



# North Carolina League of Municipalities



2018 Annual Report



# 2018 at a Glance

## Property & Casualty

**403** local government entities insured

**15,197** vehicles insured

**15,586** structures insured

**2,861** claims handled

## Workers' Comp

**464** local government entities insured

**23,648** municipal employees covered, including 4,537 police officers

**2,228** new claims received

## Events & Education

**2,316** municipal officials attended 24 live trainings and networking events

**13,000** municipal employees attended online risk management courses

## Debt Setoff

**\$4,547,293**

collected by the Debt Setoff Program in debts owed to 291 municipal participants in FY17-18.

**\$71,616,106**

total collected since 2002.

## Media & Publications

**147** periodic publications/broadcasts annually with a total distribution of 450,000+ among Southern City, League Letter, Legislative Bulletin, Trust Matters, Municipal Law Notes and the Municipal Equation podcast.

Totally revamped website that is mobile ready, ADA compliant and more modern. We saw more than 85,000 user sessions on the website over the course of the year.

 5,446 followers; 86,000+ impressions

 2,938 followers; 2,000+ likes

## 1:1 Meetings & Consultations



17 risk management, grassroots and/or operations consultants met with 400+ members for more than 1,000 in-person consultations, including onsite hazard reviews, 170 HR/ Employment Liability consultations, 69 Law Enforcement Risk Review requests in process, and more.

## Health Benefits Trust

17,263

covered lives across group health and voluntary benefits, including medical, vision, dental, short- and long-term disability, and basic life insurance.



## Business & Membership Development

2

new preferred partners added – Envirolink and PennCredit – to provide additional services to municipalities at a savings

## Advocacy & Legal Assistance

112

bills tracked, including 69 high-level or critical issues

5

advocacy goals achieved

Filed an amicus brief in one legal case and provided technical help with 10 other cases. Participated in six moot court cases.

## Grant Funding

\$142,000

in Wellness Grants to 48 projects

\$85,000+

for body armor vests distributed to police departments



NC LEAGUE  
OF MUNICIPALITIES



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## League Executive Officers



President  
Mayor Pro Tem Michael Lazarra  
Jacksonville



Vice President  
Council Member William Pitt  
Washington



Immediate Past President  
Mayor Bob Matheny  
Zebulon

## 2017-2018 Board of Directors

### MEMBERS

League District 1: Mayor Don Kingston, Duck  
League District 2: Mayor Ken Jones, Pine Knoll Shores  
League District 3: Mayor Emilie Swearingen, Kure Beach  
League District 4: Mayor Gloristine Brown, Bethel  
League District 5: Mayor Pro Tem Carl Ferebee, Roanoke Rapids  
League District 6: Council Member Liz Johnson, Morrisville  
League District 7: Mayor Lewis Weatherspoon, Angier  
League District 8: Mayor Bobby Kilgore, Monroe  
League District 9: Mayor Karen Alexander, Salisbury  
League District 10: Council Member Ben Willis, Lenoir  
League District 11: Mayor Pro Tem Dennis Bailey, Shelby  
League District 12: Mayor Bob Scott, Franklin

### LARGE CITY SEATS

Council Member Ed Driggs, Charlotte  
Mayor Pro Tem Cora Cole-McFadden, Durham  
Council Member Sharon Hightower, Greensboro  
Mayor Nat Robertson, Fayetteville  
Mayor Pro Tem Kay Crowder, Raleigh  
Council Member Derwin Montgomery, Winston-Salem

### PRESIDENT APPOINTMENTS

Mayor Chuck Allen, Goldsboro  
Council Member Mary Cameron, Clemmons  
Mayor Jay Donecker, Reidsville  
Mayor David Smith, Asheboro

### AT LARGE/ELECTED OFFICIALS

Mayor Ian Baltutis, Burlington  
Mayor Terry Mann, Whiteville  
Council Member Jennifer Parsley, Concord

### AT LARGE/MANAGERS

Alison Alexander, Manager, Laurel Park  
Jeff Repp, Manager, Boiling Spring Lakes  
Roger Stancil, Manager, Chapel Hill

### AT LARGE/MUNICIPAL CLERK

Jacquelyn Hampton, Town Clerk, Bolton

### AT LARGE/MUNICIPAL ATTORNEY

Mac McCarley, Village Attorney, Misenheimer

### AT LARGE/AFFILIATE ORGANIZATION REPRESENTATIVES

Michelle Daniels, Fiscal Manager, Raleigh,  
NC Local Government Budget Association  
Tony McEwen, Assistant to the City Manager,  
Wilmington, NC Resort Towns & Cities

### EXECUTIVE DIRECTOR

Paul Meyer, Executive Director

## Dear League Members,

As we look back over the past year, we can be especially proud that the North Carolina League of Municipalities continues to evolve into an organization that is increasingly responsive to the challenges faced by our towns and cities on so many fronts. NCLM is pleased to present this 2017-18 Annual Report to you, as it serves as a review of the dedicated work put forth by member-cities and towns and League staff working together to address these challenges.

