

Florida Government Finance Officers Association

Your professional resource for education, networking, leadership and information.



January/February 2004

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Save the Date!

2004 FGFOA Annual Conference
May 1-5, 2004 □ Marriott Waterside, Tampa

“Tropical Nights”

The Host Committee has planned exciting events for Sunday Association Night and the Tuesday Night Event.

For Association Sunday Night be sure to bring your tropical attire for the Caribbean theme. Prizes will be given to the best tropical outfit.

The Tuesday Night Event will be held at the Florida Aquarium. The Caribbean theme will be continued and the food and entertainment is promised to be top notch!

Read the Conference Host Committee Report on page 5 about the exciting events planned for the conference.

2004 Conference

Corner

Other Post Employment Benefits (OPEB)

By Mark White, CPA, Audit Partner, Purvis Gray & Company, FGFOA Technical Resource Committee Member

Introduction

With the GASB No. 34 reporting standard log-jam now out of the way, GASB has been free to focus on a number of projects that were previously on hold. We have recently seen new standards and exposure drafts (EDs) issued on; investment disclosures, impairment of capital assets, component units, economic condition reporting, environmental liabilities and yes, the dreaded OPEB! It sort of makes sense that until GASB could resolve the centerpiece project of a new financial reporting model that all other projects were put on hold. Looking back, we really had it easy for a while during the No. 34 debate, but now we are paying for it with some tough new items that GASB has wanted to do all along. FASB adopted an OPEB standard (FAS No. 106) about ten years ago, so it was just a matter of time before GASB got around to it.

I'm sure that by now most of us have heard at least something about the EDs that were issued during February 2003, that will ultimately require many local governments to record a liability for accrued but unpaid OPEB. There were actually two exposure drafts issued; one addresses accounting and reporting by employers providing OPEB's and the other addressing reporting by OPEB plans.

This is very similar to Statements No. 25 and 27, where one dealt with employer recognition of pension cost and the other dealt with plan recognition and reporting issues. In this article, I will attempt to focus on accounting and reporting for OPEB by employers rather than by the plans because I believe it has the most applicability to our local government readers.

The first order of business would be a brief, common sense definition of what an “OPEB” is, so you'll know one when you see one! Essentially OPEB refers to postemployment benefits other

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President's Message



Margaret A. McGarrity, CPA
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Happy New Year!

As president of the Florida Government Finance Officers' Association, I would like to extend to you a personal invitation to attend our 2004 Annual Conference, May 1 - May 5, 2004, at the Marriott Waterside in beautiful Tampa, Florida.

Our theme this year, *Staying Connected*, is designed to highlight the four key points of the FGFOA mission statement: education, networking, leadership and information. Our Conference Committees have put together events and programs that will enable you to connect with your peers in addition to staying connected with the latest innovations and developments in government finance. In the area of connections, I would like to add a special note of thanks to the Florida League of Cities for sponsoring our first ever Internet Café.

The Conference Program Committee has put together an extraordinary program of current and relevant topics in an effort to serve you – our membership. Special thanks to the subcommittee chairs of the Program Committee as follows: Accounting, Auditing and Financial Reporting – Ken Hetrick, Supervisor of Financial Reporting, LYNX; Management and Budget – Dona Newman, Finance Director, City of Tamarac; Small Government – Fred Belzel, Controller, City of Clearwater; Economics, Pensions, Personnel and Risk Management – Diane McDonald, Controller, City of Ocala; Treasury Management and Technology – Cindy Hall, Assistant County Manager, Lake County; Pre-Conference Seminar – Mickey Miller, Chief Financial Officer, City of Orlando.

The Conference Program Committee has just secured the Opening Session speaker, who promises to be dynamic! He is Dr. James A. Crupi, president and founder of Strategic Leadership Solutions, Inc. Dr. Crupi, who also serves as a Senior Fellow at the J. W. Fanning Institute for Leadership at the University of Georgia, is a

recognized authority in international business, future trends and leadership development. His leadership workshops are renowned throughout the world. Dr. Crupi works with executives on the development of strategy and training of the management team, and he is regularly asked to provide insights that align strategy and enhance productivity and competitiveness. You won't want to miss his keynote address!

Kim Adams and the Conference Host Committee are putting the final touches on all the social events for the conference. They are very excited to share the best of Tampa with all of you. The theme of the conference is Caribbean, so have your Jimmy Buffet attire ready!

Remember to register online and book your hotel room early, as we are expecting record attendance numbers again this year.

The last two career seminars are scheduled for March 5, 2004, in Tampa on financial condition and analysis, and then on April 2, 2004, in Jacksonville on debt management. Be sure to register for both of these excellent and highly relevant sessions.

Congratulations to the newest CGFOs! Be sure to read the Certification Committee Report where the top five highest scores are highlighted. The next testing date is March 19, 2004, and there are several location options available.

I would like to extend a special thanks to Secretary-Treasurer Gib Mitchell who has worked diligently on various projects including the by-law amendments and the new conference budget analysis.

By the time you receive this newsletter, the Slate of Nominations will have arrived. Please make your voice heard and vote on our future leadership!

See you at the conference!

News from the Secretary/Treasurer



Gib Mitchell

You should have received your ballots on the proposed by-law amendments. I urge each of you to vote for these amendments.

The first amendment allows for electronic online voting for Constitution and by-law amendments as well as for the election of officers and directors by providing a more efficient voting process resulting from advances in technology. This amendment would become effective in the 2004-05 fiscal year (April 1, 2004 to March 31, 2005).

Electronic voting will also reduce operating expenditures for supplies and postage as well as reduce the level of staff support presently required.

