

Strategic Plan Update

FISCAL YEAR 2003



NATIONAL LEAGUE OF CITIES

A Message from the NLC Leadership

November 2002

Dear Local Leader:

We are pleased to present this updated Strategic Plan for the National League of Cities (NLC) which provides both a summary of our accomplishments for fiscal year 2002 and an outline of our major priorities for fiscal year 2003. This plan was adopted by the NLC Board of Directors at the same time it adopted the \$15.9 million FY 2003 budget.

As your outgoing President for 2002 and your incoming leader for 2003, we share a sense of **satisfaction** about our accomplishments in the just completed fiscal year and a renewed **commitment** to and **optimism** about our work in the coming year.

It has been a challenging year for both America's cities and towns and for your national organization. But America's cities and towns and the National League of Cities met those new challenges with skill, competence, and commitment.

In fiscal year 2003, we will focus on:

- Strengthening NLC's **effectiveness as the advocate** for America's cities and towns in Washington, DC;
- Launching a broad leadership agenda on **successful early childhood**;
- Ensuring that cities and towns have the resources and federal support they need to carry out their role as the **front line of hometown security**;
- Continuing to enhance NLC's visibility, stature, and credibility as **the voice of America's cities**;
- Building new **relationships with corporate America** to support the NLC agenda; and
- Continuing to **strengthen the NLC membership base** working in partnership with the 49 state municipal leagues.

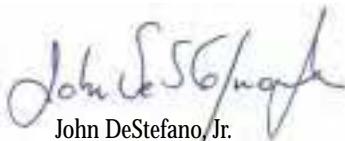
As we begin this new fiscal year, our finances are strong. Our partnership with the state municipal leagues is solid. And our commitment to strengthening and promoting cities as centers of opportunity, leadership, and governance is stronger than ever.

We thank you for your commitment and your support and look forward to your continuing involvement in NLC's work during the coming year.

Sincerely,



Karen Anderson
President
Mayor, Minnetonka, Minnesota



John DeStefano, Jr.
First Vice President
Mayor, New Haven, Connecticut



About the National League of Cities Strategic Plan

The National League of Cities is the oldest and largest national organization representing municipal governments throughout the United States. Its mission is to ***strengthen and promote cities as centers of opportunity, leadership, and governance.***

Working in partnership with 49 state municipal leagues, NLC serves as a national resource to and an advocate for the more than 18,000 cities, villages, and towns it represents.

In 1998, NLC adopted a strategic plan that refined the organization's mission and established core beliefs and key objectives to guide its work in the coming years. The **core beliefs** serve as guiding principles for all activities. NLC believes in:

- ✓ Representative, participatory local government.
- ✓ Local government as the cornerstone of government in the United States.
- ✓ The value of public service.
- ✓ The value of diversity throughout our organization and our communities.
- ✓ Municipal authority over municipal issues.
- ✓ A commitment to the highest ethical standards among public officials.
- ✓ Civility and mutual respect.
- ✓ Anticipating the needs of communities and developing strategies to meet those needs and improve the quality of life.
- ✓ Partnerships, coalitions, and collaborations to strengthen cities and our advocacy efforts.

NLC's work continues to be organized around five **key objectives**.

- *To develop and advocate policies that strengthen and support cities.*
- *To strengthen the ability of city officials to serve their communities.*
- *To retain and expand membership by delivering innovative, effective, and quality services.*
- *To promote the image and enhance the stature and influence of NLC and the municipalities it represents.*
- *To provide an organizational structure that is flexible, efficient, and responsive to the diverse needs of municipalities and state municipal leagues.*

Major Accomplishments in Fiscal Year 2002

NLC began fiscal year 2002 with a new focus on **hometown security** and a **renewed commitment to fundamental agendas** that somehow seemed even more important in the aftermath of September 11 – protecting local interests in Washington, ensuring race equality, building quality communities, strengthening NLC’s capacity as a major resource to cities on youth, education, and families issues, and enhancing NLC’s image and stature.

