Sacramento Mayor Johnson Becomes 72nd President of The U.S. Conference of Mayors

By Elena Temple-Webb

Sacramento Mayor Kevin M. Johnson became the 72nd President of The United States Conference of Mayors on April 16 at a gavel passing ceremony at The Citizen Hotel in Sacramento. The event featured local students who performed both the national anthem and a drum-line selection.

Several California mayors attended the ceremony, including San Francisco Mayor Ed Lee, West Sacramento Mayor Christopher Cabaldon, Elk Grove Mayor Gary Davis, Folsom Mayor Kerri Howell, Auburn Mayor Bridget Powers, Winters Mayor Cecilia Aguilar-Curry, Orville Mayor Linda Dahlmeier and Rancho Cordova Mayor Dan Skoglund, as well as National League of Cities Vice President Salt Lake City Mayor Ralph Becker and former mayors Trenton Mayor Doug Palmer, Denver Mayor Wellington Webb and Sacramento Mayor R. Burnett Miller. Members of the Sacramento City Council were also in attendance, as well as City Manager John Shirey and Sacramento city staff.

See JOHNSON on page 3

Conference of Mayors Meets with White House Regarding Affordability of Unfunded Mandates

By Judy Sheahan

Lima (OH) Mayor David Berger and Conference of Mayors CEO and Executive Director Tom Cochran led a delegation of
April 28, 2014
Washington (DC)

In Sacramento, California, on April 16 I installed at an inaugural luncheon the 72nd President of The United States Conference of Mayors, Sacramento Mayor Kevin Johnson.

Mayor Johnson’s elevation to our Presidency is directed by the Constitution of The United States Conference of Mayors, which calls for an automatic succession in the event that the current President cannot continue to serve us. In this case, our elected President, Mesa Mayor Scott Smith, resigned the office of mayor due to the Arizona state law providing that a person holding office must resign to run for governor or another state office.

Mayor Smith announced in January to his city that he would resign as mayor to run for governor, and on April 16 he resigned and USCMA Vice President Johnson became our 72nd President.

Following the installation in Sacramento, President Johnson gave his address outlining his broad priorities, saying to all that mayors can’t wait for Washington to act. Mayor Johnson told the audience that mayors are working together with or without the federal government to keep our metro economies strong which in turn provides the economic growth to keep our national economy strong.

The next day, April 17, our new President met with me and my executive staff to plan our agenda for the months ahead, starting with our Annual Meeting in Dallas in June.

After the staff strategy sessions, President Johnson presided over an Executive Committee telephonic meeting during which President Johnson made a motion that Mayor Stephanie Rawlings-Blake be moved up from the position of Second Vice President to Vice President and the motion passed unanimously.

Mayor Johnson will continue to lead us with his priority on education excellence. This issue has been his life long passion and he has already brought strong and new vibrant leadership on this issue since he joined our organization as a new mayor.

No doubt, transportation legislation is also a priority of our new President. He will be strengthened with this issue by the strong leadership of our Transportation Chair, Atlanta Mayor Kasim Reed.

There is a new awakening here in Washington concerning climate issues. Our mayors continue to lead, curbing carbon emissions in cities throughout America, and we will bring more focus on this issue in Dallas.

In addition, President Johnson will preside over two new task forces – Trade with the Americas, chaired by Los Angeles Mayor Eric Garcetti and American Opportunity, chaired by New York Mayor Bill DiBlasio. Reports and recommendations from these new task forces will be given to member mayors attending our Dallas Annual Meeting in June.

Mayor Johnson has indicated he wants to continue with Immediate Past-President Mayor Smith’s priority to have all mayors more involved with our organization. To prove that point, in the initial call with our Executive Committee, he assigned them the names of non-members, and he requested that executive members get on the phone recruiting specific non-member mayors to increase our membership. Another point is that he continues to stress is that our organization is bi-partisan and even non-partisan and he will strengthen this important aspect throughout his Presidency.

He realizes, too, that we must continue to respect, celebrate, and openly share the creative innovations of individual mayors who govern their cities in every state and region of our nation. We are working to harness and capture the thousands of innovations from mayors in all sectors in every region. We will announce an added capacity soon.

He also emphasizes how important it is for member mayors to attend and participate in our organization.

See COCHRAN on page 9
The special inauguration was scheduled because former Conference of Mayors President Mesa Mayor Scott Smith announced his candidacy for Governor of Arizona, and a Mesa ordinance dictated that Smith vacate his seat as mayor for his gubernatorial run.

Johnson, who previously served as the Vice President of the Conference of Mayors, will now serve the balance of Smith’s presidential term, which would have ended in June 2014, and a full one-year term as President of the organization until June 2015. As President, Johnson will preside over all official meetings, develop and advocate for the bipartisan agenda adopted by the nation’s mayors, appoint committee and task force chairs to serve in the leadership of the organization, as well as serve as the organization’s national and global spokesperson.

“It is a privilege and an honor to serve in this role, representing the nation’s mayors,” said Johnson during his inaugural speech. “Mayors are at the helm of America’s cities and represent the best of this country, developing innovative, pragmatic solutions to the challenges they face. I look forward to learning from them while delivering results for Sacramento.”

While Johnson’s entire speech can be found at www.usmayors.org, it is notable that he reminded the audience of the economic strength of America’s cities and their surrounding metropolitan areas. “Though our work with IHS Global Insight, we know the nation’s 362 metropolitan areas account for 86 percent of all jobs and 90 percent of the nation’s labor income and gross domestic product. Out of the world’s largest 100 economies, 40 are U.S. metropolitan areas. So legally, we are a nation of states within a federal system; but economically, we function as a conglomeration of metro economies that are powerhouses not just within the U.S., but also within the global marketplace.”