The second amendment changes the current fiscal year from April 1 through March 31 to a new fiscal year beginning July 1 through June 30. This amendment would become effective for the 2005-06 fiscal year (July 1, 2005 to June 30, 2006). The implementation plan is as follows:

- Fiscal Year 4-1-03 to 3-31-04 (12 months)
- Fiscal Year 4-1-04 to 3-31-05 (12 months)
- Fiscal Year 4-1-05 to 6-30-05 (3 months)
- Fiscal Year 7-1-05 to 6-30-06 (12 months)

IRS Regulations will allow a reporting period shorter than 12 months but not longer than 12 months for transition purposes.

In fiscal years 4-1-04 to 6-30-05, collect 15 months worth of dues. Then collect the normal 12 months of dues for the fiscal year beginning 7-1-05 to 6-30-06.

This implementation plan would allow the board adequate time to file for a fiscal year change with the IRS. The plan also provides time for the chapters to change their fiscal year to be consistent with that of the state association.

The intent of the fiscal year change is to ensure that the annual conference falls within the fiscal year of the president and Board of Directors presiding at the annual conference. Currently, the fiscal year ends March 31 and the annual conference generally occurs thereafter.

FGFOA Group Exemption Is Now Completed

The IRS has granted the state FGFOA a group exemption for filing with the IRS. Therefore, it is imperative that local chapters file their annual financial reports (effective with the year ending March 31, 2004) with Jeannie Hagan in Tallahassee as quickly as possible at the close of the year.

Information Request

NEEDED... Sample RFP and Policies and Procedures. Please e-mail your RFPs and Policies and Procedures to Anne Gooch at agooch@flcities.com. These will be available to download from the FGFOA Web site at www.fgfoa.org.

STANDING COMMITTEE CHAIRS

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FGFOA Renewals Online!

The FGFOA will again be accepting renewals online starting February 1, 2004. You may go to our Web site at www.fgfoa.org and renew your membership. Credit card payments will be accepted.

Dues are due and payable upon receipt and become delinquent if not received by April 1, 2004. Annual dues are per person, non-transferable, and valid for the period April 1, 2004 through March 31, 2005.

You must have your membership renewed by May 3, 2004, in order to have your name published in the membership directory.

FGFOA Welcomes Its Newest Members

Member Spotlight

- Alfredo Acin, Village of Palmetto Bay
- Janelle Ashley, Brevard County – BCC
- Donna M. Ayers, Hillsborough County – ITS
- Denton Baker, Collier County
- Liz Ballard, City of Orange City
- Joseph Bellone, Collier County Government
- Kathleen Brunk, Northern Palm Beach County Improvement District
- Annie Clark, St. Lucie County – Supervisor of Elections
- Rafael J. Diaz, City of Jacksonville
- Carol Dyke, West Palm Beach Golf Commission
- Sherry Eichin, St. Lucie County – Supervisor of Elections
- Jim Freeman, City of Sarasota
- Brittney Godwin, Highlands County – BCC
- Corrine Goff, City of Lauderdale Lakes
- Laura Ham, Northern Palm Beach County Improvement District
- Elizabeth Harless, Shalimar Annex – CCC
- Joyce Harmon, Sarasota County
- Shirley King, Beach County – BCC
- Kristy Lilly, St. Lucie County Management & Budget
- Donna R. Mayes, City of Hawthorne
- Ellen Pethic, Martin County Children’s Services Council
- Donald Pierro, City of Riviera Beach
- Susan Raines, Kissimmee Utility Authority
- Arthur Reavis, Okaloosa County – BCC
- Connie S. Robertson, City of Orange City
- Andres Rosario, Osceola County
- Gary Schroeder, Sarasota County – BCC
- Amanda Shadron, Town of Windermere
- Suzanne Sherman, Brevard County – SO
- Ron Smith, City of Pembroke Pines
- Richelle Tandoc, Sanson, Kline, Jacomino & Company, LLP
- Gertrude Walker, St. Lucie County
- Thomas Wides, Collier County Government

Mark Fostier

The “Spotlight” this issue is on Mark Fostier, Assistant Comptroller, Fiscal, of the Orange County Comptroller’s Office. Mark has served in this capacity for the last 15 years. During his 21 years with the Orange County Comptroller’s Office he has also served as Director of Finance and Accounting and as Director of Orange County Water and Wastewater Services. His government career started with a five-year stay with the Auditor General’s Office.

Mark graduated *magna cum laude* from the University of Central Florida, and earned an MBA there. He is a CPA and a CGFO.

Mark has been very active in the FGFOA for more than 16 years. He has served as chair of the Technical Resources Committee, the Certification Committee, and the Career Development Committee. He has been a member of the Legislative Committee, the Membership and Publications Committee, and the Host Committee. He has served as past president, vice president, secretary-treasurer and board member of the Central Florida Chapter, where he continues to take an active role.

Mark has served on the GFOA Special Review Committee, serving as a CAFR reviewer for 12 years. He is a member of the FICPA and the AICPA.

Mark values fairness, hard work and attention to detail. He often asks the questions no one else has and he expects his employees to be able to answer them. This gives the impression he is “all business and no play,” but when he gives in to it, he has a wonderful sense of humor or, as one person says, “an incredible sarcastic wit.”

Mark enjoys golf, but “went to bat” for his son and daughter, coaching his son’s baseball team and his daughter’s softball team. Even though he will be eligible for retirement in four years, Mark says that with the two of them in college, retirement doesn’t seem likely. That is a good thing. His knowledge and experience would definitely be missed.

It’s About You

Congratulations to all new CGFOs!

- James Braddock, City of Wauchula
- Estedlla P. Chaney-Cooper, City of Jacksonville
- Jon Costabile, Alachua County – TC
- Martin Davidow, City of Homestead
- Jaime B. Desuyo, City of Jacksonville
- R. John Dufresne, City of Apopka
- Mirtha Dziedzic, City of Miami
- Sylvia A. Edwards, City of Lake Wales
- Kenneth Jesse Fair, Alachua County – Court Administration
- Shai Francis, City of Sebastian
- Regina Frazier, Lake County – BCC
- Deborah Girard, City of Orlando
- Christina Kilcoyne, Osceola County
- Hazel Mendez, Orange County Convention Center
- Shannon L. Ramsey, 15th Judicial Circuit
- William Rotella, Jr., City of DeLand
- Malakeh Tabrizi, Palm Beach County – SO
- Eva Burbage Talbert, Indian River County – TC

It’s About You Criteria

The “It’s About You” section was developed to highlight FGFOA members and their special accomplishments. Please submit notices of job promotions, awards and retirements or other recognition to: agooch@flcities.com.