The following sections highlight results of our efforts in fiscal year 2002.

Homeland Security

Goal: Lead local efforts to respond to the September 11 attacks by providing resources to city officials and influencing the federal government on decisions that will affect cities and towns.

Results: Through the leadership of a special Working Group on Homeland Security, NLC published **two guidebooks** on homeland security and a set of “lessons learned” from emergency responders in New York City. NLC established itself as **the source of information** on local responses, approaches, needs, and challenges through a series of surveys, the work of the homeland security committee, and ongoing input from city leaders. In addition, NLC built a positive working relationship with the White House Office of Homeland Security which has been the lead agency on homeland security planning and response. Despite aggressive lobbying on behalf of cities and towns, the results from the federal government were disappointing. Congress adjourned in October without passing legislation to appropriate funds for the highly-touted first responder initiative or to create a one stop Cabinet level Department of Homeland Security.



Advocacy in Washington

Goal: Protect local interests in Washington through high visibility lobbying based on policy guidance in the member-developed *National Municipal Policy*.

Results: A sharply divided and highly partisan Congress stymied significant results on many of NLC’s highest priorities this year. NLC continued to battle efforts to preempt local authority in the areas of telecommunications, international trade agreements, collective bargaining, and land use. The failure to act on nearly all of the appropriations bills surprisingly provided some positive results for cities. For example, the continuing resolution that has kept the federal government operating includes continued funding for the Community Oriented Policing Services (COPS) program and the Local Law Enforcement Block Grant program – both of which were targeted for cuts in the FY 2003 budget. **The bottom line** -- the highly partisan Congress adjourned for the mid term elections without doing any major harm to essential local programs.



Youth, Education, and Families

Goal: Confirm NLC's presence as a major resource on youth, education, and families issues.

Results: An 81 percent increase in foundation funds to support NLC's Institute for Youth, Education, and Families – from \$900,000 in FY 2002 to more than \$1.3 million in FY 2003 – establishes a strong financial foundation for information, technical assistance, and networking in five core program areas – education, youth development, early childhood development, safety, and family economic security. Partnerships with other organizations committed to youth issues, a successful *Your City's Families* conference, and a new agenda on **successful early childhood** all add to NLC's strong presence and enhanced capacity on youth, education, and family issues.



Race Equality

Goal: Maintain the focus and continue to build the commitment among city leaders to eliminate racism in America once and for all.

Results: High-visibility events such as a program at the Martin Luther King Historic Site in Atlanta which drew a diverse group of 1,200 delegates to the 2002 Congress of Cities and the third annual race equality week, combined with new publications for city officials and a multi-year grant from the Ford Foundation, have kept this agenda front and center among city officials and NLC leaders. Concrete results beyond a continued willingness to participate in NLC-sponsored events, however, are difficult to measure at this juncture. NLC's new Ford Foundation project, which provides funding for a full-time staff person, will focus on identifying local approaches that produce measurable results.



Building Quality Communities

Goal: Increase local attention to the importance of making local land use decisions "by choice not by chance."

Results: NLC President Karen Anderson carried the message of making land use decisions by choice not by chance in speeches and meetings – both nationally and internationally. In addition, a year-end President's Summit brought together local officials with key groups who are involved in land use decisions and regional partnerships that affect the quality of life in America's communities. The 11 organizations that joined NLC at the summit left with a commitment to continue their efforts to find "common ground" around land use decisions and to work together to promote effective strategies for overcoming local land use conflicts and building quality communities.

Media Outreach

Goal: Enhance NLC's image and stature through a revitalized media communications program.