Johnson laid out the goals of his Presidency and shared what makes mayors unique from other elected officials. “During my presidency, we will engage in a..."
full-court press in Washington so we can get the dollars we need to get things done. We will unleash our political capital to create new partnerships, create jobs, and keep the momentum going so that America maintains its competitive advantage in the global economy. ... Unlike other politicians, mayors don't have the luxury of pointing fingers or arguing on ideological grounds, because we're elected to be responsible for the day-to-day services that make the difference between a great city and a failing one. We are the faces of practical action.”

Johnson also explained, “There could not be a better time to be at the helm of this organization because cities are back! Just a few years ago, in the midst of the economic recession, our metro areas were experiencing declining or flattening growth. Today, cities are pulling this country out of the recession, and Washington is beginning to take notice.”

Johnson will preside over his first official meeting in June in Dallas at the 82nd Annual Meeting of The U.S. Conference of Mayors, when the nation’s mayors assemble to develop their bipartisan agenda, highlighting the ways mayors are solving problems in their cities. Johnson’s Conference of Mayors presidency will focus on improving education outcomes in the nation’s public schools, building cities’ resilience to economic and natural disasters, and rebuilding the country’s infrastructure through stronger federal-local and public-private partnerships. In addition, Johnson will also continue to look to other mayors for input and ideas, emphasizing that The U.S. Conference of Mayors will embrace an inclusive and representative agenda for all of America’s mayors.

“We are pleased to welcome Mayor Johnson to lead this great organization,” said Conference of Mayors CEO and Executive Director Tom Cochran, who introduced a video chronicling the history and highlighting the past presidents of the organization. “As President of the Conference of Mayors, he will hold the highest honor that an American mayor can have. He will represent Sacramento and all of the mayors and cities of the USA to the nation and to the world, and we welcome his bold style of leadership,” Cochran said.

Johnson was elected as the 55th mayor of Sacramento in November 2008 and re-elected to a second term in June 2012. He is the first African American to be elected to the office. Johnson will be the first mayor of Sacramento and the sixth mayor from California to serve as President of The U.S. Conference of Mayors (Arthur Selland from Fresno in 1963, Jack Maltester from San Leandro from 1969-1970, Joseph Alioto from San Francisco from 1974-1975, Beverly O’Neill from Long Beach from 2005-2006, and Antonio Villaraigosa from Los Angeles in 2011-2012).

Before running for public office, Johnson had a diverse career as a professional athlete, entrepreneur and nonprofit executive. From 1987 to 1999, Johnson played professional basketball in the National Basketball Association (NBA) for both the Cleveland Cavaliers and the Phoenix Suns.
The U.S. Conference of Mayors
In appreciation for your sponsorship of the Presidential Inaugural Ceremony of
Sacramento Mayor Kevin Johnson

THANK YOU

Platinum Sponsor
Pacific Gas & Electric Co.

Silver Sponsors
Accela

Bronze Sponsors
AT&T • Google • Philips
Visa • Walmart

Left to right, USCM Presidential Inaugural Lead Sponsor Pacific Gas & Electric Company Vice President Travis Kiyota, San Francisco Mayor Ed Lee, USCM President Sacramento Mayor Kevin Johnson and USCM CEO and Executive Director Tom Cochran.
Editorial: A Big Deal for Kevin Johnson, and also for Sacramento

By the Editorial Board, Published: April 17

It’s definitely an honor for Kevin Johnson, who was sworn in Wednesday as president of the U.S. Conference of Mayors. Elected by his peers, he rose quickly through the ranks.

More importantly, his prominent new post could be very rewarding for Sacramento – if Johnson can deliver on his plans for using it.

He wants to cement ties with top White House and Cabinet officials to land federal aid, most notably closing the deal to finally finish the levees ringing Natomas. He also wants to strengthen relationships with corporate CEOs to bring jobs and investment to Sacramento, Johnson told The Bee’s editorial board Wednesday.

More broadly, he wants to give Sacramento more national exposure as what he calls the nation’s next emerging city. He'll have a chance to do that in September, when he plans to host about 40 mayors during Sacramento’s farm-to-fork festival.

Johnson’s bigger role as Sacramento’s chief cheerleader is right in his wheelhouse – and he offered strong reassurances that it won’t interfere with his duties as mayor.

"Your city is always your first priority," he said.

Already out of town more than previous mayors, it’s possible he may miss more City Council meetings once the downtown arena deal is done next month.

Johnson said he plans to limit his travel (paid for by the mayors group) to one event a month, and said he can build his own schedule so he doesn’t miss any important council votes. The mayor also noted that the council has prepared for his new role by naming both a vice mayor and mayor pro tem to preside over meetings if Johnson is elsewhere.

Then there’s the strong-mayor measure on the November ballot. If it passes, Johnson would gain “executive mayor” powers on Jan. 1, while his term at the mayors group goes until June 2015. The mayor’s job would be expanded, such as proposing an annual budget and taking a bigger role in overseeing the city’s departments.

Johnson said there wouldn’t be a conflict, noting that other leaders of the Conference of Mayors have come from strong-mayor cities. He will have the help of an ample staff at the mayors group, and can delegate to other mayors.

Besides promoting Sacramento, the presidency will give Johnson a platform to engage on national issues. No surprise, one of his top two priorities will be improving public schools. He will also help lead the group’s perennial push to fix the nation’s crumbling transportation infrastructure, as well as be a voice on gun violence.

He’ll be a prominent advocate for cities when there’s a growing awareness of the crucial role that metro regions play in economic growth and when local officials are not waiting on a grid-locked Washington to tackle big issues.