Continuing the momentum of recent years, and following along the goals established by the member-driven Vision 2030 strategic visioning plan, the League demonstrated this strong level of commitment and responsiveness:

- We showed a new level of thought leadership as an organization by leading a policy effort to bring better broadband access to our communities. A detailed, highly-researched report, *Leaping the Digital Divide*, released during a much-publicized news conference, marked the public start of this policy campaign.
- The launch of the League's Municipal Operations Consultant program put experts in the field to help municipalities in one-on-one settings with real-world advice to address operational and financial hurdles.
- With communities across North Carolina facing the very human tragedies created by a crisis of opioid abuse, the creation of an Opioid Solutions Toolbox provided member towns and cities with best practices and practical tools being utilized municipalities that are making a difference.
- The League's Risk Management Services Department continued to expand offerings designed to help cities and towns limit liability and exposures, while keeping residents safe. At the same time, it addressed competitive challenges, particularly those facing the Health Benefits Trust, and grew the size of insurance pools.
- The first-ever Town & State Dinner connected member-city representatives and state legislators as never before, providing them with the chance to network and grow important state-local relationships as they also considered important policy issues.

- In all, 87 events held by the League – consisting of in-person trainings, meetings and conferences for affiliates, and including CityVision 2017 in Greenville – continued a trend of member engagement on an unparalleled organizational level.
- Organizationally, there were upgrades and improvements to IT systems and the League website, financial and investment platforms, invoicing and payment systems, and affiliate management models.

We want to thank each of you for your contributions to these accomplishments during the 2017-18 year. The League is its members, and you make this success possible.



Mayor Pro Tem Michael Lazzara  
President



Paul Meyer  
Executive Director

Two handwritten signatures in black ink. The signature on the left is for Michael Lazzara, and the signature on the right is for Paul Meyer. Both signatures are written in a cursive, flowing style.

# ADVANCING ALL



A consistent theme for the North Carolina League of Municipalities during the 2017-18 year was the expansion of League-member services, focusing both on the effectiveness and value of these services for member cities and towns. It could be seen in how the organization exercised new levels of thought leadership, in the sharing of best practices utilizing new expertise and new communications formats, and through the range of League consultations. With this focus, NCLM was delivering at a strategic level that emphasized member needs amid a changing and challenging economic and demographic landscape in North Carolina.

In that vein, the new Municipal Operations Consultants program

created a new standard of field-level assistance for cities and towns, with four regional consultants meeting individually with municipal officials in their municipalities – all free of charge – to help with finance and operational challenges.

A new Opioid Solutions Toolbox provided members with real-world solutions and advice from law enforcement and others on the front lines addressing the opioid crisis in the state. Meanwhile, an improved Preferred Partner program and a new “Member 360” dashboard of individual member services gave cities new services and new ways to look at the services they receive.

The 2017-18 year saw the League increase its level of thought leadership to new heights with the release

of “Leaping the Digital Divide,” a comprehensive report on broadband access co-authored by League lobbyist Erin Wynia and national experts. The report was rolled out at a March news conference, to much publicity, as the League embarked in an initiative to seek state policy changes that better enabled public-private partnerships that could bring about faster and more reliable Internet service in more areas of the state.

Working under a revised Risk Managed Service agreement, the three insurance pools and other League departments worked more seamless together, the result seeing all three pools – particularly the Health Benefits Trust – exceed new member goals while thwarting competitive threats. RMS trustees approved their own strategic plan, while law enforcement programs designed to limit liability exposure were expanded.

The first-ever Town & State Dinner was a huge success with legislators and League members, allowing networking and the breaking of bread among state lawmakers and their constituent municipal officials, an event that highlighted how state and local government can work together for common purposes that improve citizens’ lives. More than 300 League member-city representatives attended, along with more than 100 legislators.