Spotlight Article Criteria

The FGFOA Board of Directors established preferred guidelines for the “Member Spotlight” articles. These criteria include: must be submitted by an FGFOA member (other than the spotlighted person); active member of the FGFOA for five years; active member of a local chapter of the FGFOA; served on an FGFOA committee or Board of Directors; made significant contributions to the financial arena (i.e., speaker at conferences, written articles, etc.); final approval by FGFOA president.

Committee Reports

Career Development

Andrea Wilson, City of Orlando, Chair

There are only two career development conferences remaining! Register now so you don't miss out on these: "Financial Condition and Analysis" on March 5 in Tampa and "Debt Management" in Jacksonville on April 2. Both subcommittees are currently hard at work planning these seminars for you. In these days of tight budget dollars, don't forget what a bargain FGFOA seminars are at only \$13.75 per CPE hour.

"Multi-Year Budgeting, Developing a Fund Balance Policy, the Right Measures and Revenue Projections" on January 9 in West Palm Beach was a huge success. Well over 100 of you attended and heard from four terrific presenters.

Please e-mail any suggestions or comments for the Career Development Committee to Andrea Wilson at Andrea.Wilson@cityoforlando.net, including any topics you'd like to see in next year's conference lineup.

Certification

Jeff Smith, Indian River – TC, Chair

The November exam at the School of Governmental Finance was held on November 21. There were 40 candidates taking all five parts of the exam and three candidates taking four or fewer parts. We are starting a new tradition by honoring the five candidates who were taking all five parts and who scored the highest composite score.

The committee is proud to honor the following candidates who scored the highest composite scores:

Deborah D. Girard, CPA, Assistant Comptroller for the City of Orlando and a past president of the FGFOA, had the highest composite score of 93.2. Deborah scored a 96 on the Financial Administration Section, 93 on the Accounting & Financial Reporting, Debt Administration & Treasury Administration, and a 91 on Municipal Budgeting.

Shannon L. Ramsey, CPA, Director of Budget and Finance for the 15th Judicial Circuit, scored a composite score of 92.6 achieving a 95 on both the Accounting & Financial Reporting and Municipal Budgeting sections. She scored a 91 on the remaining three sections.

Tracy C. Hooper, CPA, Director of Finance for the St. Lucie County School Board, is the third highest recipient with a composite score of 91.2. Her high score was a 95 on the Financial Administration Section and she recorded a pair of 92s on the Debt Administration and Municipal Budgeting sections. She rounded her scores out with an 89 and 88 on the other two sections.

Jon C. Costabile, Director of Finance for the Alachua County Tax Collector, tied with **Sylvia A. Edwards**, Finance Director for the City of Lake Wales, for the fourth highest scores at 91. Jon scored a 95 on the Financial Administration Section and Sylvia scored a pair of 93s on the Debt Administration and Financial Administration sections.

These five individuals are certainly to be congratulated for their high achievements, but we also congratulate all of the candidates who participated in the program and were admitted as CGFOs.

The committee held a meeting January 23 in Orlando. The purpose of the meeting was to form the subcommittees that will be responsible for each section of the exam with regards to the exam

rewrite, formulate a proposal for the board to consider regarding the consultant to perform the rewrite, work on the logistics for the national CPFO exam being held in April here in Florida, and schedule the March exam and locations for the Florida CGFO program.

I would like to take this opportunity to thank the committee members for their hard work and dedication.

Conference Host

Kim Adams, City of Largo, Chair

You're coming to Tampa for education, but have a little fun while you're here, too! You deserve it and we'll help!

The Conference Host Committee welcomes you to Tampa Bay for the FGFOA 2004 Annual Conference on May 1 - May 5! We are prepared to help you unwind at day's end after all the learning. We'll have plenty of surprises that will make this year's conference one you won't want to miss!

If you haven't been to Tampa since the last conference, you won't recognize the place! Everything is NEW!

Just for starters, park your car at the Marriott and ride the new streetcars during the whole conference! Streetcars run every 15 minutes and can take you to dinner, shopping and more! A streetcar pass is included in the registration fee. The pass will take you to many downtown locations and to the Tuesday Night Event. Streetcars stop right in front of the Marriott, so getting around downtown is a breeze!

The Sunday Association Night Reception and Dinner will have a Caribbean theme, so pack your tropical sportswear! There will be prize drawings for anyone wearing "tropical" clothing, which includes just about anything with a flower or wild design! Judges will be fairly broadminded in their "tropical" interpretations, so if you think something looks tropical, it probably is! Dreadlocks, optional.

Don't plan anything for Tuesday night! The conference Tuesday Night Event will be held at the Florida Aquarium, which has new areas, a new menu and plenty of new things to do next door at the Channelside Shopping and Entertainment District. The aquarium is only 10 New York minutes from the Marriott by streetcar and we'll have extra streetcars on-line to get you there fast! Leave any time you'd like by streetcar to tour downtown or go back to the Marriott.

We're continuing Sunday's tropical theme at the Tuesday Night Event with a Key West Beach Party Buffet with plenty of Key West eats and drinks (that's called a Jimmy "Buffett" for all you Parrot Heads). We'll have plenty of interactive, aquatic and "just plain fun" experiences throughout the aquarium, so you'll keep pleasantly busy all evening! Maybe you'll even find Nemo...