"Mayors are where things get done," Johnson said.

Johnson and his city should be proud that he’s the first Sacramento mayor to lead the mayors group in its 81-year history. What would be a bigger accomplishment is for Johnson to deliver as the city’s traveling salesman, while not letting his responsibilities at home slide.

See link to editorial: http://www.sacbee.com/2014/04/17/6330802/editorial-a-big-deal-for-kevin.html

Reprinted with Permission from The Sac Bee

The deadline for member mayors to submit Resolutions for Consideration at the 72nd Annual Meeting in Dallas is: May 21 at 5:00 p.m. EDT

Rules and Procedures available at usmayors.org
Carmel, Bridgeport Mayors Tout New Survey Showing Cities Cutting Carbon Emissions, Adapting to Climate Change

By Debra DeHaney-Howard and Kevin McCarty

Key Conference of Mayors’ climate leaders released a new study on Earth Day, providing data on how mayors are making progress in curbing greenhouse gas emissions and adapting their cities to climate change. Among the findings, cities operating under a mayoral pledge or formal city council action to curb carbon emissions are advancing their goals, with two-thirds reporting quantifiable reductions in emissions from city operations and one-third for citywide emissions.

Releasing results of the 282-city survey during a national press conference call, Carmel (IN) Mayor James Brainard and Bridgeport Mayor Bill Finch, Co-Chairs of the Conference of Mayors Energy Independence and Climate Protection Task Force, presented the survey findings and also offered perspectives on the nearly ten years of mayoral leadership on climate protection.

“The work of the nation’s mayors on climate protection is a tremendously positive story. It is one of leadership, it is about tangible local actions that make a difference and it is about building a better environment for our children and grandchildren and the generations that follow,” said Brainard.

Finch cited the importance of mayoral leadership on climate protection. “The survey shows how mayors are again leading on the issue, and that they are solidly behind the issue more than ever and our communities are as well. Mayors are doing many things, and I think we do many great things, but mayors can’t do everything,” he said.

“This is not a one-day, flash in the pan because it’s Earth Day. This is something that the mayors of United States have been working on in a formal, organized way since 2005 when the first mayor signed the Mayors’ Climate Protection Agreement,” said Brainard who was among the original signatories. “Today, more than 1,060 mayors have signed this Agreement.”

“When we started this effort in 2005, we thought we had more time to act … Climatic events of the last couple of years tell us we have to accelerate our efforts at every level,” he added.

The survey report, Climate Mitigation and Adaptation Actions in America’s Cities, is the latest of three reports on successful city-led efforts to curb greenhouse gas emissions and prepare for climatic events, adding to previously-released findings earlier this year on city energy efficiency and technology initiatives and how cities invested federal stimulus funds to reduce energy use, deploy new energy technologies and curb harmful energy emissions.

“While Washington is talking about cutting carbon to protect our planet, mayors and their constituents are taking action across the board with millions of Americans actually doing something about it,” said Conference of Mayors CEO and Executive Director Tom Cochran. “Our [USCM] Climate Center with 1060 mayors is leading the way and mayors across the globe are not waiting for their national governments. Others talk about the future; mayors are walking toward our future. They are making a difference. This survey proves it.”

Key Findings

Other notable findings in the report:

• Forty percent of all cities in the survey are now working with their citizens to develop a climate adaptation plan.
• More than three-quarters of all cities in the survey now have plans in place to respond to power outages.
• For cities with such plans that experienced a power outage (in the last five years), one half modified their energy emergency response plans, with another ten percent adopting an entirely new response plan.

Quantifiable Emission Reductions in Cities

Finch described how mayors are reporting quantifiable reductions in carbon emissions, citing data from his city. “After three years of our BGreen 2020 plan, we reduced emissions in the overall city by five percent, something we are really proud of. To accomplish these outcomes, the cities are engaging their citizens and businesses and their homeowners like never before. We actually formed a Conservation Corps that goes out and knocks on doors of businesses and homeowners to get them to do audits, recycle, plant trees and divert stormwater,” he said.

The new climate survey can be found online at usmayors.org/2014climatesurvey. Earlier this year, The U.S. Conference of Mayors released two related surveys, Energy Efficiency and Technologies in America’s Cities and Successful City Initiatives with Energy Efficiency and Conservation Block Grant (EECBG) Funding. Those surveys can be found online at usmayors.org/2014energysurvey and usmayors.org/2014eecbgsurvey.
In the Fight Against Climate Change, Mayors Are Leading the Charge

By Bridgeport Mayor Bill Finch, Co-Chair of U.S. Conference of Mayors Climate Protection Task Force

Posted: 04/21/2014 4:07 pm EDT

In 1970, I celebrated the inaugural Earth Day at the age of 14. I was an idealistic middle-school kid who couldn’t wait to grow up. And even then, I encouraged folks to join me and the growing chorus opposing pollution and environmental injustices.

1970 was also a year when partisan gridlock wasn’t as much of an issue in our nation’s capital. A Democratic supermajority in Congress passed a set of national standards and goals for air quality. In addition, Congress passed the National Environmental Policy Act, which forced the government to assess the environmental effects of major projects that it funds before they receive approval.

Fast-forward 44 years and a lot changed.

I’ve got four kids, and two of them are fast approaching the 14-year-old mark. And I’m the mayor of Bridgeport, Connecticut’s largest city, and also serve as co-chair of the U.S. Conference of Mayors Climate Change Task Force.

Unfortunately, another change has occurred: Despite great efforts by President Obama, Environmental Protection Administrator Gina McCarthy, and many members of Congress, partisan gridlock makes it virtually impossible to make sweeping reforms at the federal level that fight climate change.