Meanwhile, NCLM intervention in the Duke Energy rates led to a settlement and decision that saved over 384 towns and cities more than \$2 million a year in energy costs while paving the way for LED light conversions and even more savings.

And during the 2018 legislative session, cities and towns saw the passage of legislation that promises to reduce blight, the approval following months of work on the issue by League staff with legislators, municipal officials and other stakeholders.

The formation of the N.C. Mayors Association, a League affiliate group, provided all mayors in the state with networking and idea-sharing opportunities.

In all, League staff organized and held more than 87 events consisting of in-person trainings, meetings and conferences for affiliates, along with the League’s annual conference, CityVision 2017, held in Greenville.

Operationally, the League overhauled and redesigned its website, upgraded financial systems, created electronic invoicing for League customers and an online payment system for League members and affiliates, while holding membership dues steady with no price increases.

# Political Advocacy

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The 2018 legislative session came and went as quickly as any in recent memory, as legislators were intent on getting back home as quick as possible given a very uncertain political landscape headed into the fall elections. That early ending came with the help of a truncated budget process that left individuals and organizations, including the League, with much less opportunity to weigh in on the budget's components before the package received floor votes in the House and Senate.

While the governor vetoed the approved budget, the legislature's supermajority quickly cast override votes and put the plan in law. Cities and towns did see wins, however.

They included:

- The adjusted budget maintained funding levels for municipal transportation projects and water and sewer work.
- The budget provided more than \$3 million in revitalization grants for certain downtowns. It identified specific local economic development projects for aid. It transferred \$60 million to disaster recovery, including \$10 million for infrastructure grants that local governments can access.
- Local governments picked up a new tool for fighting commercial, industrial and residential blight, in a bill setting up a new process called "vacant building receivership." It will allow a local government, under certain circumstances, to petition the court to appoint a receiver to take over management of the property and make improvements.
- The HOPE Act, building upon previous legislation, both tightens criminal penalties and creates procedures to allow law enforcement to better access pharmacy and other information that could indicate violations. The plan will also invest annually in naloxone supplies and community-based drug treatment and recovery services, while funding efforts to destroy unneeded prescription drugs.

- Another bill affecting substance abuse would help address a League goal of lessening the strain on local law enforcement when it comes to custody of those with behavioral and mental health issues. The legislation gives law enforcement officers more flexibility when they take custody of and transport individuals subject to an involuntary commitment order. It also calls for more collaboration between local mental health management entities and law enforcement in developing plans for how these commitments work.
- A consensus update was approved to 2017's legislation that put into law uniform authorization for water and sewer system development fees, also called development impact fees. It clarified the authority to use system development fee revenues to repay bonds, shortening the window of time for projects to be included in the financial analysis that informs the fee amount, and stated more precisely the timing for payment of the fees.

While a League effort to gain better broadband access for communities by better enabling public-private partnerships is ongoing, the budget does include clear recognition that the state needs to better address broadband access across the state with a provision to establish a \$10 million broadband grant program.

Those gains, though, did not hide the fact how difficult the truncated budget process and brief session hindered the ability to seek legislative changes and full vetting of proposals. League staff and leadership spent time letting legislators know of specific concerns created by policy provisions that received little vetting, and of plans to continue working to address them.



# DUKE ENERGY

## RATE CASE

While much of the League's advocacy work focuses on the North Carolina General Assembly, its efforts in another area – before the N.C. Utilities Commission – may have led to some of the most significant results for cities and towns over the last year.

An agreement reached between the N.C. League of Municipalities and Duke Energy Carolinas should lead to substantial benefits to cities and towns in western North Carolina when it comes to street lighting and energy savings associated with newer street lighting technology. The settlement was reached as part of the Duke Energy Carolinas (DEC) rate case before the North Carolina Utilities Commission after the League intervened on behalf of its members and their interests. Also, The Utilities Commission has issued a final order granting Duke Energy Progress (DEP) a much lower rate increase than the company had requested for customers in the eastern part of the state and including other benefits to cities and towns. It was also a case in which the League intervened. Street lighting was not as critical a part of that case as in the DEC case, as rates and technology conversion processes were already more favorable.

