

NEWSLETTER

SPRING 2020

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>>> Counties Take On

FISCAL FIRST AID: RECOVERING FROM FINANCIAL DISTRESS

2020 NACO LEGISLATIVE CONFERENCE

LEGISLATIVE UPDATE

VIRTUAL MEETINGS REAL ACTION FOR



A Message from the

President





By: Deborah Sims, Cook County Commissioner

I am pleased to report that Illinois counties were well-represented at the 2020 National Association of Counties (NACo) Annual Legislative Conference held from February 29 – March 4 in Washington, D.C.

NACo's Annual Legislative Conference is the premiere event for county officials to learn about federal issues affecting counties and in turn advocate in support of the county position on these issues with their federal officials.

In addition to direct advocacy with federal officials, various NACo policy steering committees convened during the conference to discuss policy issues and lay the groundwork for amending NACo's legislative and policy agenda to meet the needs of counties. There are 10 policy steering committees and Illinois is represented on several of them. The steering committees are as follows:

- Agriculture and Rural Affairs
- Community, Economic and Workforce Development
- Environment, Energy and Land Use
- Finance, Pensions and Intergovernmental Affairs
- Health
- Human Services and Education

- Justice and Public Safety
- Public Lands
- Telecommunications and Technology
- Transportation

One of ISACo's purposes is to facilitate greater involvement by Illinois county officials in policy-making at the federal level. We achieve this by recommending Illinois county officials for appointment to NACo policy steering committees. If you are interested in being considered for appointment to a policy steering committee, please contact ISACo Executive Director Joe McCoy at jmccoy@isacoil.org.

ISACo is well-represented on NACo's Board of Directors. ISACo Board members David Meyer (Washington County Board Chair) and Denise Winfrey (Will County Board Speaker) are helping to guide NACo's governance process through their service on its Board.

The Annual Legislative Conference also presents an opportunity to promote a spirit of unity and cooperation among Illinois counties. During the conference, ISACo hosted a luncheon for Illinois conference delegates that was attended by more than 80 people. The themes of building a more collaborative partnership among Illinois' 102 counties

and involving more Illinois officials in NACo activities at the federal level were discussed during the luncheon.

Another way for Illinois county officials to raise our level of influence at the federal level is to promote Illinois county officials for high level leadership positions within NACo. ISACo is pleased to be actively working to help Will County Board Speaker Denise Winfrey in her campaign to become NACo 2nd Vice President. During the Annual Legislative Conference, Speaker Winfrey visited with delegations of county officials from other states and discussed her candidacy.

Should she prevail during a vote at NACo's Annual Conference scheduled for July 17-20, 2020, she will be on a path to become NACo President in 2022. If elected, Speaker Winfrey would become one of three NACo presidents to come out of Illinois. This would be good for our counties and state.

At the time this edition of the *County Quarterly* went to print it remained unannounced if plans for the NACo Annual Conference this summer will need to be altered due to COVID-19.

Thank you for the work you do every day on behalf of your residents.

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A Message from the

Executive Director

By: Joe McCoy, Executive Director

A black swan is an unpredictable event that is beyond what is normally expected of a situation and has potentially severe consequences. Black swan events are characterized by their extreme rarity, their severe impact, and the widespread insistence they were obvious in hindsight.

It is appropriate to characterize the COVID-19 pandemic of 2020 as a black swan event. While scientists and researchers have often discussed the likelihood of a new and deadly pandemic sweeping across the world, few if any could predict one would occur at the onset of 2020. And as 2019 drew to a close, who would have had the foresight to expect that concepts and terms like social distancing, modeling, RO (viral transmission rate), supply chains and "stay at home" directives would become everyday references?

We came to appreciate and honor the heroism of our health care workers. In many cases, these selfless individuals increased their risk of contracting the terrible symptoms of COVID-19 while treating those already diagnosed with the virus. I'm reminded of the words offered by Mr. Rogers who, in moments of tragedy and crisis, urged his young viewers to "look for the helpers" and draw comfort from their presence. We certainly did.

Federal, state and local governments found themselves fully engaged in strategies to mitigate the spread of COVID-19 while procuring the supplies necessary to treat those afflicted with this scourge.