So, it’s up to us mayors to find ways to fight climate change at the local level. And we’re doing just that. Every single day in cities across the country, mayors are making an impact by curbing emissions from transportation and energy use, reducing waste, and encouraging green business and job growth.

In Bridgeport, my administration has set out to make the Park City one of the greenest cities in America. As part of this effort, we created a plan titled “BGreen 2020.” It outlines more than sixty different ways to create green jobs, reduce emissions, and improve residents’ quality of life.

Creating green jobs. As an old industrial city, it hasn’t been easy, but we’re powering through and creating a plethora of green jobs. Our first step in doing so was to ensure we have the trained workforce that green companies need. And through a local job training program, the Workplace, we’ve trained or placed nearly 1,000 workers in Bridgeport over the last few years.

Because of this trained workforce, green companies have flocked to the Park City. In the Eco-Technology Park, Bridgeport’s hub for sustainable growth and green job creation, we’re now home to: the world’s second largest fuel cell energy plant; one of the region’s largest low-emission natural gas fueling stations; a mattress recycling plant; a company that recycles old tires and turns them into permeable pavement; and a biodiesel facility that’s currently expanding its operation.

Beating back harmful emissions. Through our BGreen 2020 plan, we’ve cut carbon emissions by 55,290 metric tons per year, which is equal to taking 11,519 petroleum fueled vehicles off the road annually.

At left, Bridgeport Mayor Bill Finch tours Park City Green, a mattress recycling facility located in the city’s Eco-Technology Park.
But it’s not just transportation where we’re beating back emissions. We’re also finding ways to cut emissions in the residential energy use category. Earlier this month, a new solar company opened its doors in Bridgeport that focuses on providing low-cost home solar options for residential properties.

And we just received approval on a plan to put 9,000 solar panels over an old landfill, which will power more than 5,000 homes with a zero-emissions energy source. We’re literally taking the sins of our past, and turning them into a green jobs creator.

Improving quality of life. We’re improving our resident’s quality of life through the creation of parks, increased recycling, and the development of green neighborhood initiatives.

Bridgeport is called the Park City, and we want to make sure we’re living up to our name. So, as part of Bridgeport2020, we created a Parks Master Plan in order to create new parks out of formerly rundown areas, blighted properties, and unused waterfront. So far, we’ve created nearly 71 acres of new parks.

We’ve also launched a robust recycling program in order to help curb waste. It’s working. Since the program began in 2011, we’ve increased participation by more than 70 percent. This increase happened in part because of the Mayor’s Conservation Corps, a cadre of young adults who canvass city neighborhoods talking to folks about recycling, stormwater management, tree planting, and offering households the opportunity to sign up for a low-cost home energy audit.

The Mayor’s Conservation Corps was originally funded by a Federal Energy Efficiency and Conservation Block Grant, but due to in part to partisan gridlock, these funds have been cut.

When I was 14, I didn’t know a lot. But I knew that everyone should do their part to fight against pollution, environmental injustice, and actions that negatively affect our planet. Now, at 58, I’m doing my part as a mayor. And I’m teaching my kids that they should fight against climate change, too.

I hope partisan gridlock in the nation’s capital doesn’t keep sweeping changes to our country’s climate change policy at bay for too long. But I’m not going to hold my breath. Until then, we mayors will keep making changes at the local level. Thankfully, we’re up for the challenge.
Tallahassee Mayor Marks, “iGrow Whatever You Like Youth Farm” Receive GRO1000 Garden and Green Space Award

By Crystal Swann

The 2,500-square-foot iGrow Whatever You Like Youth Farm expanded by an acre as a part of The Scotts Miracle-Gro Company’s and The U.S. Conference of Mayors’ nationwide GRO1000 gardens and green spaces program April 12. The expansion will include a new outdoor kitchen, a bio-digester for sustainable produce cooking and a market stand, among other features. iGrow Whatever You Like Youth Farm grows and donates food for local residents, many of whom live in a food desert, and engages with area youth to establish support for a community food system.

“Located in the heart of Tallahassee’s historic Frenchtown district, the iGrow Whatever You Like Youth Farm represents the culmination of our community’s efforts to enhance access to healthy foods, education, and overall wellness for our city’s youths,” said Tallahassee Mayor John Marks. “This project will serve as a model of what can be done when government and businesses work together with citizens to create something truly extraordinary.”

The garden dedication event took place during the first-ever French Town iGrow Food and Arts Festival. The festival was a celebration of food, community and culture as more than 50 young people taught members of the community about gardening and led tours of the community garden facilities. The festival included many activities such as cooking workshops and face painting that served to bring the community together on this special day.

GRO1000 is a national program launched by ScottsMiracle-Gro in 2011 to create more than 1,000 community gardens and green spaces in the U.S., Canada and Europe by 2018. The U.S. Conference of Mayors partnered with ScottsMiracle-Gro on the GRO1000 initiative to recognize mayors for the installation of innovative, public green spaces designed to improve our nation’s cities. The iGrow Whatever You Like Youth Farm will support Marks’ advocacy for local health and wellness initiatives, gardening and green spaces, and community education.

For more information on the GRO1000 program go to the website usmayors.org/gro1000.

Left to right, ScottsMiracle-Gro South Region President Chris Allen, Tallahassee Mayor John Marks and USCM staff member Crystal Swann present GRO1000 Garden and Green Space Award to a local community garden, iGrow Whatever You Like Youth Farm.

Tallahassee Mayor John Marks, center, and ScottsMiracle-Gro South Region President Chris Allen, right, help a youth farm plant his crop.
Stable Value Today: What Are They; How Should Performance Expectations Be Managed?