While you're in Tampa, you'll have to visit Ybor City (pronounced E-bore). Ybor City is a newly renovated historic Latin district with shopping, dining, movies, and much more. Five streetcar stops get you close to any place in Ybor directly from the Marriott in 20 minutes! Ybor has things to do for families, couples, singles and the wild-child! It all depends on your tastes!

When you're done eating and shopping in Ybor City (are we ever really done shopping?), there's plenty of Ybor fun at Gameworks, which also has food and drinks if you're not into the games. Ever thought about getting a tattoo? Me neither, but you can get one at Ybor, if you dare! Maybe a small "FGFOA" somewhere discrete? Show your devotion!

The Channelside Shopping and Entertainment District is also brand new and is energized with plenty of places for shopping, food and fun! Channelside has a variety of dining experiences, IMAX and regular theaters, loads of stores and nightly entertainment. It's only 10 minutes from the Marriott by streetcar and half-way to Ybor City.

It wouldn't be a conference without a Hospitality Suite, but this year will be different! We'll have a traditional Hospitality Suite on Saturday and Sunday nights, but on Monday and Tuesday, we'll move to a muuuuuch larger venue to accommodate a muuuuuch larger crowd. On Monday and Tuesday we'll have a 3,000-square-foot suite facing downtown Tampa with a giant picture window, French doors opening to the lobby atrium, a juke box, a pool table and foosball. There will be plenty of room to mingle and plenty of things to do, so make sure you check us out on Monday and Tuesday!

Did you know that Tampa is about 30 minutes from some of the best beaches in the USA? It's true! And we're planning a trip to Clearwater Beach on Monday for anyone not attending classes. We'll get you to and from the beach and give you plenty of suggestions for things to do in the middle. For the rest of us who will be learning about GASB-whatever, we'll send out information to help you visit our beaches before or after the conference.

Don't forget about our golf tournament on Sunday morning or our walk/run down beautiful Bayshore Boulevard. Either way, you'll get some exercise and have fun! Bayshore holds the record as the world's longest continuous sidewalk, but don't feel obligated to go all the way to the end!

We'll also have plenty of "Tips from the Locals" for other things to see and do around Tampa Bay before, during or after the conference. Be sure to check-out the conference brochure for more information, event times and Web sites that will help you plan your trip to Tampa Bay.

A closing word of thanks (Thanks!) to the Host Committee members who have worked hard for almost a year so everyone else can play! There have been dozens of meetings, e-mails, phone calls and decisions, all of which will result in the best conference ever! Thanks also to our Board Liaison Rick Helms for his guidance and suggestions, and to President Peggy McGarity and the entire Board of Directors for their support and encouragement.

We can't wait to host everyone in Tampa Bay! See you in May!

Conference Program

Lyle Bulman, Polk County – CCC, Chair

The Conference Program Committee is pleased to report that we once again are planning an exciting and informative conference for you in 2004. The conference will be at the Tampa Marriott Waterside May 1 - May 5, 2004. The tracks for the 2004 conference have been organized with the following chairs:

- **Accounting, Auditing and Financial Reporting:** Ken Hetrick, Supervisor of Financial Reporting, LYNX
- **Management and Budget:** Dona Newman, Finance Director, City of Tamarac
- **Small Government:** Fred Belzel, Controller, City of Clearwater
- **Economics, Pensions, Personnel and Risk Management:** Diane McDonald, Controller, City of Ocala
- **Treasury Management and Technology:** Cindy Hall, Assistant County Manager, Lake County
- **Pre-Conference Seminar:** Mickey Miller, Chief Financial Officer, City of Orlando

The subcommittees have worked extremely hard over the last several months. The following topics have been established:

Pre-Conference Seminar

Retirement Planning – Defined Benefit, Defined Contribution and Deferred Compensation

- Actuarial Issues – In a Changing World
- Pension Plan – Asset Allocation Options
- 451/401a/403b/401k – Investment/Communication Issues
- Economic Outlook

Accounting and Auditing

- GASB Update
- Financial Reporting Practice Update
- The New Statistical Section
- Yellow Book Modifications January 1, 2004
- Auditor General Update
- Examples of Effective Letters of Transmittal and MD&A
- New Developments in Governmental Auditing
- Miami – The Good, The Bad and The Ugly (The Reinvention of the City of Miami)
- Governmental Accounting Standards in the World of Sarbanes-Oxley
- Fraud Auditing – Implications for Governments

Management and Budget

- Communication Between Counties and Cities
- Time Management and Office Organization
- Revenue Trend Analysis
- Article V Implementation Revisited
- Managing the Finance Office
- Developing Meaningful Management Reports
- Public Speaking and Making Presentations
- GFOA Budget Award
- Communication Between Budget & Accounting
- Communication Between Finance Officers and Elected Officials and Recommended Budget Practices
- Strategic Planning

Economics, Pensions Personnel and Risk Management

- Healthcare Cost Containment
- Human Resources – Related Issues
- Asset Allocation for Pension Plans Under \$50 Million
- Management Skills
- Risk Management Issues
- Financial Indicators: What Are They and What Do They Mean?
- How Should Asset Allocation Strategies Be Changing?
- Fraud – Identity Theft
- Pension Funding: Funding of Deficits – Who Pays?
- Economic Update
- Legislative Update

Treasury Management and Technology

- How to Effectively Use Technology
- Overview and Update on Banking Services and Innovations
- Overview and Update on Interest Rate Hedging and Applications
- Investments Overview – Session I, II, III, IV
- What Is "Arbitrage" and What Do I Need to Know About It?
- Debt Issuance Process
- How to Take Advantage of Historically Low Interest Rates
- How to Properly Analyze and Diversify Revenues and Measure Proactively for Sensitivity for Difficult Economic Conditions

Small Government Track

- GASB 34 – Last Minute Tips and Suggestions, Where to Get Help
- Capital Planning – A Necessary Tool and Process
- Finance Director Orientation
- Population Growth – What to Consider

Legislative

Bill Bogan, Jr., Leon County – CCC, Chair

The Legislative Committee presented its recommendations for a policy statement to the FGFOA board. The policy is being edited to reflect the changes made by the board. We expect to have the Legislative Policy Statement for the FGFOA finalized within the next few weeks. In the FGFOA board’s conference call in January they decided to target the following issues during the upcoming legislative session:

- Amend HB113A Relating to Article V Costs
- Prompt Payment Act
- Financial Emergencies Act
- Tangible Personal Property

The board also decided to place our policy statement on the FGFOA Web site. Once the statement is posted, I encourage you to visit the Web site and familiarize yourself with items in the policy statement. Finally, we request that you use your influence with your local delegation to garner support on these items.