In the DEC case affecting western North Carolina, the settlement will lower existing rates for traditional street lighting for cities and towns by over \$2 million annually. It should also pave the way for faster, more efficient conversion to LED technology, saving money for municipal taxpayers and leading to more efficient energy use. That should occur because the agreement calls for a streamlining of rate structures, eliminating a key disincentive to transition from existing high-pressure sodium to LED lighting. A lower transition fee, from \$54 to \$40 per light, and the ability to spread out payments for transition costs over four years also will aid in the transition.

# Leaping the Digital Divide

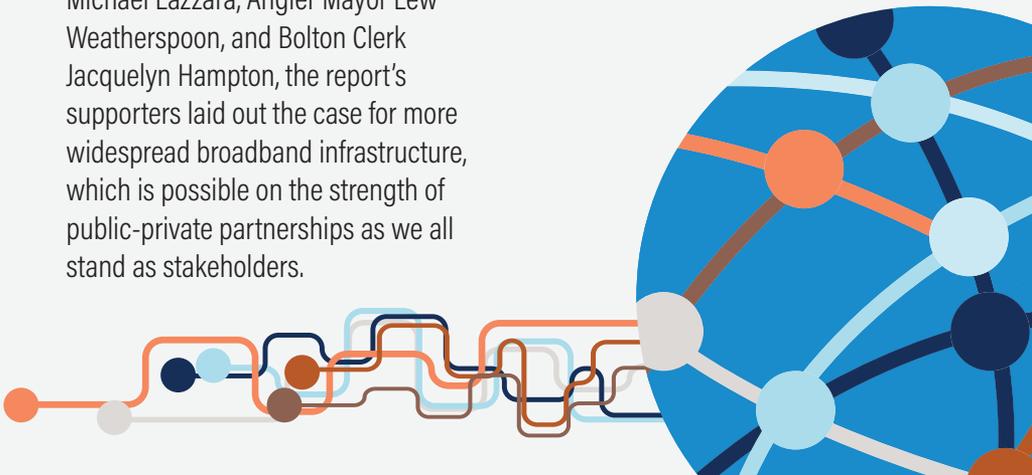
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We know resilient broadband internet access is the missing or lacking ingredient with so many communities' ambitions. We call it the "digital divide" or the "broadband gap" as we ponder how to connect these unserved or underserved communities to the modern internet speeds that businesses and residents increasingly need to succeed. The League took enthusiastic steps forward to close this gap on March 21 with the release of a report offering effective policy solutions.

"Leaping the Digital Divide: Encouraging Policies and Partnerships to Improve Broadband Access Across North Carolina" debuted at a press event inside the Legislative Building with municipal officials and state legislators on hand for remarks. Including Rep. John Szoka of Fayetteville, League President and Jacksonville Mayor Pro Tem Michael Lazzara, Angier Mayor Lew Weatherspoon, and Bolton Clerk Jacquelyn Hampton, the report's supporters laid out the case for more widespread broadband infrastructure, which is possible on the strength of public-private partnerships as we all stand as stakeholders.

"Broadband is crucial 21st century infrastructure, no different than water and sewer, electricity and roads," Lazzara said. Representative Szoka agreed, adding it's "absolutely necessary that we have to take the actions required to connect to every last house on the last dirt road, from the mountains to the sea in this state, to afford our citizens the opportunity to fully participate in a global economy."

This report, which received prominent media coverage including a supportive editorial in the News & Observer, was co-authored by League Legislative Counsel Erin Wynia. "Broadband is the infrastructure challenge of our time," Wynia said. "And we know that communities that have this service can thrive." The League will continue to work with stakeholders and lawmakers on this important issue.



# Judicial Advocacy

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FY 2017-18 was among the busiest in the history of our Appellate Advocacy Program. The program involves both the filing of amicus (friend of the court) briefs on issues of statewide importance to municipalities, and technical assistance designed to help cities better craft and position their arguments for eventual success at the appellate level. The League filed an amicus brief in one case and provided substantial technical assistance in ten others.

The League filed an amicus brief in *Meinck v. City of Gastonia* before the N.C. Supreme Court in a case involving the lease of a downtown building to a nonprofit arts program. In a suit over an injury on the property, the Court of Appeals ruled that the leasing arrangement made the activity proprietary—even though it operated at a loss for the city—and therefore not subject to a governmental immunity defense. In a big win for cities, the Supreme Court reversed in this case of first impression, finding that the revitalization effort in question was a governmental function and the city was entitled to assert immunity as a defense. Filing jointly with the

N.C. Association of Defense Attorneys, the League drafted the governmental immunity portion of the arguments on which the Court's opinion ultimately rested.