By Catherine Tocher, Great-West Financial® CFA-Senior Vice President and Chief Investment Officer

Tocher has managed money for Great-West Financial for 26 years. She manages stable value funds, insurance company separate accounts and mutual funds, including over $12 Billion of Custom Stable Value assets as of December 2013.

Stable value funds (SVF), are typically short-intermediate term, high quality, fixed income bond funds. They represent a lower risk source of diversification in a fund line-up for retirement plans and are considered a fixed income alternative to money market funds and bond mutual funds. SVF are generally viewed as a good alternative to bond mutual funds because of their investment objective to seek stable returns across various economic and interest rate environments. They are an alternative to money market funds because they typically offer higher credited rates and relatively lower risk compared to other investments generally.

How can the returns be stable AND be higher than money market fund yields through rate cycles?

Funds are “wrapped” with contracts issued by banks or insurance companies that help smooth out the returns of the underlying portfolio of bonds; losses and gains of the underlying investments are spread over the duration of the fund. The investment objective of SVF is to provide capital preservation and predictable, steady returns via the credited rate smoothing mechanism.

Today, investors may be hesitant to allocate to SVF relative to equities. It’s not surprising following a year when the S&P 500 returned in excess of 30 percent, the Barclay’s Aggregate Index returned negative -2.0 percent, and SVF credited rates ranged between 0.3 percent and 2.1 percent. However, this is comparing apples to oranges.

What is relevant is comparing SVF to money market and bond mutual funds. It is equally important to remain committed to the principles and benefits of diversification, being mindful of unique age and income based needs. Most investors should diversify across a broad range of asset classes, holding portfolios that include stocks and bonds as well as lower risk investment choices like SVF. Quantifying the impact of diversification through market cycles highlights the potential benefits, with 2008 representing a worst-case scenario for many portfolios that held a significant equity concentration.

What I get asked most often is, when are crediting rates going to increase … meaningfully?

We believe that there may be a gradual upward movement in interest rates as the underlying strength developing in the U.S. economy flows into higher real growth this year. Household net worth has largely recovered, quality of consumer and corporate balance sheets has improved significantly, and gains in real GDP inputs are solid so that it is our opinion real growth has upside potential relative to forecasts.

Because corporate balance sheets are healthy, because consumers have deleveraged, and because there is increasing access to credit, I believe real demand will support higher than expected growth in 2014. Offsetting higher interest rates is a tighter spread environment so that increasing earned rates in a portfolio will be a very gradual outcome of rising Treasury rates. The composition of SVF, as well as cash flow generated from the SVF that will participate in a rising rate envi-

See RETIREMENT on page 12
environment, are factors that also determine credited rate movements.

Why SVF today?

An investor nearing retirement or in retirement may want to preserve principal and minimize risk. SVF may be more appealing to this type of investor for several reasons. SVF are typically less expensive relative to bond mutual funds, they can be used as a low risk tool to diversify overall portfolio risk, and credited rates typically do not fall below 0 percent. The SVF crediting rate smoothing formula relative to the actual return earned on a bond mutual fund, which can be negative in a rising interest rate environment, may also be more appealing for these types of investors.

In a rising rate environment, managing duration exposure and cash flow reinvestment is critical to performance. With an improving economy as a backdrop, the Federal Reserve Board taper program underway and the Federal Funds rate expected to increase in 2015, opportunities to increase yield and SVF credited rates will grow. Current positioning is important so that cash and SVF cash flows can be targeted to these opportunities, participate in the higher rate environment, and grow asset balances over time.

The United States Conference of Mayors announced that in October 2012 its new USCM Retirement Program with Great-West Financial. This new program brings, for the first time, widespread fee savings and transparency to cities and municipal entities of all sizes in the 457(b) deferred compensation market, coupled with a best-in-class plan design. For more information, go to the website www.USCM-retire.org/transition or call 1-888-303-USCM(8726).

USCM on the WEB

usmayors.org

Calendar of Events

(Updated 04/23/14)

June 20-23
82nd Annual Conference of Mayors, Dallas. Contact: Carol Edwards cedwards@usmayors.org / 202-293-7330. Sponsorship: Geri Powell gpowell@usmayors.org / 202-861-6774. Registration Open at usmayors.org

USCM Community Policing Meeting at Clinton Presidential Center, and USCM Ports/Exports and Imports Meeting, Little Rock
• Community Policing: October 8-9
• Ports/Exports and Imports: October 10
  Contact: Carol Edwards cedwards@usmayors.org / 202-293-7330. Sponsorship: Geri Powell gpowell@usmayors.org / 202-861-6774. Registration Available Soon

October 15-17
Municipal Waste Management Association (MWMA) Fall Summit, San Diego. Contact: Jubi Headley jheadley@usmayors.org / 202-861-6798. Registration Available June

September 27-29
Fall Leadership Meeting, Sacramento (USCM Executive Committee, Advisory Board, and Chairs Only). Contact: Carol Edwards cedwards@usmayors.org / 202-293-7330; Sponsorship: Geri Powell gpowell@usmayors.org / 202-861-6774. Registration Available in July

For updates or changes, check our web site at usmayors.org
Cities Launch Local Financial Literacy Initiatives for DollarWise Month

By James Kirby

Cities across the nation have signed on to participate in DollarWise Month. Every April, DollarWise asks mayors to launch local initiatives that provide financial literacy training to their citizens and spread awareness on the importance of financial empowerment. This year, mayors and their cities are going above and beyond, creating successful events that greatly benefit their communities. The following are examples of participating cities and their initiatives:

**Charlotte** launched its second annual Career Discovery Day on April 9, where 4,000 youth had the opportunity to meet with local employers in the private, public, and nonprofit sectors, and sign up for summer jobs. DollarWise participated in an onstage question and answer session and discussed the importance of saving for the future. DollarWise also encouraged youth to participate in the 2014 Summer Youth Jobs Contest.

