,000 public and private sector leaders driven to help revitalize blighted buildings and areas.
- Through its Livable Communities efforts, ICMA has conducted studies on how the aging population will affect U.S. cities' and counties' ability to provide services with limited resources, and has developed resources for local governments dealing with these issues.
- ICMA educates and trains local governments on the implementation and benefits of Environmental Management Systems (EMS) programs.
- ICMA's series of water resource programs include: watershed management, wetlands protection, community water system vulnerability assessments and emergency response planning. ICMA partners with the U.S. EPA on both programs.
- We continue to provide training and resources to members on the conservation and management of energy both within their governments and in their communities.

Green infrastructure

In Alachua County we don't have the strip development you see in much of Florida. We still have green spaces between our communities. You can go out to what planners call "the edge." You can drive out of an urban area into something that's clearly agricultural, or clearly natural, and drive through that, and then go back into a more urbanized setting. That was one of the key principles in our vision plan. Every community wanted to preserve "the edge." They didn't want the next city's entrance sign right across from theirs. That's unique. Not to speak negatively—there are places that are wonderful metropolitan areas with distinct cities back-to-back, border-to-border. But in our case, that's not who we are, that's not what our future vision is.

We just got an award from NACO, the National Association of Counties, here in Alachua County for our green infrastructure. We created an environmental lands acquisition program to buy large tracts of environmental land through an environmental property tax, to keep them in public ownership. It's all done through voluntary purchases; we don't use condemnation. The properties are recommended and screened by a committee, so we don't buy just anything; we buy properties that are environmentally sensitive. That program is one way we're trying to implement those overall vision goals.

We also have very strong controls here to preserve our wetlands, which are just essential in Florida. We see that element being inserted into our land development regulations, which encourage green infrastructure. We call it "green infrastructure" because it's just as important as man-made infrastructure.

Globalization and localization

Almost all of our decisions are impacted by globalization, and the local answer to that is think globally, act locally. It's not just a cutesy phrase. It truly is something we need to think about, because we have a collective power to change things.

One of the real tricks is getting away from the fluff to get to the meaning. For example, everyone wants to tell you that yes, we have a farmer's market. The real issue is, how can you make that a truly meaningful farmer's market, with truly local produce grown by people who may not be full-time farmers but who are currently in the web of food production?

Resources

- ICMA members have a blog and discussion forum on sustainability at ICMA.org
- At Alachuacounty.us search for "Green Infrastructure" for a program description (PDF) and search for "Alachua County Forever" for details on that program

An ethical way of life

Yes, we need a farmer's market. Yes, we need to be aware of energy efficiency in our building design. But then you start thinking in terms of ethics, and you move to a level where it becomes an ethical way of life. From my standpoint, sustainability is part of an ethical way of living. It's gone far beyond what needs to be done to conform to the law, or what's practical. It's a question of: How can we live ethically as communities?

I think sustainability has, as a huge component, the idea that ethical living

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From Your NACo Representative

by Michael D. Johnson, County Administrator, Solano County, California

The following is a recap of the actions and considerations taken at the NACo Fall Board of Directors meeting in Phoenix, Arizona.

Budget

The NACo Board of Directors approved a $19.9 million budget for FY 2009, six key legislative priorities and a special resolution supporting the passage of economic stimulus legislation. The 2009 budget is less than the $20.5 million budget for 2008 and reflects the downturn in the economy affecting the country. There is no funding for additional staff or new programs. The budget, which takes effect January 1, does allow for capital purchases of $661,000. This includes $200,000 to redesign the NACo Web site and $250,000 for the accounting system replacement.

NACo Governance

The Board also discussed governance issues and structure of the association during break-out sessions on December 5. Those issues included the size and make-up of the Executive Committee, qualifications and campaigning for NACo office, and steering committee jurisdiction on issues.

A task force was created in July by NACo President Don Stapley to review governance issues. The Board input from the break-out sessions will be reviewed by the task force when it prepares recommendations that will be presented to the Board at the Legislative Conference.

Preliminary Report and Recommendations for the NACo Task Force on Governance and Structure

- Decrease the number of elected officers of NACo to three – the President, 1st Vice President and 2nd Vice President
- Increase the size of the Executive Committee by adding five regional (geographic) members from among the Board of Directors
- The Board of Directors should establish the qualifications for potential candidates for NACo office
- Task force agreed to recommend that a person should notify the president in writing of his or her intent to run for NACo office between January 1 and February 15 of the year of the election
- Specify the procedure for challenging an election at the Annual Conference
- Clarify that the President is the chief elected officer of the organization (not the chief executive officer), and that the Executive Director is the chief executive officer, not the chief operation officer.
- Review the criteria established for recognizing affiliate organizations
- Develop guidelines for presidential appointments of committee chairs and vice chairs
- Compile and publish an Administrative Procedures Manual
- Establish guidelines and expectations for service as a member of the Board of Directors
- Revise the process for reporting actions taken by steering committees.

