



**CITY COUNCIL**  
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January 10, 2012

**MEMORANDUM**

**TO:** MR. CLAYTON WONG  
CITY COUNCIL ADMINISTRATIVE OFFICE

**FROM:** COUNCILMEMBER STANLEY CHANG *SC*

**SUBJECT:** NATIONAL ASSOC. OF COUNTIES FALL BOARD OF  
DIRECTORS MEETING ~ WALT DISNEY WORLD DOLPHIN  
HOTEL, ORANGE COUNTY, FLORIDA  
DECEMBER 8 – 10, 2011

This was my first NACo board meeting since my appointment to the national Board of Directors in Portland in July. Many proposals were presented to the board pertaining to NACo's lobbying priorities as well as changes to certain NACo programs.

**NACo Young Electeds Dinner**

NACo First Vice President Chris Rodgers hosted a dinner with several young elected members of the board. Also in attendance were NACo executive director Larry Naake and staff member Stephanie Rodgers. We brainstormed several avenues of fostering young elected participation, including a community service project, a mixer, and other ideas. I am looking forward to working on additional young elected programs for the Legislative Conference in March, including possible career development sessions.

**Revenue Sharing through NACo Prescription Discount Card Program**

The NACo staff presented a proposal to share revenue with participating county governments from the vendor of the prescription discount program. The proposal would give a one dollar commission to the county government for every prescription. There was spirited debate, including from several members who

insisted they would pass the revenue through to the consumer instead of retaining it at the county level.

#### NACo Board of Directors Meetings

The meeting began with the election of Kauai County Councilmember Kipukai Kualii, along with several others, to the NACo board. Each steering committee then presented their reports, with a focus on the legislative priorities they set for the organization as a whole. The proposed legislative priorities for NACo in 2012 include:

1. Balanced approach to deficit reduction
2. Farm Bill and rural development
3. Inmate exception
4. Medicaid
5. PILT, Secure Rural Schools
6. Surface transportation and aviation
7. Unfunded mandates

Several of the steering committees presented reports relevant to the City and County of Honolulu. The Community and Economic Development Committee supported economic development funding in the HUD and Commerce Departments and the Project Rebuild Act, an infrastructure building component of President Obama's American Jobs Act. The CDBG program, unfortunately, was cut from \$3.3 billion to \$2.9 billion. The Human Services and Education Committee supported increased budgets for Medicaid, among other service programs, and the Social Services Block Grant, a highly flexible program. The Justice and Public Safety Committee supported Homeland Security funding to the states and local governments and elimination of the "inmate exception." The Labor and Employment Committee supported public pension and retirement benefits reform, an important issue confronting Hawaii and its counties. The Transportation Committee supported passage of the federal surface transportation program, including transit. Federal funding through the FTA's New Starts program is a critical piece of the funding for Honolulu's rapid transit program, and NACo's consistent support for the program has helped our congressional delegation secure these funds in a timely manner.

Among the successes that NACo reported in 2011 included the repeal of the 3 percent tax withholding requirement and the reauthorization of the surface transportation budget.

The NACo 2012 budget was adopted by the board. NACo is a financially healthy organization due to its deferred compensation program, which offers financial services to county employees and pays a royalty to NACo. Other profitmaking programs include US Communities (NACO's office supply group buying program), Network of Care, and the Public Finance Authority. As a result, NACO's revenue streams are quite diversified, and no single source of funding is greater than 28 percent. NACo also has a reserve portfolio of approximately \$16.4 million. However, due to recent economic conditions, membership dues and conference registrations have declined. In addition, the deferred compensation royalty will decline in 2012 due to Dodd-Frank compliance expenses. The 2012 budget does have a very small surplus, but both revenues and expenses are substantially lower than the 2011 forecasts.