County officials and their staffs worked hard to coordinate the local emergency response while simultaneously keeping essential government functions operational. I've always believed local governments are victims of their own success. The work of counties is so seamless and efficient that constituents often take for granted what is being done on their behalf. This continued to be the case during this difficult period much to the credit of our county officials and their staffs.

When it became evident that social distancing strategies would suspend significant parts of the economy and some government services, county officials immediately began identifying obstacles to their continued operations while devising solutions and work-arounds. This was done in short order because there was no alternative option. While certain county operations and functions were temporarily scaled back or suspended, many essential functions and services remained operational.

During the pandemic and resultant emergency response, ISACo sought to serve Illinois counties by providing frequent e-mail updates with important information. These updates, along with other useful information, can be found on the Coronavirus Resource Center page on our website at

www.isacoil.org.

As the global COVID-19 pandemic subsides, and it will, county leaders will have a unique opportunity to evaluate the lessons of the emergency response. What worked? What didn't? What didn't they have the foresight to consider? What laws or regulations need to be re-examined and amended to improve the ability of counties to more effectively respond to another pandemic or similar emergency? How can local governments work more seamlessly with state and federal partners to better serve the needs of communities during an emergency? How can counties more effectively cooperate amongst themselves and other units of local government during an emergency response? How do counties cope with the loss of revenue caused by the harm inflicted to the economy by closure directives intended to slow the spread of the virus?

These and other important questions will be asked and answered over the coming months. The Illinois State Association of Counties (ISACo) looks forward to robustly participating in these discussions. As always, counties will lead the way toward a more secure future for their residents.



Please feel welcome to contact me at (217) 679-3368 or jmccoy@isacoil.org if I can be of assistance. It is an honor to serve you. Thanks.

Fiscal First Aid: Recovering from Financial Distress

CountyNews Reprint By: Shayne C. Kavanagh, Senior Manager of Research for the Government Finance Officers Association March 26, 2020

The public safety concerns that the COVID pandemic raises are top of mind for local government officials, and with good reason. Another consequence of the pandemic is the financial consequence for local governments. Unlike recessions, which can be thought of as a steep hill downward, COVID, thus far, seems more like going off a cliff.

Given the prolonged interruption to normal economic activity that many public health and economic experts extended economic expect, an recession seems likely even when the threat to public health subsides. leaders in Washington, D.C. work to develop strategies to stimulate the economy, provide resources to help counties and other local governments through this difficult time and limit the lasting damage from this recession, all local governments must also take action to address what they can do at a local level.

To help local government deal with the tenuous financial situation, GFOA has provided a program called Fiscal First Aid: Recovering from Financial Distress. This program was actually created more than 10 years ago to help local governments deal with the 2008 Great Recession. It was extremely popular at the time and we have even heard from a number of veteran GFOA members that they have dusted off their copies of the Fiscal First Aid material and are using it now. As counties work to deal with the public health crisis, they must also take action to deal with the economic and fiscal crisis that is shaping up from loss in revenue and increase in expenditures.

What is financial recovery and fiscal first aid?

Financial recovery is the process of recognizing, arresting and reversing a pattern of financial decline. Fiscal first aid refers to retrenchment tactics that can be used to stabilize financial condition. This stability builds stakeholder confidence in the recovery

process and buys time to develop and enact more comprehensive financial recovery strategies.

There are three essential stages in the recovery model.

Bridging: In the bridging stage, the government must get through the immediate crisis and create breathing room to make more sustainable reforms. Bridging includes:

- Recognizing that financial distress exists and convincing a critical mass of stakeholders of the same;
- Diagnosing the causes of distress;
- Applying fiscal first aid tactics to stabilize the situation; and
- Developing a recovery plan.

Reform: The government carries out the short-term recovery plan and develops and implements long-term therapies in the reform stage. Reform includes:

- Developing long-term financial strategies;
 and
- Starting a formal long-term financial planning process.

Transform: In the Transform Stage, the government institutionalizes long-term financial planning and becomes more resistant to future financial distress and adaptable to a changing environment.

What is the GFOA financial recovery web site?