In providing technical assistance, the League's help may include legal research, review of the record, formulation and drafting of arguments, editing of briefs and motions, and moot court sessions to prepare counsel for appellate oral argument.

In another win for cities, a long-running impact fees case finally came to a close with a second Supreme Court ruling in *Quality Built Homes v. Town of Carthage*. In 2016, state's high court had first ruled that there was no statutory authority for municipalities to charge water and sewer impact fees to cover the future costs of expansion. The Court of Appeals subsequently determined that the statute of limitations on refunds would be 10 years, creating large potential financial exposure for local governments throughout the state. But on further appeal, the Supreme Court found that a three-year statute of limitations would apply. The League's property and liability insurance pool provided the defense for the town, so the League

did not participate as amicus in the case. However, the League provided continuing and extensive technical assistance.

In addition to *Carthage*, several other cases in which the League provided technical assistance saw rulings during the year: *Tully v. City of Wilmington*, a challenge by an unsuccessful applicant for a police department promotion, resulted in an adverse Supreme Court opinion recognizing a state constitutional claim when a governmental unit fails to follow its own internal policies; in *Wilkie v. City of Boiling Spring Lakes*, a case involving a claim of inverse condemnation for flooding, the Supreme Court applied principles of statutory construction to reverse a Court of Appeals holding favorable to the city and remanded the case for further consideration; *Surgical Care Affiliates v. N.C. Industrial Commission* involved a challenge to the fee schedule for health care procedures under workers' compensation, and the League's workers' comp insurance pool joined a coalition of employer groups as a named amicus, and the Court of Appeals ruled in favor of the coalition's position.

The League provided technical assistance to *amicus* International Municipal Lawyers Association in a case before the U.S. Supreme Court – *City of Greensboro v. BNT Ad Agency*, involving a racial discrimination claim based on the denial of a city economic development loan. Technical assistance was also provided at early stages of four proceedings: *Vaitovas v. City of Greenville*, involving the city's red light camera program, *In the Matter of Custodial Law Enforcement Recording Sought by the City of Greensboro*, involving body camera video and the issuance of a gag order, as well as a Town of Davidson zoning matter and a Town of Knightdale billboard matter.

During the fiscal year Gregg Schwitzgebel, League Associate General Counsel, spearheaded the appellate advocacy program by coordinating and participating as a panelist in six moot court sessions: *Meinck v. City of Gastonia*, *Quality Built Homes v. Town of Carthage*, *Tully v. City of Wilmington*, *Wilkie v. City of Boiling Spring Lakes*, *Fleischhauer v. Town of Topsail Beach* (two sessions).

# CityVision 2017

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CityVision 2017, the League's annual conference held in Greenville, included unforgettable presentations, recognitions, networking, idea-sharing, swearings-in and good laughs. The theme this year was Connect — connecting to technology, new modes, and each other — which the hundreds of attendees quickly took to heart.

Jacksonville Mayor Pro Tem Michael Lazzara was installed as president, and noted what a milestone year it had been for the League, one of tremendous and challenges. Speakers included Angelina Panettieri of the National League of Cities, whose talk on "Smart at Any Size" highlighted how smart-city technology and efficiency can be applied successfully in towns small or large. Sean Lilly Wilson of Durham's Fullsteam Brewery explained how beer can be a catalyst for economic development, as breweries like his have driven revitalization in towns across the state.

Regionalism also came into focus, with speakers who discussed how urban cores can be strengthened by collaboration across city lines. Christopher Gergen of Forward Cities and Forward Impact impressed the importance of inclusive innovation and the ingredients that are often missed when it comes to spurring local economic development and entrepreneurialism.

The Greenville Daily Reflector newspaper was on hand to cover CityVision and explained how the conference itself brought a positive for the local economy. "Showing what Greenville has to offer gives us an opportunity for spinoff conferences where more restaurants, retail and other businesses and cultural centers can be visited, and they fill their tanks with gas here as well," the newspaper quoted of convention center CEO Rhesa Tucker. "The economic impact is great for our community."

The League also presented Community Champion awards to legislators — Rep. Chuck McGrady and Sen. Paul Newton — who had supported crucial legislation important to cities and towns while also always being open to hearing League concerns.