Preview of the NACo Legislative Priorities for 2009

The key legislative priorities for 2009 are:

Opposition to Unfunded Mandates & Preemptions

- Be constantly vigilant against legislative or regulatory initiatives that undermine local government decision making
- Restore the partnership between governments – federal, state, local and tribal

Support Economic Stimulus and Revitalization/Increase financial partnership

- Support economic stimulus packages considered by Congress
- Providing robust funding for programs such as CDBG/HOME/JAG/Homeland Security/WIA/rural development/transportation/ water infrastructure development and many other domestic programs that are the backbone of our ability to jointly provide for our citizens

Health Reform

- Reauthorizing and expand the State Children's Health Insurance Program (SCHIP)
- Support legislation to ensure inmate entitlement benefits
- Support reforms that will promote healthy communities and that will ensure affordable access to health care
- Oppose any restrictions in the federal financing of Medicaid that shifts costs to states and localities

Tax Issues

- Oppose the mandate contained in Section 511 of PL 109-222 requiring local government to collect a 3% withholding tax for goods and services contracts
- Oppose the preemption of county telecommunications and other taxing authority
- Deductibility of state and local taxes should continue to be protected as well as interest on tax exempt bonds

Transportation/Aviation Reauthorization

- Reauthorization of federal transportation programs, including road, highway and transit
- Finalize reauthorization of the federal airport and aviation program.

Energy Issues

- Support national energy legislation that provides research/development and various incentives for investment

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in alternative, renewable, and energy efficient technologies (i.e. wind, water reuse, waste to energy, alternative fuels, vehicles, etc.), including full funding for the Energy Efficiency and Conservation Block Grant Program.

Discussion of the NACo Strategic Plan and the 2009 Goals for each of the 5 key platforms within the Strategic Plan as outlined below:

Advocacy

- **Health Reform and Innovation**
  NACo has an extensive plan to address health reform and develop new information, tools and resources for counties on health issues in 2009. President-Elect Valerie Brown will chair a series of field hearings on health reform and present finding to the new President and Congress. NACo plans to establish and fundraise for a Center for County Research and Innovation, focusing first on health issues, covering such issues as prevention, access to care, cost-containment, and hospital management. Finally, a new study about county employee health programs will be completed, conducted in partnership with the University of Georgia, Carl Vinson Institute of Government.
- **Immigration Reform**
  NACo continues to advocate for comprehensive federal immigration reform. NACo President Don Stapley believes a workable system for legal immigration is essential to the U.S. economy and our individual communities. Stapley will work to restore civility to the immigration debate and build consensus around a workable system of legal immigration.

The Legislative Department will pursue the 2009 Key Legislative priorities for the 111th Congress and the Steering Committee initiatives presented and approved at the December 2008 Board Meeting. We will also pursue efforts to work with the new President and his administration, as well as the Congress, on issues that help restore the Partnership between the federal, state and local governments.

Continue the Restore the Partnership Campaign by scheduling meetings with the new Administration; ensuring that county officials are involved in the development of legislation; holding Capitol Hill briefings; and producing radio, print and online advertising;

Membership

- Increase membership to 2,375, a projected net increase of 15; continue retention rate at 98%
- Continue growth of Prescription Drug Discount Card Program.
- Launch Dental Discount Card Program.
- Increase member participation through targeted marketing efforts focused on conferences, Achievement Awards and leadership training programs.

Communications

- Continue the Restore the Partnership Campaign by scheduling meetings with the new Administration; ensuring that county officials are involved in the development of legislation; holding Capitol Hill briefings; and producing radio, print and online advertising;
- Redesign the NACo Web site.
- Continue to oversee, build, enforce and protect NACo's brand.
- Work to secure national, Capitol Hill and local media coverage and increase overall media coverage by 5%.