**Doral** Mayor Luigi Boria will sit down with residents for coffee and conversation on April 26 to discuss the importance of personal and family financial responsibility. Boria will highlight helpful year-round financial education programs. Participants will also have the opportunity to meet with experts on financial issues and gain important knowledge on topics, including how debt works and how to stay away from it.

In **Los Angeles**, the city has been working with its libraries to launch four financial education events for its residents, every Saturday, from April 5 – 26. At these events, residents gain free access to financial workshops, tax preparation services, credit counseling, student financial aid assistance, and public benefit screening and enrollment.

**Palm Bay** is collaborating with local partners including CareerSource Brevard and the Greater Palm Bay Chamber of Commerce to launch its first summer youth employment program - Juniors to Jobs. Palm Bay Mayor William Capote read a special proclamation in support of the campaign during an April 10 city council meeting. “No matter where we are as people, we can begin working toward a more secure financial future,” Capote said.

DollarWise will continue to launch financial literacy programs throughout the year and encourages mayors and their cities to provide financial education opportunities to their residents.

For more information on DollarWise Month and the DollarWise Campaign, visit the website [www.bedollarwise.org](http://www.bedollarwise.org), or contact Program Manager James Kirby at jkirby@usmayors.org.

Four Thousand youth attend Charlotte’s 2nd annual Career Discovery Day on April 9.
city staff from Lima, New York and Balti-
more to meet with White House Intergov-
ernmental, the Council for Environmental
Quality (CEQ) and the Environmental
Protection Agency (EPA) on April 21 to
discuss the issue of affordability and com-
pliance with unfunded mandates.
Berger, Cochran, and the other del-
egates praised the work that EPA was
already doing with local governments as
it related to green infrastructure, integrat-
ed planning, and a soon-to-be-released
document determining the financial capa-
bility of local governments to comply with
Clean Water Act regulations. They advo-
cated that this work be fully supported
and potentially expanded to other issue
areas as well.
Berger and the delegates from Bal-
timore and New York shared informa-
tion regarding how the costs for capital
investments and operations for water and
wastewater infrastructure and compliance
with unfunded mandates were impacting
the pocketbooks of their citizens. They
were there representing small, large, and
a very large city that all shared a com-
mon problem – how to raise all the funds
necessary to comply with their basic
water and wastewater needs, comply
with existing and future mandates, and to
do so in a way that would not be unaf-
fordable to their low and middle income
ratepayers.
In 2010 alone, local governments
spent $115 billion on operations, main-
tenance, and capital investment for their
water and wastewater infrastructure
needs while at the same time, the federal
government gave approximately $2 bil-
on of grants to states who lent out the
money to local governments. Confer-
ence of Mayors research shows that cit-
ies have been spending more and more
money each year on water and waste-
water issues while the federal government
contribution has remained the same. The
research also indicates that projected
spending for water and wastewater from
2009-2028 will be anywhere from $2.5
trillion - $4.8 trillion. This money is mostly
raised from municipal bonds and paid for
by rate-payers.
The cities indicated that this is poten-
tially an unsustainable path. Cochran
said, “We need to reestablish the federal-
state-city partnership when dealing with
not only clean water issues but the way
we deal with implementing policy and
programs that impact our cities and even
more importantly, our citizens.”

WASHINGTON OUTLOOK

UNFUNDED
MANDATES
from page 1

COCHRAN
from page 9

John Podesta as he outlined to a broad
group the Obama Administration’s actions
and plans in the coming months.
Later in the day, I joined White House
staff Rohan Patel and representatives
from the State Department, HUD, Energy
and EPA as we drilled down on how we
can work together on a number of issues.
There will be a Climate Assessment
release May 6. And in September, as I
announced earlier to our Leader-
ship, a September summit called by UN
Secretary General Ban Ki-moon in New
York City for U.S. mayors and other may-
ors from across the globe to engage on
the climate issue. I have had conversations
with UN Habitat Executive Director Joan
Clos and have given him our support to
the UN Secretary’s efforts. The fact is that
mayors throughout the world are doing a
great deal toward cutting carbon issues.
They refer to us as “subnational” and we
are. We are active subnationals while
the nationals, the Presidents, the Kings,
Queens and Prime Ministers meet and
talk but can’t seem to come up with an
agreement or even a pledge to sign.
Meantime, as witnessed today, may-
ors continue to lead, to pledge among
ourselves with American mayors and
work with our counterparts in other
nations to share as we walk our way
with millions of followers who are chang-
ing their behavior because they believe
they must do what they can to save our
planet for our children, grandchildren,
and future generations.
We thank all the mayors who are
active in our Climate Center and who
took the time to respond to this significant
survey. Together, mayors will continue to
make a difference.

Dallas – 82nd Annual
Conference of Mayors in
June

Host Mayor Mike Rawlings continues
to update us on what is sure to be a meet-
ing all mayors will want to attend. And
we are working with our new President
Mayor Kevin Johnson. He supports a
meeting that will stress innovations and
provide opportunity for mayors to come
together and have “takeaways” to bring
back to their cities.
Big D is ready. It’s going to be a whop-
er of a meeting in Dallas and you need
to be there. If you have not yet registered,
do so now at usmayors.org/registration
or call Carol Edwards at 202-293-7330.
Spring is a time when we all focus a little bit more on the environment. April is Earth Month globally and here in the states, a number of state-by-state initiatives celebrated Earth Day on April 22. The Environmental Protection Agency (EPA) recommended 30 steps individuals could take in April and beyond to make a difference. Recycle and reuse made EPA’s list in the traditional sense, but at DuPont, we’re applying our science to a broader application of these sustainability principles — renewable fuels.