Scholarship

Holly Vath, Village of Wellington, Chair

A past scholarship winner, Sherman M. Curry, sent a letter of appreciation to the Florida Government Finance Officers Association. He is a student at Florida A&M University who will be graduating in 2004.

Scholarship applications are currently available on the FGFOA Web site. An applicant must be at least a junior-level undergraduate or graduate student majoring in finance or accounting or a graduate student in public or business administration whose undergraduate degree was in finance or accounting. Students must have a cumulative GPA of 3.0 or higher for all college courses or, if currently enrolled or accepted into graduate school: (1) a cumulative GPA of 3.0 or higher for all college courses or (2) a cumulative GPA of 3.0 for their last two years of college courses (undergraduate and/or graduate school). All applicants must do the following:

1. Submit a completed application.
2. Attach a transmittal letter of not more than two pages that provides a brief biographical sketch explaining the applicant’s interest in governmental finance or accounting, and detailing the applicant’s need and intended use of the scholarship.
3. Complete an internship with a governmental agency whose sponsor is an FGFOA member.

FGFOA Calendar at a Glance

March

5 **Financial Condition & Analysis – Tampa**

April

2 **Debt Management – Jacksonville**

2004 FGFOA Annual Conference

May 1-5 **Marriott Tampa Waterside – Tampa**

2004 GFOA Annual Conference

June 13-16 **Milwaukee, Wisconsin**

2004 FGFOA School of Governmental Finance

November 15-19 **Ponte Vedra Beach**

4. Submit a letter of recommendation from his/her dean or major professor; and

5. Submit a copy of the student’s official transcript.

The application deadline is April 2004. For more information contact the FGFOA office in Tallahassee at (850) 222-9684, ext. 282.

Technical Resources

Barry Skinner, Orange County Comptroller’s Office, Chair

The Technical Resources Committee, along with the board, responded to GASB Exposure Draft, Economic Condition Reporting: The Statistical Section an amendment to NCGA Statement 1. We also provided the article on this subject for this newsletter.

Updates have been made to the discussion board. You can now request an e-mail when responses are posted. You are also able to limit the e-mails to the topics that interest you. The discussion board provides an opportunity for members to voice opinions on related topics and to post technical questions. Members are encouraged to check the discussion board often to help stimulate meaningful discussion and share information. The committee continues to monitor the discussion board, which is located on the FGFOA Web site (click on **Services** link, then click on the **Discussion Board** link).

Several sample requests for proposals and policies/procedures are available on the FGFOA Web site (click on the **Services** link, then click on the **Document Library** link). The committee is still looking for more sample documents from FGFOA members. We are requesting RFPs and related contracts in the following areas: arbitrage services, banking services, bond counsel services, financial advisor services, safekeeping/treasury management services, liquidity facility providers, and underwriter services. We are also requesting policies and procedures for: fixed assets, investments, debt management, purchasing cards, travel, fund balance, and CIP. Please e-mail your documents to the League through Anne Gooch at agooch@flcities.com.

Technical Questions

Members with technical questions have the following three contact points:

- **Discussion Board at the FGFOA Web site:** www.fgfoa.org/services/discussion_board.asp
- **Anne Gooch at (850) 222-9684 or e-mail** agooch@flcities.com
- **TRC Chairman, Barry Skinner at (407) 836-5715 or e-mail** barry.skinner@occompt.com

Chapter News and Announcements

Central Florida Chapter

The Central Florida Chapter is proud to announce the upcoming CPE and networking opportunities to be held at the Radisson Downtown Orlando. March 11, 2004, will be our annual meeting and luncheon. Jason Showe of Seminole County will provide an informative session on multi-year budgeting. Then on April 8, 2004, we are again pleased to provide an intensive investment training session. Starting at 9:00 a.m., a three-hour session will be taught by Steve Alexander. After a break for lunch, a one-hour session on banking technologies will be taught by Bank of America. We look forward to seeing you there.

Florida First Coast Chapter

The next meeting of the First Coast Chapter will be in Jacksonville on Friday, March 12. We will probably meet in Jacksonville's City Hall, but the arrangements have not been made. The specific location will be announced next month.

This meeting will be very important for the future of our chapter. Elections of officers and board members will be held, and amendment(s) to our by-laws will be proposed. Since our current president's two-year term expires with this meeting we will be voting for new people to assume all the officer positions, and will be looking for new members of the board.

As is our custom, there will be a speaker, also to be determined, and attendees will be eligible to receive one-hour CPE credit.

Palm Beach Chapter

Happy New Year! The Palm Beach County Chapter sends best wishes to all the members across the county and state. For those who attended the December Holiday Social at ER Bradley's we hope you enjoyed yourselves and thank you to the committee for their coordinating efforts for a nicely organized event!

Remaining Meetings for the Palm Beach County Chapter March 25, 2004

- Annual Business Meeting (location to be determined)
- Topic: Leadership
- Speaker: Leif J. Ahnell, CPA, CGFO, city manager, City of Boca Raton

As our new cycle approaches, we would like to invite interested members to join one of the standing committees at the local chapter level. Participation is easy, and most projects are handled via conference calls and e-mails! To maintain the strength and depth of our chapter, we need our members to be active! Please contact one of the committee chairs for more information!