The site at www.gfoa.org/fiscal-first-aid contains the following:

A 12-step process for financial recovery: The web site breaks down the three stages of recovery described above into 12 detailed steps.

Catalog of fiscal first aid techniques: The site highlights the most and least recommended techniques for providing short-term relief for financial distress.

Catalog of long-term treatments: A number of strategies to improve financial condition over the long term are discussed.

Diagnostic model: A full, ready-to-use diagnostic model is available to help find causes of financial distress that you can address.

What should you do right now?

Local governments are now in the bridging phase that we described earlier. Below are the most important parts of the bridging phase to get started with.

Get your mind around the basics of the problem. Of course, no one can predict exactly what is going to happen to your revenues and expenditures, but there are some questions you can answer now, such as:

- Which revenues are most vulnerable and least vulnerable? For example, property taxes will not be hit as quickly or as hard as a hotel tax or sales tax. Understanding the relative vulnerability of your major sources helps you understand your overall risk.
- What services are critical for the public safety response and which are not? This gives you an idea of where you might expect increased costs and where costs can be cut.

Form a team. Dealing the financial downturn will likely require some far-reaching strategies. Having a team that can help think these through is critical for the following reasons:

- You will need support to get the strategies done.
- You will need help thinking through potentially unforeseen and unintended consequences of cost cutting measures.

Slow the flow of cash out of your doors. Cash is king during a financial crisis. Local governments need to make sure they have enough cash on hand for essential services. Thus, one of the first things local governments should do is slow the flow of cash out the door. There are a number of tried-and-true retrenchment techniques that can improve cash flow during difficult times. You can get a catalogue of these techniques at www.gfoa.org/fiscal-first-aid.

Develop a culture of frugality and make smart choices about future investment. In a situation of severe financial distress, everyone needs to understand that every dollar counts. Applying some of the retrenchment techniques described at www.gfoa.org/fiscal-first-aid can help, but it is also important that the leaders of the recovery process apply frugality to themselves and their own immediate staff. If the leaders and/or their closest colleagues are spared what everyone else is asked to endure, then the recovery process loses credibility.

Leaders must also be ready to prioritize spending using data on what will be most effective and cut where necessary so that the county can still continue to fund essential projects that both deal with the current crisis and allow the organization to emerge without taking too many steps backwards. Even in times of recession, few governments benefit from entire across the board spending freezes or indiscriminate cuts

to all new projects. Governments must continue to invest in critical infrastructure that will support recovery.

Develop a cash flow analysis. Cash flow is a measure of the difference between cash sources and uses and is a key indicator of an organization's fiscal health. Cash flow analysis takes on renewed importance in a financial crisis. Cash is critical for short-term operations. It pays the salaries and buys the equipment that produces public services. A balance sheet may carry plenty of assets, but without cash a government is effectively bankrupt. Governments in a financial crisis should develop cash flow models that allow the organization to pinpoint its current cash position and provide insight into future position. GFOA is working on instructional videos for developing your own cash flow analysis. It will be posted on www.gfoa.org/fiscal-first-aid when it is ready.

Conclusion

The financial downturn caused by COVID is concerning and local governments have not had to contend with a financial downturn for over 10 years. For some local governments, this may mean there is no institutional memory on how to respond. Fortunately, the GFOA fiscal first aid model has preserved and updated that institutional memory for the current crisis.

GFOA is working to update resources so they are most relevant for the current unprecedented environment. We will post resources as they become available. For more information please visit www.gfoa.org/fiscal-first-aid. For questions, please contact research@gfoa.org.

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2020 NACo

Legislative Conference



Washington, D.C.
February 29-March 4











The National Association of Counties Legislative Conference brings together nearly 2,000 elected and appointed county officials to focus on federal policy issues that impact counties and our residents.







Legislative Update

ISACo announced our 2020 Legislative Action Program (LAP) in early January.

This package of 13 proposals represents ISACo's first annual legislative agenda. The agenda was approved for introduction by our Legislative Committee and Board of Directors. ISACo's lobbyists secured sponsorship for each proposal and the bills were introduced for consideration by the General Assembly. The 2020 legislative agenda is available on our website (www.isacoil.org).