# TOWN &

# STATE DINNER

TOWN & STATE  
DINNER 2018



In the spirit of goodwill and partnership, municipal officials and legislators gathered together by the hundreds on May 29 for the League's first-ever Town & State Dinner, held at the Raleigh Convention Center at the end of a busy day for the General Assembly. The event saw mayors, city council members and municipal staffers breaking bread and strengthening relationships with their senators and representatives while the state's top leaders discussed priorities and the need to work together.

The speakers for the event included Gov. Roy Cooper, House Speaker Tim Moore, Senate Majority Leader Harry Brown and Attorney General Josh Stein. 2018 League President Michael Lazzara, Mayor Pro-Tem of Jacksonville, set the tone for the event by noting that state and local government officials, in working toward their priorities that are ultimately focused on serving citizens, enjoy far more common ground than separate. He also spoke of the League as an evolving mission-driven organization focused on "serving the interests of towns and cities so that they can best serve their residents."

2018 League Vice President William Pitt, Councilman from Washington, in remarks prior to introducing Attorney General Stein, noted how his city is leading in a fashion similar to other towns and cities across the state – leveraging its unique assets to remain economically vital. In Washington's case, that means its waterfront and historic buildings. In addition to Lazzara and Pitt, League Board of Directors members Scott Neisler, Mayor of Kings Mountain, and Liz Johnson, Council Member from Morrisville, spoke as part of the program, with Neisler introducing Moore and Johnson a League-produced video. That partnership, the theme of the night, was affirmed in the video, which features many of our legislators and local officials discussing how they've worked together to accomplish great things. Said Goldsboro Mayor Chuck Allen in the video, "We are one North Carolina, and we've got to work towards being one North Carolina."

# Opioid Solutions Toolbox

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By now, you may be aware of the League's Opioid Solutions Toolbox – an online resource to better help member cities and towns address the epidemic of opioid abuse across the state. The Toolbox debuted in September 2018, but the story of its creation reaches far back into the year under the League-presidency of Jacksonville Mayor Pro Tem Michael Lazzara, who made mental health a primary focus for his term. For much of the year, the League's staff and leadership worked together to identify and carry out this organization's role in the crisis (which came with the intention of not duplicating or contradicting other efforts already on the ground). It included the formation of a staff committee whose members developed ideas, such as working with member police chiefs who are changing the conversations and practices in dealing with persons struggling with substance use disorders.

Production work for the toolbox and its contents — a seven-part video series, a full-length podcast episode and links to helpful outside resources – sent League staffers on field visits with the state attorney general's office and with our featured police chiefs (Tom Bashore of Nashville and Bill Hollingsed of Waynesville) to capture their knowledge of the crisis and municipal solutions in a way that could be adaptable or scalable to cities and towns of any size. Said Lazzara, "By highlighting best practices that are already addressing opioid abuse head-on, we hope that you will find a solution that can work for you." The results of this year of hard work are found at:

[www.nclm.org/opioidsolutions](http://www.nclm.org/opioidsolutions).

**I do not think there is a community in North Carolina that has not been affected by the opioid crisis.**

Chief of Police Bill Hollingsed  
Waynesville, North Carolina



# Risk Management Services

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The League's three self-funded insurance pools – the Workers' Compensation Trust, Property and Casualty Trust, and the Health Benefits Trust – continued to expand benefits and prioritize customer service.

We enhanced risk control services by adding a new Risk Control Consultant and realigning the state into four services territories up from three previously. Collectively, consultants made 730 visits to 330-plus members. Further, a new HR Consultant helped complete more than 170 employment liability consultations. The League also added telephonic employment liability services for members of the Property & Casualty Trust; these services provide five hours annually of legal consulting.

The League continued assisting law enforcement agencies with their unique risk management needs. The Police Chiefs' Advisory Committee reviewed law enforcement liability trends and identified use of force and constitutional law classes as needs. Members now have access to interactive Response-to-Resistance Simulator training that teaches the verbal interactive and proper

decision-making skills needed to better serve their communities. The simulator training focuses on de-escalation essential to effectively responding to an individual who is actively resisting an officer. Further, over 60 police departments have participated in the law enforcement risk review process.

Our online safety and risk control training courses remain popular – over 130 members accessed 13,000 individual courses. The League also deployed new claims analysis tools to help identify trends in the Workers' Compensation and Property & Casualty claims that will help facilitate risk control initiatives to mitigate liability exposures and reduce costs to the pools. These analysis tools will be available to members in a dashboard format.