- **Career Development** – Cheryl Somers, Town of Palm Beach, (561) 835-4626 (csomers@townofpalmbeach.com)
- **Financial Oversight** – Jeff Price, City of Greenacres, (561) 642-2013 (jprice@ci.greenacres.fl.us)
- **Membership and Publication** – Michelle Quigley, City of Boca Raton, (561) 338-1227 (mquigley@ci.boca-raton.fl.us)
- **Social** – Joan Rivard, City of Palm Beach Gardens, (561) 799-4159 (jrivard@pbgfl.com)

The membership cycle is April 1 - March 31 annually. Membership renewals will be distributed in February and will include the latest directory in electronic format and additional information about our chapter. Your suggestions and involvement can greatly improve our chapter! We look forward to hearing from you.

South Florida Chapter

Our next meeting will be held on **Thursday, February 19, 2004**, at Bavarian Village, 1401 N. Federal Highway, Hollywood. **We encourage all chapter members to attend. We have important chapter business to discuss** such as by-law amendments, board vacancies, holiday function, scholarship awards, and other issues of importance.

The program is as follows:

- 6:00 p.m. - 6:30 p.m. – Networking
- 6:30 p.m. - 7:00 p.m. – Business Meeting
- 7:00 p.m. – Dinner

The annual December Holiday boat trip on the Intracoastal Waterway took place on December 12. It was well attended and everyone enjoyed themselves. We thank our sponsors for their continued support. If you missed it, make sure to mark your calendar for Friday, December 17, 2004, so you can attend this very memorable event.

We hope you will attend our meetings to show your support for our organization, and to increase your knowledge. Our meetings are open to everyone. You **do not** have to be a chapter member to attend out meetings. To make a reservation for a meeting, contact Michele Anzalone at manzalone@hollywoodfl.org or at (954) 921-3211. We appreciate the continuing support of current members and welcome new ones.

We are now providing meeting notices via e-mail to those members who supplied us with their e-mail addresses. If you are a member and did not receive a notice of the meeting, or if you are interested in being a chapter member, or want to be on our mailing list, please contact Michele Anzalone at manzalone@hollywoodfl.org or (954) 921-3211.

We are looking for committee members to help our organization plan topics for meetings, increase membership, and perhaps plan a full- or half-day educational session. If you have ideas or suggestions on how we can improve our organization or if you want to become a more active member, please contact Michele Anzalone at manzalone@hollywoodfl.org or (954) 921-3211.

Southwest Florida Chapter

Our next meeting will be held on March 19, 2004, at the Olde Hickory Golf and Country Club in Fort Myers. Steve Alexander from Public Financial Management, Inc. will speak to us about investments.

Our meeting will begin with networking at 11:30 a.m., lunch at noon, and the educational seminar from 1:00 p.m. to 4:00 p.m. All FGFOA members are welcome to attend. If you would like a seminar registration form or information on chapter membership, please contact James Lewin at lewinj@leegov.com or (239) 335-2336.

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than pensions, promised to employees during retirement, but earned over the working life of the employee. The vast majority of OPEBs primarily deal with healthcare and life insurance coverage's, as long as they are not provided as a part of a pension plan. Healthcare costs include medical, dental, vision, hearing, disability and long term care. Not included as OPEB by the ED are pension benefits, termination benefits/incentives as well as compensated absences. Any healthcare benefit that is provided as a part of a pension plan is not covered by this statement, because it is provided for in existing standards.

The most common example of OPEB is when a local government allows retirees to remain in the group health insurance plan at the cost of the local government. In a recent turnaround from the original ED, GASB has determined that even if the retirees pay their own way in the plan, if they do not have a separate "age adjusted" premium approximating claim costs, different from the "still working" plan members, an OPEB will be deemed to exist. The technical term for this is *implicit rate subsidy* and in the initial ED, GASB included an exemption for this very common situation. In the very recent turnaround (that mirrors the FASB version of OPEB), implicit rate subsidy will now be considered an OPEB and be part of the new standards. So for those of you who thought that you didn't have to worry about the new rules because your retirees pay their own health insurance premiums at the same rate as working employees, this is bad news.

In fact, this change from the initial ED is considered so significant that GASB has decided to re-expose the employer reporting ED. The new ED should already be out around January 2004 and rest assured that your Technical Resource Committee will respond to the re-exposure once it is issued and a consensus opinion of the committee has been reached. However, from my discussions with GASB staff, it appears that they really want this provision and will be very reluctant to change. Because this change will not affect the ED directed at plan reporting, there will be no re-exposure of that initial ED.

Background Theory

To properly understand where GASB wants to go with this issue, a little theoretical discussion is required. All postemployment benefits are part of an exchange of salaries and benefits for employee services rendered. Some of these benefits are taken while the employees are in active service and others including retiree health care benefits paid by the employer are taken after the employees' services have ended. Nevertheless, both types constitute compensation for current services rendered and from an accrual accounting perspective, should be accrued or associated with the periods in which the exchange occurs, rather than many years later when the benefit is received. In current practice, most OPEB is financed and expensed on a "pay as you go" basis. Thus, current financial statements do not report much on OPEB promised, until the benefits are paid. As a result, current financial reporting fails to recognize the cost of benefits provided when earned by the employee, or provide information about the actuarial accrued liabilities for promised benefits associated with past services and to what extent those services have been funded. Thus, the perceived need by GASB to calculate and record OPEB in the financial statements of local governments.

Basic Requirements

The ED takes an approach similar to the requirements of GASB No. 27, which deals with pension fund contributions by employers. For example, employers that participate in single-employer or agent

multiple-employer defined benefit plans would be required to measure and disclose OPEB cost on the accrual basis of accounting, with OPEB cost equaling the employers annual required contribution (ARC). The ARC would be defined as normal cost for the year adjusted for amortization of any unfunded actuarial accrued liability and interest on any prior net OPEB obligation.