The NACo staff proposed a change to the prescription discount card program to allow counties to receive revenue and to enable state associations and NACo to receive revenue for marketing the program. Extensive discussion ensued, including from several members who had earlier made commitments to their counties and their constituents that there would be no gain or commission from the drug sales. Several also claimed that they would pass the \$1 per prescription commission through to the consumer as savings, rather than capture that revenue for the county. The proposal passed.

The next proposal was to cease paper printing of the County News (NACo's official publication) and replace it with an electronic version that would be emailed, which would save NACo money. Again, extensive discussion commenced. For many counties, the County News is the only link to NACo, and many counties are not computer-savvy. I proposed a subscription-based model that would permit those who want to receive paper copies to pay a subscription fee. The proposal did not pass, but the staff did promise to come back to the board with answers to several unanswered questions.

## BOARD OF DIRECTORS' MEETING SCHEDULE

National Association of Counties  
2011 Fall Board of Directors' Meeting  
Orange County (Orlando), Florida

December 8-10, 2011

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Walt Disney World Dolphin Hotel  
1500 Epcot Resorts Boulevard  
Lake Buena Vista, Florida 32830  
[www.dolphinswan.com](http://www.dolphinswan.com)

### Thursday, December 8

### Meeting Room

1 – 2 PM	Audit Committee Meeting	Asia I
1 – 4 PM	Veterans and Military Service Task Force	Europe II
2 – 4 PM	Legislative Priorities Meeting Officers, Regional Representatives And Steering Committee Chairs	America's Seminar
3 – 4:30 PM	Finance Standing Committee Meeting	Europe I

### Friday, December 9

9 – 10 AM	NACo Board Forum Topic: Proposal to Provide Revenue Sharing Through NACo Prescription Discount Card Program	Australia 2
10 AM – 3 PM	NACo Board of Directors Meeting	Southern Hemisphere Ballroom III-V
7 – 9:30 PM	Universal Studios City Walk's Rising Star Club (Buses will depart the Dolphin at 6:30 PM)	

**Saturday, December 10**

**7:30 – 8:30 AM**

**Continental Breakfast**

**Southern Hemisphere  
Ballroom III-V**

**8:30 – 10:45 AM**

**NACo Board of Directors  
Business Meeting**

**10:45 – 11:30 AM**

**NACo Research Foundation  
Board of Directors  
Business Meeting**

City Council  
City and County of Honolulu

# CLAIM FOR TRAVEL REIMBURSEMENT

Traveler: Councilmember Stanley P. Chang

Event: NACo 2011 Fall Board of Directors' Meeting

Location: Orlando, Florida

Dates: From December 8, 2011 To December 10, 2011

Description	Amount	Notes:
1. Registration Fee	\$0.00	Online receipt attached <i>No charge</i>
2. Airfare	\$1,248.33	Online receipt attached (P-card) <i>charged</i>
3. Hotel	<i>206.79</i> \$219.57	Folio attached (P-card) <i>charged</i>
4. Meals	\$74.04 <i>09</i>	Receipts attached
5. Ground Transportation	<i>53.25</i> \$55.00	Receipts attached
6. Tips	<i>1.75</i> \$0.00	<i>Cab</i>
7. Other	\$75.00	Baggage fees (receipts attached)
Other	\$5.00	Parcel handling fee (credit card statement)
Other	\$79.71	Parcel shipping fee (credit card statement)
TOTAL COST OF THE TRIP	<i>1757.20</i> \$1,756.65	
MINUS AIRFARE & HOTEL	<i>1455.12</i> \$1,467.90	
REIMBURSEMENT DUE TO TRAVELER	<i>302.08</i> \$288.75	
<i>other</i>	<i>12.74</i>	<i>Spa</i>

This is to certify that the above data, based upon receipts submitted to Council Administrative Support Services via a CCLTRVL02 form, is accurate. Further, I am claiming reimbursement for expenses associated with a trip in which City business was conducted and personal funds were used to advance payment:

  
Signature of Traveler

1/11/12  
Date