Six years ago, Congress enacted the Renewable Fuel Standard (RFS), which set us on a path toward cheaper, more diverse and cleaner fuels. In the years since, the RFS has made homegrown renewable fuel ten percent of our nation’s gasoline supply, lowered greenhouse gas emissions by 33.4 million metric tons, added $500 billion in value to America’s farmlands, lowered gas prices by $1.09 per gallon and created a real choice for consumers at the pump.

2014 is the year cellulosic biofuel technology becomes real as commercial volumes come online. Across the United States and around the world, innovative companies are investing heavily — to the tune of over a billion dollars of private capital — to build the first wave of commercial scale facilities. Steel is in the ground, and construction workers and farmers are on the job. These plants will be producing renewable fuels from a wide variety of cellulosic feedstocks, including corn stover, switchgrass, wheat straw, municipal solid waste and wood fiber.

In DuPont’s case, we will open a $200 million plus cellulosic ethanol facility that will produce 30 million gallons of fuel each year. Located in Nevada (IA), the plant will create approximately 85 full-time permanent jobs and more than 1,000 construction jobs. By purchasing the corn stover from surrounding farms, the project will provide a new source of income to more than 500 local farmers and also employ 150 local seasonal workers to collect, transport and store the feedstock.

From the outset, DuPont has strived to develop a cellulosic technology that would be a step change in terms of environmental impacts. The cellulosic plant DuPont is currently building in Iowa will be greenhouse gas (GHG) neutral — or in other words: our supply chain meets a standard that other industries cannot meet. It is fully sustainable. A peer reviewed life cycle assessment from field to wheel of the DuPont cellulosic biorefinery and supply chain indicates a potential greater than 100 percent reduction in GHG emissions compared to gasoline.

In addition to these benefits, corn stover is so abundant that partial removal of this residue has been shown to have positive agronomic benefits for growers. DuPont is also testing and developing switchgrass at our Vonore, TN piloting facility as well as bagasse, a by-product of sugarcane processing.

Renewable fuels, produced at high-tech, sustainable facilities like the one in Iowa, embody the spirit of Earth Month and Earth Day year round by recycling and reusing existing agriculture material for fuel. DuPont is committed to applying our science to help solve some of our biggest challenges, such as fueling our active communities while protecting the environment for the future.
82nd Annual Conference of Mayors
IN DALLAS
June 20-23

HIGHLIGHTS:

Friday Night:
• AT&T (Cowboys) Stadium – Performances by The Dallas Cowboy Cheerleaders, Asleep at The Wheel, and Leann Rimes

Saturday Night:
• Perot Museum of Nature and Science, and Klyde Warren Park – Barbeque Feast and Performance by Grammy Award Winning Lyle Lovett and His Full Band

Sunday Night:
• Arts District and Once-in-a-Lifetime Concert by Grammy Award-Winning Bonnie Raitt

Monday Night:
• Dallas Arboretum and Botanical Gardens – Backyard Bash

Registration Now Open at usmayors.org

Registration Contact: Carol Edwards 202-293-7330
Sponsorship Information: Geri Powell 202-861-6774
Do Your City’s Benefits Need a Makeover?

Save Money, Give Your Benefits Package A Fresh New Look With Voluntary Products

By Carey Adamson, Colonial Life and Accident Insurance Company

Voluntary products, employee-paid insurance plans that supplement core medical benefits, have been around for decades. Most employers now offer at least one or more of them in their benefits packages. In 2012, 77 percent of companies with ten or more employees offered at least one voluntary benefit.1

However, as health care costs and medical insurance premiums continue to climb, many employers have started to look again at this classic solution. In fact, a Towers Watson survey of employers showed 21 percent of companies planned to reexamine voluntary benefits last year, and nearly half of them (48 percent) plan to do so by 2018.2 Voluntary benefits offer many advantages that can help employers cope with some of their most pressing issues.

Voluntary benefits help employers control costs

To keep insurance premiums for medical coverage affordable, many employers have moved to high-deductible health plans. In fact, the percent of employees enrolled in a health plan with at least a $1,000 deductible has more than tripled since 2006.3 The downside of this strategy is the large financial exposure gap it creates for employees faced with significant potential out-of-pocket costs. Adding voluntary coverage that helps bridge this gap is a cost-effective solution. In fact, many employers find they can even pay for this additional coverage for their employees and still save money compared with their previous major medical costs.

Voluntary benefits allow employers to expand their benefits packages

Instead of cutting coverage, many employers find a better, more effective, option is to move noncore benefits to employee-paid voluntary products. This strategy allows companies to continue offering a comprehensive benefits package that may be a differentiator as other employers cut back coverage or even stop offering major medical insurance.

Voluntary benefits give employees access to expanded options to meet their unique family situations, and the coverage is typically more affordable than employees could obtain themselves outside the workplace. There’s no direct cost to employers because employees choose and pay for the coverage they want. Employees gain access to coverage that meets their individual needs and fits their lifestyles. In fact, the personalization offered by voluntary benefits is one of the primary reasons employers say they offer them.4

Demographic shifts in the workforce demand choices only voluntary benefits can provide

Today’s workforce is more diverse than ever before. The one-size-fits-all benefits plans of the past just don’t work any longer. Employers can better attract and retain top talent by offering a menu of voluntary benefits employees can customize and personalize to meet their unique needs. Voluntary benefits offer the key advantages of choice, cost and convenience today’s workers are looking for.