Members of the Health Benefits Trust continued to participate in various wellness programs to keep employees healthier. These include the Naturally Slim weight loss program, TrestleFree tobacco cessation program, Teladoc access for virtual routine sick appointments, and Smart Starts maternity education for high risk pregnancies.

# Grassroots Engagement

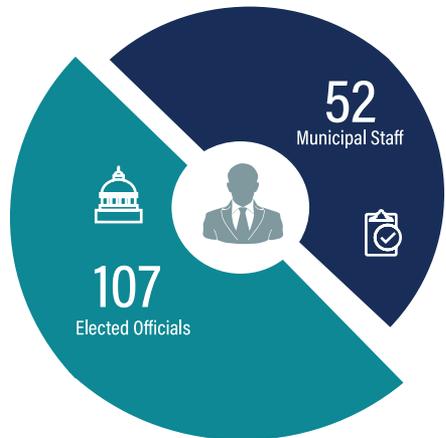
Grassroots engagement continued to be a priority for the League in 2017-2018 with staff encouraging significant and active communication between local officials and legislators. This personal approach to advocacy pays dividends when issues arise that affect cities and towns and their ability to make decisions at the local level.

The League's Grassroots Advocacy team coordinated training and workshops for municipal elected officials. In partnership with the School of Government, the League held Essentials of Municipal Government (EMG) sessions in Hickory, Chapel Hill, Sunset Beach, Asheville, and Greenville. For municipalities not able to attend one of the EMG sessions, the League held the Best Practices of Municipal Government in the Town of Franklin.

A series of Regional Roundtable events also provided elected officials the opportunity to learn about various municipal issues and discuss the challenges and potential solutions through the lens of a regional-based approach. Nearly 160 elected and appointed municipal

officials representing 76 municipalities across the state attended one of 10 regional roundtables. Not only were these events helpful to encourage regional partnerships and networking, they also educated attendees about a wide variety of topics including water/sewer infrastructure, downtown revitalization, broadband, transportation, regionalism, open data and public information, changing community demographics, affordable housing, tourism and more.

By engaging members throughout the year and facilitating collaboration and education, the League's Grassroots Advocacy efforts help strengthen the entire organization and creates a stronger voice when representing municipal interests in Raleigh.



Regional Roundtable Participation

# Information Technology

During 2017-18, the League launched its new website with a modern look and feel, as well as better functionality, including a more responsive mobile design. Involving months of work by Information Technology and Communications staff, the change also upgraded the software to the SharePoint 2016 platform, allowing for better ease when it comes to updating the site. The changes also incorporated all League services under one website and improved user experience for staff and members.

Beyond those obvious and needed changes, the new site improved email security for League staff, allowed for more interactive experiences, including that of the League's Salary Survey, and automated the Job Ads section to enable members to more quickly post job openings and allow for a more uniform and easier payment system. The overall result was a better look, easier navigation and a better functioning website for members and the public in its interactions with the League.

Other IT improvements during the year included:

- A new phone system with improved call flows to better support of members and operations.
- The transition from VC3 vendor services to staff-led IT support and hosting.
- The implementation of a data warehouse and business analysis – with a first iteration of the new Member360 platform providing an overview of NCLM services used by individual members and Claims Analysis providing a more detailed overview of member insurance claims.



# Help When You Need It: NCLM's Municipal Operations Consultants

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Executing on a key League strategic pillar, the year saw the rollout of its field-based Municipal Operations Consultants program, designed to assist cities and towns with financial and operational advice. The program can help municipalities with questions and challenges related to their finances, difficult audit results, management issues or even utility operations, falling in line with Vision 2030 strategic plan goal of expanding the effectiveness and value of League membership services.

Perry James (former chief financial officer for the City of Raleigh), Harold Owen (former manager and current councilman for the City of Burlington), Bob Scott (former manager and finance officer for the Town of Madison) and Ann White (former budget manager for the City of Charlotte) make up the Municipal Operations Consultants (MOCs) team.

In a short time, the group has already worked with dozens of municipalities. "The concept of it being a no-fee service that is included with existing League membership is important,"

said White, who worked for the City of Charlotte from 1985 to 2011 and whose MOC territory is in the state's southeast. "I've already gotten one question about how much it was going to cost, with very much pleasantly surprised comments from folks when they realized it was no cost."

The program comes as cities and towns face growing challenges related to population shifts, demographic changes and evolving operational demands can represent significant tests for municipal budgets and personnel. Municipalities that have been contacted by or are working with the state treasurer's office on financial issues can particularly benefit from MOC help.