As you might guess from the language above, actuarial valuations of some sort will be required under the ED. For OPEB plans with 200 or more participants, an actuarial study will be required every two years. For plans with between 100 and 200 participants, a study is required every three years. For plans with less than 100 participants, a simplified alternative measurement method is available that would include the same broad measurement steps as an actuarial valuation; projecting future benefit payments, discounting them to present value and then allocating the present value of benefits to periods using an appropriate actuarial cost method. The alternative method would allow certain assumptions to make the method usable by non-specialists.

A net OPEB obligation would be defined as the cumulative difference between the ARC and the employers' contribution to a plan. The ED surprisingly does not require recording of a transition obligation at the time of implementation like the FASB version. Instead, only annual prospective calculations are required. This is welcome relief from what could otherwise be an administratively burdensome standard to implement.

Financial Statement Recognition

Sole and agent employers would recognize OPEB expense on the full accrual basis equal to annual OPEB cost in government-wide and proprietary financial statements. OPEB expenditures would be recognized on a modified accrual basis in governmental funds. Net OPEB obligations, including those associated with governmental funds, would be recorded as liabilities or assets in government-wide financial statements. This means that governmental funds would only record as a fund liability, the amount of net OPEB obligation that will be liquidated with expendable financial resources, just like the way compensated absences are recognized in a governmental fund. This is commonly interpreted as the amount expended within 60 days after year-end. The remaining amount would be recognized in the government-wide statements, which are presented on a full accrual basis. This means yet another column or adjusting entry on your GASB 34 conversion worksheet to go from modified accrual for governmental funds to full accrual.

Financial Statement Disclosure

The following are the more significant disclosures required for each defined benefit OPEB plan of the employer;

- Plan description, types of benefits provided and authority under which the benefit provisions are established and amended.
- Funding policy, required contribution rates for plan members and employer in dollars and as a percentage of covered payroll.
- Annual OPEB cost, contributions made and any net OPEB obligation.
- Actuarial values of plan assets and the accrued liability, funded ratio and annual covered payroll.
- Disclosure of all significant actuarial methods and assumptions used in actuarial valuations.
- Required supplemental information similar to that required for pension plans that provides three-year trend information about the funding progress of the plan.

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Effective Dates

The ED borrows from the GASB 34 implementation schedule by classifying local governments into phases for implementing the new standards;

Phase 1 governments – periods beginning after December 15, 2006.
 Phase 2 governments – periods beginning after December 15, 2007.
 Phase 3 governments – periods beginning after December 15, 2008.

It remains to be seen if the re-exposure of the ED amended to eliminate the implicit rate subsidization exemption and other minor items will also amend these implementation dates.

Conclusion

The new standards will force many local governments to look very hard at what OPEBs they provide to employees due to the added cost of actuarial studies, accounting and auditing and the overall administrative effort required to properly administer the new standards. The new standards may also focus attention on implicit rate subsidies, where retirees are allowed to remain in the group plan at the same cost as active employees. Section 112.0801, Florida Statutes requires state agencies, counties, municipalities, special districts, community colleges and district school boards to offer retirees and their eligible dependents the same health and hospitalization insurance coverage that is offered to active employees and, at the same rates applicable to active employees. Consequently, the implicit rate subsidy issue will impact those state agencies and local governments in Florida that provide health insurance to their active employees.

There may be some local governments that are currently paying for all of the retiree healthcare on a pay as you go basis that may be less inclined to do so in the future because of the complexity of the new standards.

Although theoretically sound in concept, one also can't help but wonder if the cost and effort of complying with the new standards will outweigh the benefits derived by users of the financial statements. On the other hand, with an aging work force approaching retirement, not having a liability recorded for these promised benefits could be a material omission for some local governments. There are two sides to every debate. Regardless of which side you believe in, there will almost certainly be some new standards to add to your already heavy list in the upcoming years. It's a good thing we're all tough, smart and can handle it!

**Please visit
our new
and improved
Discussion
Board on the
Web site!**

**[www.fgfoa.org/services/
discussion_board.asp](http://www.fgfoa.org/services/discussion_board.asp)**



Position Announcements

Administrative Officer – Purchasing West Palm Beach

\$4,867-\$5,315 (hiring range/per month). BA degree in business, public administration, finance, purchasing or closely related field. Minimum education required plus eight to 10 years or more progressively responsible managerial experience in governmental purchasing and contract development and administration for a moderate to large-scale agency or institution management and supervisory experience commensurate with number of personnel to be supervised, and types of activities to be managed by the A.O. To apply visit our Web site at www.pbso.org to download an application.

Assistant Finance Director Hernando County

Full-time, professional finance administration, accounting, reporting and managerial work associated with carrying out the clerk's role as chief financial officer to the county. Supervises and directs all pre-audit, accounts payable, payroll, accounts receivable, investments, purchasing, fixed assets and inventory activities of the Finance Department. Performs the duties of finance director in his/her absence. Salary range: \$47,652 - \$79,414/DOQ. Requires: four-year degree in accounting; CPA; and five years progressive government finance and accounting experience including three or more years in management/supervisory capacity. Send letter of interest and detailed resume to: Hernando County Clerk of Circuit Court, Attn: Judy Korbus, 20 N. Main Street, Room 131, Brooksville, FL 34601. Open until filled. For additional information call (352) 540-6207. Visit our Web site, www.clerk.co.hernando.fl.us, to learn more about the Hernando County Clerk's Office.

City Clerk City of Lauderdale Lakes

\$46,531 - \$60,000 – bachelor's degree; master's degree preferred; Certified Municipal Clerk designation required; five years progressively responsible management experience in provision of administrative and records management functions in municipal/county setting; two years city/deputy city clerk preferred; two years additional qualifying experience may substitute for each year of educational requirement. Application, resume, cover letter, copies of certifications to HR Department, City of Lauderdale Lakes, 4300 N.W. 36th Street, Lauderdale Lakes, FL 33319; fax (954) 535-2913; Web www.lauderdalelakes.org.