Results: From homeland security to city fiscal conditions to e-government, NLC has increased its visibility as the voice of America's cities. A two-day meeting of the Working Group on Homeland Security in New York City drew nearly non-stop media coverage. Findings from NLC's homeland security and fiscal surveys have been cited frequently in the national media including *USA Today*, the *New York Times*, *Wall Street Journal*, CNN, and C-Span. An NLC survey on the usefulness of the federal Homeland Security Advisory System was cited by the national media as evidence that the new system was being used less than some would hope **and** by the White House as evidence that cities were responding to the system's guidance. And, a special Board of Directors training session using a nationally known media consultant provided a framework for communicating NLC messages clearly and consistently through use of "message boxes."



Technology

Goal: Help smaller communities become "e-cities."

Results: NLC and the National Association of Counties (NACo) joined together in a partnership with IBM to offer a range of hosted e-government tools. The tools help small communities create a basic web site which serves as the framework for more sophisticated e-government tools to conduct city business on line. About 100 cities are now using the basic Web builder that provides a hosted Web site for small communities that previously had no Web presence. While the response to the new resources has been slower than expected, NLC, IBM, and NACo remain committed to identifying and offering new resources that will help small cities become "e-cities."



Membership

Goal: Continue to grow the NLC membership base to strengthen the NLC voice and provide financial stability.

Results: Despite a softening economy, revenue from NLC member dues exceeded expectations by nearly five per cent. At the same time, the total number of member cities decreased in FY 2002 largely because of drop offs in very small communities who had generally been involved in NLC for less than a year. NLC's member penetration in populations over 50,000 remains strong.



Financial Stability

Goal: Ensure a solid financial base to continue to carry out the Strategic Plan objectives.

Results: NLC will finish fiscal year 2002 with a year-end balance of \$115,000 in revenue over expenses – exceeding the Board-adopted target of \$111,255. Higher-than-expected revenue from member dues and from NLC’s ownership position in the headquarters building, combined with savings in conference expenditures to offset lower-than-expected attendance in the post-September 11 environment and overall control of expenditures, contributed to the positive year-end fiscal results.



About NLC’s Financial Structure

NLC is a not-for-profit corporation that provides services to cities and city officials through a budget that is developed and approved annually by the NLC Board of Directors. A Finance Committee of the Board, chaired by the NLC Second Vice President, provides oversight of NLC financial operations based on a series of financial objectives. In fiscal year 2003, a staff of 102 full- and part-time employees will carry out the operating budget.

The fiscal year 2003 operating budget projects \$15.9 million in revenue and \$15.7 million in expenditures to achieve a net of \$161,405. Nearly 60 percent of NLC’s operating revenue in 2003 will come from membership dues and fees related to the two national conferences. Grants and contracts now provide 14 percent of the total operating revenue. Other sources of revenue include service fees, income from the NLC headquarters building in Washington, DC, and the sale of NLC products and services including Leadership Training Institute seminars.

Major Priorities for Fiscal Year 2003

The budget, which was adopted by the NLC Board of Directors in July 2002, provides eight major organizational priorities. They are:

- ❑ ***Enhance NLC's effectiveness and influence as an advocate for cities and towns on federal issues.*** A new advocacy action plan will guide NLC's work this year on this top organizational priority. The focus will be on creating clear advocacy messages, establishing strong connections between influential legislators and city officials, and encouraging regular grassroots lobbying on issues that matter to America's cities and towns.
- ❑ ***Launch a broad leadership agenda on successful early childhood.*** The Advisory Council shaped this priority in FY 2002 through its futures process. NLC will leverage the resources and expertise of the Institute for Youth, Education, and Families to implement the agenda in FY 2003.
- ❑ ***Sustain NLC's leadership efforts on the building quality communities and race equality agendas.*** Foundation funds will enhance NLC's capacity to sustain these leadership agendas in FY 2003. A Ford Foundation grant will emphasize concrete research on successful approaches to reducing racism. And a member research panel will continue to guide NLC's work on building quality communities drawing on the commitments that emerged at the 2002 President's Summit.
- ❑ ***Continue to provide resources, guidance, and effective advocacy and lobbying to support local roles in ensuring hometown security.*** The Working Group on Homeland Security will continue to serve as NLC's front-line resource on this important priority focusing on both providing resources to cities and towns and advocating for federal funds and a true intergovernmental partnership.
- ❑ ***Launch a new partnership with corporate America to generate revenue and create mutually beneficial program connections.*** The new corporate partners program will create more substantive connections with interested corporations to support NLC programs. Clear guidelines developed by the NLC Board will maximize the potential value of corporate partnerships while guarding against corporate influence on NLC policy positions.