Products/Resources/Services

- **Health Reform and Innovation**
  NACo has an extensive plan to address health reform and develop new information, tools and resources for counties on health issues in 2009. President-Elect Valerie Brown will chair a series of field hearings on health reform and present finding to the new President and Congress. NACo plans to establish and fundraise for a Center for County Research and Innovation, focusing first on health issues, covering such issues as prevention, access to care, cost-containment, and hospital management. Finally, a new study about county employee health programs will be completed, conducted in partnership with the University of Georgia, Carl Vinson Institute of Government.
- **Election Cost Study**
  NACo has a new partnership with The Pew Charitable Trusts to study the costs of local election administration. The research project includes a close examination of election costs in 50 jurisdictions, and will inform policymakers and election officials regarding the investment in election administration. The project is in cooperation with the University of Georgia, CVIOG.
- **In-house Conference Registration**
  Beginning with the 2009 Legislative Conference, NACo will manage conference registration internally, instead of outsourcing this service to a third-party vendor. This change is expected to reduce costs and improve customer service for attendees.
- **Assessment of Leadership Training**
  NACo will evaluate the quality, effectiveness and costs of its Advanced Leadership Training and County Leadership Institute programs in 2009. This assessment will be used to make any necessary program changes for 2010 that improve outcomes and reduce expenses of the association's leadership development programs.
- NACo conducted a 2-day retreat for all state association meeting planners in Kansas City, Missouri. Besides a tremendous networking forum of peers, this retreat provided educational sessions on getting the most for your catering dollar, new audio/visual technology, and a featured speaker on identity theft.
- Add two new contracts to US Communities

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New Report Addresses How Local Governments Can Successfully Navigate Current Fiscal Crisis

Cities, towns, and counties throughout the United States face the deepest and most severe economic downturn in 50 years. For the first time in the postwar era, the crisis has dramatically affected all levels of government, and extraordinary action is required to maintain critical public services in the face of dwindling revenues.

A new report, Navigating the Fiscal Crisis: Tested Strategies for Local Government Leaders, analyzes previous recessions and highlights the actions local governments have taken to alleviate such crises in the past. Commissioned by ICMA, the organization that advances professional local government management worldwide; and developed by researchers at the Alliance for Innovation (a partnership of ICMA, the Innovation Groups, and Arizona State University), the report explains how many jurisdictions achieve excellence in the face of adversity and identifies strategies local leaders can use to navigate the current challenge and turn crisis into opportunity.

Navigating the Fiscal Crisis examines five key questions concerning local government's role in the current economic situation:

1. What are the dimensions of the current crisis? What defines it?
2. What has worked for local governments during previous fiscal cutbacks?
3. What characterizes organizations that cope best with fiscal stress?
4. Why is innovation critical in hard times and how can positive action be taken?
5. How can local government action contribute to the economic recovery?

"The research summarized in Navigating the Fiscal Crisis puts valuable ammunition in the hands of local governments during a time of unprecedented challenge," said ICMA Executive Director Robert J. O'Neill, Jr. "Jurisdictions are experiencing the current recession differently, with some parts of the country already implementing mitigation strategies while others are only beginning to feel the impact. This report will help local governments address this issue proactively regardless of where they are on the continuum." O'Neill stressed that the Alliance will continue to collect data on the crisis and responses from local governments through an ongoing Wiki and a series of regional meetings throughout 2009.

Navigating the Fiscal Crisis summarizes the new challenges local government leaders face in dealing with the current fiscal crisis and offers a series of guiding principles for action. Representatives from ICMA and the Alliance for Innovation discussed the report findings during a news event on Monday, January 26, at the College of Public Programs on the Arizona State University Downtown Phoenix campus.

ICMA Advocates Stimulus Plan with Direct Funding to Local Governments

New and deferred local government infrastructure projects may get a boost in the Obama Administration's economic stimulus package if the transition team adopts recommendations advocated by ICMA, the National League of Cities, and National Association of Counties. At their December meeting with the Obama Presidential Transition Team, the three national associations pressed for direct funding to local governments, greater access to capital markets, and assistance to individuals in its economic stimulus package.

Specific recommendations included in the paper titled Local Governments' Vital Role in National Economic Recovery focus on:

- Infrastructure projects that can be initiated quickly and would encompass such things as airports, roads, clean water, and schools.
- Projects that focus on retrofitting existing buildings for energy efficiency and such long-term environmental benefits as purchasing environmentally friendly vehicles for local government use.
- Support for individuals through state and local programs that provide job training and public employment.
- Extension of unemployment insurance and Medicaid benefits.
- Local government access to capital through the purchase of municipal bonds directly by the Treasury Department and the Federal Reserve.
- A requirement that rating agencies use comparable ratings for all securities to better reflect the financial soundness of municipal bonds.