Voluntary benefits increase workplace satisfaction

When employees feel good about their benefits packages, they tend to feel better about their workplace, according to a Unum study. More than three-quarters (78 percent) of employees who rate their benefits package highly also rate their employer highly.5 Nearly half who rate their benefits package as fair or poor also rate their employer the same way.

Even when employees pay for benefits themselves, they still highly value them. The same Unum study showed that employee satisfaction with their employers is 23 percentage points higher in companies that offer voluntary benefits.

Communication about benefits may be more important than the benefits themselves

The Affordable Care Act has created lots of changes in employee health coverage and their benefits packages. That’s why effective benefits communication is more important than ever. Employers nearly unanimously agree it’s important for employees to understand their benefits; 89 percent say it’s very important.6 Yet less than half of employers believe their employees actually have a good understanding of their benefits.7 Without a strong benefits communication plan, employees won’t understand their options or appreciate the investment their employer is making. Employees are also much more likely to engage and accept changes if they understand the reasons behind them.

Few employers have the resources to handle benefits communication themselves, and using enrollment firms only adds to their costs. Fortunately, these services are available at no direct cost to the employer from some benefits providers. Educating employees about the myriad benefits choices available to them and how to select the benefits that work best for their lifestyles takes expertise. Employers that want to outsource this service should consider vendors that take a personal approach to benefits counseling. Employee satisfaction rates with this type of service can be impressive. In fact, 97 percent of employees in a post-enrollment survey by Colonial Life say one-to-one benefits counseling improved their understanding of their

See MAKEOVER on page 18
benefits, and 98 percent say this type of communication is important.8

Spruce up your benefits package with voluntary plans
Perhaps you added a voluntary product to your city’s benefits plan years ago. Or maybe you’ve considered doing so but haven’t taken action yet. Voluntary benefits offer a number of tried-and-true advantages that can make your benefits package fresh and attractive.

About Colonial Life
Colonial Life and Accident Insurance Company is a market leader in providing financial protection benefits through the workplace, including disability, life, accident, cancer, critical illness and supplemental health insurance. The company’s benefit services and education, innovative enrollment technology and personal service support more than 80,000 businesses and organizations, representing more than 3 million working Americans and their families. Colonial Life serves more than 9,000 public sector entities and nearly 500,000 public sector employees.

More than 7,500 career agents work for Colonial Life in one of the fastest growing segments of the insurance industry. The company has received national recognition for its excellent sales training programs, and annually receives national recognition as brokers’ partner of choice in the workplace benefits market.

To learn more about how your city can benefit from the Colonial Life partnership, contact Jen Mosca at jmosca@usmayors.org or Jeff Bean at jbean@usmayors.org or visit the website www.ColonialLife.com

6 International Public Management Association for Human Resources survey, September 2011.
The DollarWise Campaign invites cities and their summer youth jobs programs to participate in the 2014 DollarWise Summer Youth Jobs Contest. Last year, over 1,500 youth participated in the financial education contest, more than double the number from 2012. Eighteen youth from cities across the nation won iPads, Kindles and iPod Shuffles. Mayors were invited to present prizes to winning youth. The contest was run with assistance from the Mayors’ Workforce Development Council whose members implement summer youth employment programs each year.

Youth are again invited to complete a set of five financial education modules with important information that will help youth to save for their future. DollarWise has partnered with BetterMoneyHabits.com to provide the contest curriculum. The five modules include information on: general better money habits, how to set a budget, credit and debit cards, how interest works, and easy ways to save money.

Upon completing each module, youth will be entered into a weekly raffle where three selected participants will win an iPad, Kindle, or an iPod Shuffle. Raffles will be held every Friday at 5pm (ET) beginning June 27, and ending July 25. The direct link to register online for the contest is: www.bedollarwise.org/syc. Youth can also register though the DollarWise website: www.bedollarwise.org. Please note that youth are able to complete all modules at any time.

In the sixth week, youth will also have the opportunity to win an iPad, Kindle, or iPod Shuffle by participating in the DollarWise Video Contest. Participants will be asked to submit a video via email or on the DollarWise Facebook page (facebook.com/bedollarwise) to qualify. The video should highlight the youth’s summer job experience and describe how the DollarWise contest helped them to manage their money and save for their future. All videos are due August 1.

To register your city for the contest:

• Fill out the online registration form (here);
• Incorporate financial education into your summer youth jobs program;
• Distribute Summer Youth Jobs Contest flyers, and material on how to participate, to youth in your program;
• Encourage youth in your program to register for the Summer Youth Jobs Contest and complete all online sections via the DollarWise website: http://www.bedollarwise.org
• Agree to be part of a quick survey at the end of your summer youth jobs program to assess the effectiveness of the DollarWise Campaign;
• Agree to be a part of a U.S. Conference of Mayors publication promoting your summer youth jobs program and the DollarWise Campaign; and

Flyers and other promotional material will be provided to all summer youth job directors. Programs that wish to supplement prizes for participating youth from their own areas are encouraged to do so, but this is not required. We encourage programs to include short financial education sessions during orientation of their summer programs, and ask youth to set a summer savings goal. We also urge you to develop a program that helps explain what is “in” their first paycheck, e.g. take home pay, federal and state withholding, etc.

In 2013, Baltimore and Wichita hosted their own citywide contests, in conjunction with the national DollarWise contest, to provide youth with further opportunities to save for their future. Programs are again invited to create their own contests, and DollarWise is happy to speak to program directors about participating in this capacity.

For more information, visit the DollarWise website, or contact DollarWise Program Manager James Kirby at jkirby@usmayors.org.
Thank You Scott Smith
MAYOR OF MES A
71st President of The United States
Conference of Mayors
2013-2014