While much of the work done by the team has been focused on issues brought about by those challenges, sometimes their work has been as simple as directing municipalities to the proper outside financial resource.

One town James worked with requested strategy assistance for economic growth. "They've got great resources there; they just needed some advice on what to do, where to get funding from," James explained. "If there's capital projects, how do they best use their resources to do capital projects? Do they use fund balance reserves? Do they go out and borrow money? Do they seek grants? Do they seek assistance from the state Department of Commerce?"

The team members work in different, defined regions of the state and meet individually with municipal officials.

Find more information about the program at on the League's website: [www.nclm.org/financial-consulting](http://www.nclm.org/financial-consulting).



# North Carolina Mayors Association

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The move forward with the creation of the N.C. Mayors Association allowed mayors from across the state to come together to share ideas and better understand critical issues facing their communities. The organization, an affiliate of the League, began with Wake Forest Mayor Vivian Jones chairing, and Franklin Mayor Bob Scott named as vice chair.

The group has now held a number of meetings, and several members of its Board of Directors have helped lead League events, such as the League's grassroots Regional Roundtable events.

The organization is dedicated to improving life in all of the state's municipalities by seeking public focus on and finding solutions to critical issues facing the state. It was formed specifically to provide a platform for all of the state's mayors to work together to address the major goals and challenges of cities and towns.

Eleven North Carolina mayors make up its Board of Directors.



Statements of Revenues, Expenses and Changes in Net Position  
Year Ended June 30, 2018

**Operating revenues**

Service fees	\$ 3,492,064
Contract services	38,631
Administrative fees from insurance funds	10,092,433
Insurance sponsorship fees	1,795,097
Convention and conferences	416,195
Advertising and publication sales	90,816
Other – miscellaneous revenue	1,569,433
Total operating revenues	<u>17,494,669</u>

**Operating expenses**

Personnel services	9,947,923
Travel and training	351,201
Office operations	1,255,681
Professional services	784,194
Quorum Center operations	19,686
LGC Building operations	14,267
Wilson Building operations	2,239
Reynolds Building operations	28,427
Conferences and other meetings	462,102
Southern City and League Letter	66,756
Dues and publications	208,331
Operating Contingency	25,000
Miscellaneous expenses	210,636
Total operating expenses	<u>13,376,443</u>

Operating income	<u>4,118,226</u>
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**Non-operating income (expenses)**

Investment income	481,308
Net unrealized and realized gains on investments	409,737
Investment expense	(32,687)
Depreciation expense	(155,482)
Total non-operating income, (expense)	<u>702,876</u>

Change in net position	4,821,102
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Net position, beginning of year	<u>28,044,818</u>
Net position, end of year	<u>\$ 32,865,920</u>

Statements of Net Position  
June 30, 2018

**Assets**

Current assets

Operating assets:

Unrestricted cash and cash equivalents	\$ 14,628,533
Restricted cash and cash equivalents	65,874
Accounts receivable	1,406,237
Accrued interest receivable	77,939
Prepaid expenses and other	224,324

Total operating assets	16,402,907
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Investments:

Bonds, at fair value	10,175,530
Mutual funds, at fair value	6,651,731

Total investments	16,827,261
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Total current assets	33,230,168
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Non-current assets

Capital assets, net	3,855,717
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Total assets	37,085,885
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Deferred outflows of resources:

Pension Deferral	1,203,604
Other postemployment benefit deferral	77,126

Total deferred outflows of resources:	1,280,730
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Total assets and deferred outflows of resources	\$ 38,366,615
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Statements of Net Position  
June 30, 2018  
(continued)

**Liabilities and net position**

Current liabilities:

Accounts payable	\$ 1,642,082
Accrued vacation expense	855,160
Convention fees received in advance	87,048
Cafeteria plan received in advance	5,799
Accrued salaries	10,886

Total current liabilities 2,600,975

Non-current liabilities:

Pension Liability	1,336,910
Other postemployment benefit liabilities	1,497,710
Other non-current liabilities	1,000

Total non-current liabilities 2,835,620

Total liabilities 5,436,595

Deferred inflows of resources:

Pension liability	<u>64,100</u>
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Net position:

Designated	16,736,366
Unrestricted	12,273,837
Net investment in capital assets	3,855,717
Total net position	<u>32,865,920</u>

Total liabilities, deferred inflows, and net position \$ 38,366,615

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