Unfortunately, the cancellation of General Assembly session days has temporarily delayed consideration of our agenda. At this point there is a lack of certainty about when the General Assembly will reconvene in 2020 and how much legislative business legislators will attend to upon returning. When the pandemic recedes and legislative activity returns to normal, ISACo will continue working toward passage and enactment of our full legislative agenda.

Despite legislative activity being on hold, ISACo continues to advocate on behalf of Illinois counties.



On March 18, 2020, ISACo contacted the Illinois Department of Public Health (IDPH) to inquire about the plan and timetable for releasing federal funds intended for local governments responding to the COVID-19 emergency that would first pass through the agency. The funds in question were part of the initial \$8.3 billion package approved by Congress and signed into law by President Trump on March 6, 2020.



On March 23, 2020, ISACo issued an action alert to Illinois county officials requesting that they contact Senators Durbin and Duckworth to encourage support for the \$2 trillion Coronavirus Aid, Relief and Economic Security (CARES) Act. ISACo also engaged our federal lobbyists to communicate our support to the Senators' staffs. The CARES Act includes provisions providing financial assistance to local governments.



On March 25, 2020, ISACo sent a letter to Illinois State Comptroller Susana Mendoza urging that the distribution of revenue collected by the state on behalf of counties be prioritized during the inevitable decline in state and local revenues caused by the COVID-19 pandemic.



On April 1, 2020, ISACo sent a letter to each member of Illinois' Congressional delegation requesting that Congress include direct financial assistance to counties with 500,000 and fewer residents for costs incurred because of the COVID-19 public health emergency. This letter was sent following enactment of the CARES Act that included a provision limiting direct financial assistance to local government with more than 500,000 residents.



On April 13, 2020, ISACo sent a letter to each member of Illinois Congressional delegation urging additional direct funding for counties.



On April 20, 2020, ISACo issued an action alert to county officials urging that they contact their members of Congress and request their support of a COVID-19 relief package that would provide over \$1 billion in direct funding to Illinois counties that could also be used for lost revenue.

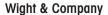
ISACo also shared some of our legislative priorities intended to provide financial relief to counties with the Illinois House and Senate local government working groups.

The letters and action alerts ISACo issued during the pandemic are available on our Coronavirus Resource Center webpage at www.isacoil.org.

ISACo is committed to aggressive advocacy on behalf of Illinois counties and will continue to assume a leadership role on important issues.

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ISACo's Corporate Partner Program was established to provide a forum for companies and organizations to build relationships with county officials while supporting the important work of ISACo.

The program offers five options for corporations and organizations to become associate members of ISACo while receiving benefits for this status.

Contact us for additional information about how your company or organization can become a part of ISACo.

News & Views e-Newsletter Subscription



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If not, please check your spam folder to make sure our newsletter is not being blocked.
Otherwise, please e-mail Brenna Metrow at bmetrow@isacoil.org with a request to be added.

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CountyNews Reprint By: Charlie Ban, County News Digital Editor & Senior Writer April 7, 2020

As counties manage, mitigate and treat the COVID-19 pandemic, their boards are seeing a bright spot: The glowing computer screen on which they are conducting their meetings.

"I hope that we would still be able to use this in the future," said Shelly Pinkelman, chair of the Crawford County, Mich. Board of Commissioners. "I think the meetings are more streamlined, there's more efficiency in not breaking in, when motions are being made, which people are supporting them.

"I feel like there have been alot more constructive comments, too."

That's a feature Orange County, Va. Board of Supervisors Chair Jim Crozier sees virtual meetings improving. The Board will accept comments and questions for two weeks prior to the next public hearing, and a staff member will ask the question during the meeting.

"When you're at a public meeting, it takes a little while to digest an individual's questions and figure out what exactly they're looking for, so it helps us prepare our answers a little more," Crozier said. "We're here to serve the citizens, and we don't usually get the interaction that we hope to get, so this may improve that, by making it easier for them to participate."

As for basic execution of the meeting, Crozier was impressed.

"It's a little different because you're not all sitting next to each other, but it's an extremely efficient way to run a meeting," he said. "You don't get the normal chatter you do, things run smoothly."