Another recommendation presented at the meeting and discussed in the paper A Proposal for an Intergovernmental Policy Council, is the creation of an Intergovernmental Policy Council, whose purpose is to rebuild a partnership between the federal government and state and local governments that has lapsed in recent years.

"The aggressive domestic agenda of the Obama Administration will require new levels of cooperation, speed, and transparency," said Bob O'Neill, ICMA Executive Director. "It's the state and local governments that provide the capacity to get things done, and the council will open new communication channels to facilitate cross-sector cooperation."

(ICMA-RC's Capitol Review, continued from page 8)
regulations affecting 401(k) plan fee transparency, one governing fee disclosure between service providers and employers and one governing fee disclosure to plan participants. Both sets of proposed regulations were aimed at private-sector plans and did not directly affect public sector plans (as the DOL does not have jurisdiction over these plans). The White House announced that any proposed regulations not completed prior to the end of the Bush Administration were on hold and would need to be reconsidered by the new Administration. This directly impacts the proposed service provider and participant fee disclosure regulations that were not finalized before the end of the Bush Administration.

(Sustainability, continued from page 11)
is intergenerational. The classic idea is the Iroquois concept of considering the effect of our actions on the seventh generation. It's the same thing in terms of the way we build our buildings and do our communities. We're doing this not just for us, but for future people who are going to live here, and some of those future people will be related to us, so they're going to be people we care about a lot. The intergenerational issue is part of the realization that we need to try to be more responsible. A question I ask myself is, "How do I live ethically, so that I'm not demanding things that are unjust to demand of others?"

(Johnson, continued from page 13)
- Ramp network of care with LUCC and state government
- Implement Conduit Finance Program.
- Launch Dental Discount Card Program.
- Redesign the NACo Web site.

Infrastructure/Administration

- Have budgeted for net income of $643K.
- Information technology improvements at NACo include replacing the financial system to reduce operating costs and enhance functionality to better serve member counties.
- NACo will provide components of its association management system to its members through the NACo Web site. This will include the ability to make electronic payments for membership dues and conference registrations, as well as provide enhanced collaboration capabilities.
- Business continuity is critical in case of a disaster. To ensure continuity, the system failover capabilities to remote sites will be enhanced.

County Administrators From Across the Country to Exchange Ideas

Mark your calendars for the NACA Events scheduled for the upcoming NACo Legislative Conference in Washington, D.C. Pre-registration is not required. We look forward to seeing you in March:

Schedule of Events

NACA Events at NACo 2009 Legislative Conference
March 7-9 in Washington, D.C.
Marriott—Wardman Park Hotel

Event	Date	Time	Room
Executive Board Meeting	Saturday, March 7	3:00–5:00 p.m.	Coolidge Room—Mezzanine Level
Past Presidents' Breakfast	Sunday, March 8	9:00 a.m.	Open City Restaurant, 2331 Calvert Street (directly across from the Marriott)
Idea Exchange	Sunday, March 8	1:45–4:45 p.m.	Balcony C/D—Mezzanine Level
Reception Hosted by ICMA and ICMA RC	Sunday, March 8	6:00–7:00 p.m.	Jefferson Room—Mezzanine Level
General Membership Meeting	Monday, March 9	3:30–5:30 p.m.	Maryland A—Lobby Level

More information can be found at www.naco.org.

Local Governments Urged to Act Immediately

President Barack Obama signed into law the $787 billion stimulus package on February 17. For local governments, the challenge now is to move into action quickly to ensure that they gain access to the funds that are available. Equally important, local government managers can make sure that everyone knows how the funds are being spent—and that there is full accountability for them.

As National League of Cities (NLC) Executive Director Donald J. Borut wrote in his February 16 column, this is a time when local governments can demonstrate their effectiveness and accountability. He urges cities to "act immediately" by:

- Contacting state departments of transportation to learn how they plan to allocate transportation funds that must come through the state.
- Reviewing the regional metropolitan planning organization priorities to define priority projects that will be most effective in creating jobs.
- Reviewing the permitting process to ensure that projects can move quickly and in accordance with oversight and accountability requirements that are likely to be included in the funding legislation.
- Streamlining procurement processes, consistent with accountability requirements.
- Meeting with school superintendents and/or school board presidents to coordinate on how federal education funds can be used most effectively to address local needs.
- Developing a plan with regional workforce investment boards for summer youth employment projects and other workforce development initiatives."

To read more analysis of the stimulus package, go to the Web sites at http://nlc.org or http://www.naco.org/Template.cfm?Section=Legislative_Bulletins&template=/ContentManagement/ContentDisplay.cfm&ContentID=29926

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