Director of Finance and Accounting – Finance Department Key West

Superintendent John Padget has launched the search for a director of finance and accounting, replacing Jolie Jerry, who has taken a position as chief financial officer for The Children's Trust, a newly formed organization whose mission is to improve the lives of children and families in Miami-Dade County. The director of finance and accounting ensures that the district's financial records are maintained using a system of internal controls designed to safeguard the board's assets in accordance with applicable laws. The director of finance also directs the preparation of monthly and annual financial statements, the district's annual budget, prepares special reports,

and ensures that annual audits of the school internal accounts are conducted. Required qualifications include a bachelor's degree in accounting or equivalent accounting coursework from an accredited institution. Six years experience in a finance department of large corporation or governmental entity is also required. Preferred qualifications include Florida school district accounting experience, TERMS financial system knowledge and a CPA. Salary range: \$52,596 - \$76,688. For further information, interested candidates should contact John Padget, Superintendent: padgetj@monroe.k12.fl.us or (305) 293-1400, ext. 323. Successful candidates will be invited for interviews with John Padget and other district leaders.

**Director of Finance and Information Technology
City of Lauderdale Lakes**

Salary \$66,500/year. Duties (Executive Level – Grade 60). The City of Lauderdale Lakes (population 32,000) located in central Broward County, seeks an experienced director of finance and information technology to plan, organize and manage the daily operations of the city's finance functions. This "hands-on" position will be responsible for a \$28-million annual budget and numerous functions, including budgeting, accounting, payroll, audit, treasury management, revenue and fixed assets, accounts payable, information technology, purchasing, grants management, cash, revenues, debt management, benefits and related tax processing and financial reporting such as the comprehensive annual financial report (CAFR). The incumbent will be responsible for continuing practices of accounting/financial policies and procedures to ensure that proper financial records are in place and in compliance with applicable laws.

Requirements

- Bachelor's degree in accounting, finance or related field; CPA and Certified Government Finance Officer designations preferred
- Minimum five (5) years management experience in municipal or county finance
- Thorough command of government finance; knowledge of policies, procedures, city codes, etc.
- Effective oral, writing, planning, organizing and supervisory skills
- Ability to coordinate the city's annual audit, CAFR and GASB

How To Apply

Please submit resume with a cover letter and application to the Department of Human Resources along with copies of required degrees and certifications, which must be attached to the application at the time of submission for consideration. Applications are available at City Hall and on the Web site.

Individuals requiring special accommodations must contact the Department of Human Resources. The City of Lauderdale Lakes is an equal opportunity employer providing a drug free work place.

**Finance Director
City of Winter Springs**

Salary Range: \$58,995 - \$85,543. Position responsible for directing and coordinating the activities of the Finance Department to include: all core accounting functions (accounts payable, payroll, fixed assets, general ledger, billing and collections), customer service, fiscal reporting and management analysis including CAFR and annual budget, pension administration, debt management and treasury functions including cash and investments. Requires undergraduate degree in accounting, business or financial management or a related field and three to five years experience as a local govern-

ment finance director or assistant; however, comparable training, education or experience will be considered for substitution of requirements. CPA and CPFO or CGFO and graduate degree (MBA or MPA) desired. Apply to City of Winter Springs, Attn: Human Resource Coordinator, 1126 E. State Road 434, Winter Springs, FL 32708 or fax to (407) 327-4753. Open until filled.

**Senior Financial Analyst
Palm Beach County Sheriff's Office**

Job summary: Provides complex and diverse financial and management analyses in support of accounting services, which includes the activities of cash receipts, cash management, payroll, accounts payable and financial reporting. Responsible for financial management and agency policies and procedures development, designing and improving processes and/or systems, training to employees on accounting services functions, internal reviews of financial operations, and the preparation of reports and information summarizing findings and recommendations.

Minimum requirements: Bachelor's degree in accounting, finance or related field and six years progressively responsible experience in public-sector budgeting, financial analysis or accounting. Skill required in the design and use of financial/economic tools and models, including cost benefit analysis, cost allocation, cost effectiveness analysis. Must be proficient in Windows, the Microsoft Office suite of products, and the workings of financial software applications. Must possess excellent communication skills, both oral and written, to work effectively with all levels of staff, government agencies, and private entities.

Preferences: Certified Internal Auditor, Certified Management Accountant, Certified Public Accountant, Certified Government Finance Officer, or Certified Public Finance Officer; Oracle Financial systems applications experience.

Division: Accounting.

Salary: \$43,464 - \$64,584 annually, dependent on qualifications, plus a competitive benefits package.

Work schedule: Monday to Friday, 8:00 a.m. to 5:00 p.m.

Selection process: The oral interview will constitute 75 percent of the selection process and a written exercise 25 percent. The total composite of oral interview and written exercise equals 100 percent.

How to apply: Submit an application to Human Resources, Palm Beach County Sheriff's Office, 3228 Gun Club Road, West Palm Beach, FL 33406. Visit our Web site at www.pbso.org.

No relocation assistance provided.*

Palm Beach County Sheriff's Office is an Equal Opportunity Employer. Veteran's Preference. Applicants with a disability who require accommodation during the application/interview process should direct a request in advance to Human Resources.

The FGFOA Newsletter is an official publication of the Florida Government Finance Officers Association, Inc., P.O. Box 10270, Tallahassee, FL 32302-2207; phone: (850) 222-9684; fax: (850) 222-3806; e-mail: agooch@flicities.com; www.fgfoa.org.

The information and opinions printed herein are obtained from sources believed to be reliable; however, the FGFOA makes no guarantee of accuracy. Opinions and recommendations are offered by individuals and do not represent official policy positions of the Florida Government Finance Officers Association, Inc.

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