Don Batchelder saw the same results in Ouray County, Colo., where he is chair of the Board of Commissioners, when they held their first virtual meeting.

"We had more public participation than we do generally," he said.
"People are more conscientious about being clear and concise as opposed to rambling on."

Branch County, N.C. Administrator
Bud Norman advised counties not to
attempt to achieve total proficiency
before holding a virtual meeting, but
rather to try it and work out the bugs as
you move along. "Know that you'll get
better each time you use it," he said.
"Accept that mistakes may happen
with first time use but you can't correct
those mistakes if you don't formally
use it."

The Dane County, Wis. Board of Supervisors wouldn't be able to meet in one place without the public anyway — it has 37 members. All logged in for their first meeting, most via the iPads they were issued earlier.

"It worked well because we did a lot of groundwork beforehand, we established procedures, rules of etiquette and ways to make sure people are recognized," said Board Chair Analiese Eicher. "We work a lot like a state legislature, with most of our work being done in committees, but even they are too large to have in one room together."



At 31, Eicher is the youngest board chair in Wisconsin, and being a "digital native" has given her the background to help her lead the transition.

"Folks were nervous at first, but a lot of that apprehension was lifted after we did a training session," she said. "There was a learning curve from some of the older members, but they embraced it. The meeting itself didn't feel too different from normal, but I'm used to being in virtual meetings all the time."

Many counties are using Zoom to conduct the meetings, then broadcasting the video and audio on YouTube, Facebook or both. Tehama County, Calif. uses an audio-only stream.

Connectivity can be an issue where broadband internet service isn't available.

"Even though we're 60 miles from the nation's capital, we have very poor internet service," said Orange County, Va.'s Crozier.

It was rougher for Ouray County in Colorado — Batchelder reported that the commission lost power for about six minutes during its most recent meeting.

"Depending on where in the county people are calling from, internet service is spotty, so you can be knocked off, but that usually lasts about 10 seconds," he said. "Everyone has the phone-in number. It's still a much better alternative than holding large meetings with lots of people."

Even when the board holds meetings in person again, Crozier sees opportunities for time savings.

"We can make staff reports more efficient, do it from their office rather than sitting around waiting to be called on in our meeting room," he said. "That's just wasting their time. And if we have a light agenda, we might be able to take care of it virtually and not have to drive 40 minutes each way."

Orange County's new public safety building will house its board room, and plans are to make it as technologically advanced as possible to serve needs like this.

With the entire Dane County Board (ostensibly) up for reelection April 7, the county had offered virtual meeting tutorials to all candidates on the ballot.

"How do we orient and swear in new board members when we can't be doing this in person?" Eicher said. "It's an interesting challenge. I'm up to it and my fellow board members are up to it."

Dane County published a guide to conducting online meetings, available here: https://bit.ly/2JILLNc.

Eicher said the board has had to limit itself to essential business, putting off

recognitions and celebrations until it can meet again in person.

While she is looking forward to that, Eicher expects this to be her county's standard operating procedure for the foreseeable future, but that alone was a step up from days of telephone calls leading up to the board's first meeting.

"It was good to see people's faces after a few weeks," she said.

Tips for running effective virtual meetings

The North Carolina Association of County Commissioners offers some advice for holding virtual meetings:

- Test the software program before your meetings and become familiar with differences between programs: GoToMeeting, GoToWebinar, Zoom, WebEx.
- Take 30 minutes before the meeting starts to practice video, audio, muting and unmuting, screen sharing, presenter sharing, chatting and questions.
- Use video, if possible, to keep people's attention.
- Have an agenda and script that include when presenters will need control and when to unmute attendees for questions and comments.
- Start meetings 30 minutes early to test audio, web cam and screen sharing, and solve attendee problems.

Starting your meeting

- 1. Ask users to mute from their end, if possible.
- 2. Explain the agenda and chat/question options to attendees.
- 3. Ask speakers to announce themselves before speaking. (You can ask this of members of the public who decide to speak during the public comment portion, just as you would in a regular meeting.)

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County Quarterly Newsletter

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