- ❑ ***Continue to build the NLC membership base by focusing on both recruitment of new city members and retaining the existing base.*** Building NLC's membership base is essential for two reasons – to enhance NLC's stature and credibility as **THE** voice of America's cities and towns and to provide significant operating revenue. Enhanced activities at the Congress of Cities for first-time attendees and recognition of long-standing member cities are two examples of new approaches to retaining existing member cities.
- ❑ ***Strengthen NLC's two annual conferences as the most important national gatherings of local officials and as major sources of operating revenue.*** The focus in FY 2003 will be on enhanced marketing and a renewed emphasis on high-quality programming to ensure that more city officials connect with NLC and with each other at these two national events.
- ❑ ***Continue to strengthen NLC's visibility, stature, and credibility as the voice of America's cities through enhanced connections with the media.*** Use of carefully crafted media message boxes, ongoing outreach to build solid relationships with the media and opinion leaders, and effectively designed grassroots media events to call attention to key priorities will guide NLC's work on this priority.



Strategic Plan Tactics

In addition to the eight organizational priorities, NLC will focus on a range of programs and services designed to carry out the five key objectives. Each objective also includes a series of “ongoing commitments” that reflect directions established in 1998 by the Strategic Planning Committee and that continue to guide work on each objective.

Objective I: To develop and advocate policies that strengthen and support cities.

Ongoing Commitments

- Ensure that NLC’s policy process is inclusive, meaningful, and accessible.
- Connect and interpret the impact of federal policies on local government.
- Establish partnerships and coalitions that strengthen NLC’s lobbying efforts.
- Be proactive in influencing federal action on behalf of cities and towns.

FY 2003 Priorities

- Develop and broadly publicize a well-articulated and strategic federal advocacy agenda in January reflecting key priorities for America’s cities.
- Heighten the profile of NLC’s federal advocacy agenda through news events and targeted local media campaigns designed to educate political leaders, opinion makers, and the public.
- Maximize the value of the Congressional City Conference as a lobbying tool.
- Launch a program to recognize Congressional leaders for their efforts on behalf of cities and towns through a “legislator of the year” award.
- Use NLC’s new database of connections and contacts to maximize the value of local-federal relationships to advance NLC’s advocacy priorities.
- Bring NLC leaders to Washington to meet with Congressional delegations, testify, draw attention to, and achieve positive outcomes on agreed-upon priorities.
- Continue to strengthen the NLC-state municipal league advocacy team through communications, partnerships on high priorities, and regular feedback on joint efforts.
- Involve city officials more regularly in NLC’s federal advocacy efforts.





Objective 2: To strengthen the ability of cities to serve their communities.

Ongoing Commitments

- Identify emerging issues and develop resources for local use.
- Develop effective leadership through education and training.
- Provide technical assistance and information resources to better serve cities.
- Promote the value of public service.

FY 2003 Priorities

- Expand NLC's awards and recognition efforts.
- Support three key leadership agendas - future of municipal finance, building quality communities, and successful early childhood - through the work of the Municipalities in Transition Program and its three panels.
- Enhance awareness of, access to, and use of the Examples of Programs in Cities Database as a tool for sharing information about successful programs.
- Sustain NLC's high visibility work on race and ethnic relations focusing on examining successful models of promoting racial justice and equality and communicating about those models.
- Strengthen NLC's support to cities on international issues.
- Continue to provide site-specific assistance to individual cities on topics related to school improvement, after-school programming, and innovative job creation strategies for hard-to-employ residents.
- Continue to improve the quality of programming at NLC's two national conferences.
- Continue to help city officials enhance their leadership skills through the Leadership Training Institute.



Objective 3: To retain and expand membership by delivering innovative, effective, and quality services.

Ongoing Commitments

- Continuously identify the wants and needs of member and non-member cities.
- Develop ongoing member marketing initiatives with state municipal leagues.
- Offer networking, educational, and motivational opportunities and meetings.
- Demonstrate the value of city membership for elected and appointed officials.
- Increase opportunities for ownership, participation, and input from officials in member cities.
- Create opportunities for NLC constituency groups to contribute to the NLC mission.

FY 2003 Priorities

- Strengthen the NLC-state municipal league partnership through ongoing communication and focused training, technology, research, and entrepreneurial program collaborations.
- increase city official participation in both national conferences as a way to connect with NLC and increase the value of NLC membership.
- Develop new strategies for connecting with newly-elected officials and first time attendees at national conferences.
- Establish two new member councils to respond to special interests of city leaders from central cities and inner-ring suburbs.
- Increase participation and engagement by mayors from large cities in carefully selected roles that build connections with large cities and maximize their visibility and clout.
- Consolidate and shorten membership and other written and Web-based marketing materials and put more publications on the Web site for easy access.



Objective 4: To promote the image and enhance the stature and influence of NLC and the municipalities it represents.

Ongoing Commitments

- Develop and implement an ongoing communications plan.
- Emphasize the value of media outreach to support the NLC agenda.
- Use technology to enhance communications.

FY 2003 Priorities

- Strengthen NLC's visibility and influence through a series of carefully designed, high-visibility media campaigns.
- Heighten the profile of NLC's federal advocacy agenda through news events and targeted local media campaigns.
- Create newsworthy messages each month on key issues.
- Leverage NLC resources as well as the expertise of member city officials and their governments in publicizing municipal issues in the national and local press.
- Continue to develop contacts in the media and partner organizations to increase NLC's identity as the leading advocate and source of information for American cities and towns.



Objective 5: To provide an organizational structure that is flexible, efficient, and responsive to the diverse needs of municipalities and state municipal leagues.

Ongoing Commitments

- Maintain a balanced budget, adequate reserves, an effective organizational infrastructure, and an excellent, diverse staff.
- Continue the excellent relationships with state municipal leagues.
- Continue to implement and update this Strategic Plan.

FY 2003 Priorities

- Increase net revenue from NLC's two national conferences.
- Create a new corporate partners program to produce net revenue to NLC.
- Continue to ensure that NLC recruits and retains a talented and diverse staff.
- Upgrade and enhance NLC's technology systems to provide efficient online information sharing both internally and externally; and
- Publish an updated Strategic Plan and use the NLC Web site to communicate with members about the plan.



Tell Us What You Think

The NLC Strategic Plan is a living document that is designed to evolve to meet the changing needs of cities and city officials. You can use this form – either in writing or on line – to provide feedback and advice to the NLC Officers and Board of Directors as they evaluate results on current priorities and develop new programs and services.

Overall, how would you rate the continued relevance of the five key objectives in the NLC Strategic Plan (*see page 2 of this plan for a summary of the objectives*)?

1 ————— 5 ————— 10
Not relevant Generally relevant Highly relevant/
at all as a guide for NLC programs a solid guide

What do you see as the three most pressing issues facing cities and towns today that NLC should address?

What changes, if any, would you make to the five core objectives to respond to issues facing America's cities and towns?

Overall, how would you rate NLC's effectiveness in carrying out the priorities in the Strategic Plan?

1 ————— 5 ————— 10
Not effective Generally effective Highly effective

What general advice would you give to the NLC Officers and Board to ensure that NLC programs and services meet the needs of member cities?

Fax this form to the NLC Executive Office at 202-626-3143 or use the on-line form in the Strategic Plan section of the NLC web site at www.nlc.org to submit your comments.



NATIONAL LEAGUE OF CITIES

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