

President's Letter

Let me start by saying thank you for the opportunity to serve you as your new president of the Government Finance Officers Association of Arizona (GFOAz). I hope to continue the good work started by my predecessors.

Like many of you, my introduction to GFOAz came from a mentor who is a member of this organization. Likewise, my involvement on the board is because of people who encouraged me to not only be active in my own professional growth and development but also of the association's.

What is the significance of this historical recollection? It summarizes all that I hope we continue to achieve as an organization:

- Growth of the organization through increased membership.
- Training and education to encourage personal, professional, and corporate growth.
- Participation and service to the members of the organization and the public we serve.
- Professional recognition for the standards we set for our organization and ourselves.

In the past two years we have changed our name to better reflect our government focus. We are officially recognized by GFOA as the Arizona representative to their organization. In addition, we have aligned our activities to be more like those of GFOA by expanding our training opportunities, membership makeup, corporate participation, and communication efforts.

Each time we offer a training, our members comment on the increased quality of our speakers and session content. This year, we celebrated our 40th annual conference which was in my opinion our most successful to date. I am confident that next year's conference will be even more successful. The success of this conference is due in large part to the hardwork of many people including the GFOAz membership, the League, the Board, and the Education Committee.

In the coming year I plan to work with the GFOAz Board, the Education Committee, and

the League staff to explore joint educational and training opportunities with other governmental organizations. These partnerships will allow GFOAz to expand educational opportunities, recruit new members, and provide us with greater professional recognition.

Two years ago, the Board identified training and career development as one of the primary goals of this organization. Four training and development goals were identified then and are still applicable today:

- Develop an exceptional, high quality core competency-training program that is affordable and accessible for members and interested parties.
- Develop training designed especially for entry and mid-level staff.
- Support appropriate professional certification programs such as the new GFOA CPFO certification.
- Develop a coaching program.

So, the question is, how do we achieve these goals?

The Board is a great start. The board makes decisions, sets goals and makes policy. GFOAz is blessed with an exceptional board that has been great to work with, and I am looking forward to working with the new board members:

- Kathy Pace, Immediate Past President
- Glenn Smith, President Elect
- Jeff Tyne, Treasurer
- Stacey Lemos, Board Member
- Steve Baumgardt, New Board Member at Large
- Pamela Reitz-Bowman, New Member at Large
- Dennis Massara, Education Chair

A great deal of the credit for GFOAz's recent growth and development is due to the hard work of the League Staff and the Education Committee. League staff members Wendy Kaserman, Randle Kuehner, Dana Jarzynka, Sandy Morari, Byron Smith, and Belinda Villeda work many hours raising funds, handling day-to-day operations, arranging for training facilities, preparing printed materi-

Save the Date

May 12, 2004
Measuring Debt Capacity Training
Glendale Civic Center, Glendale

June 13-16, 2004
GFOA Conference
Milwaukee, Wisconsin

August 19-20, 2004
GFOAz Summer Training
Loews Ventana Canyon Resort, Tucson

als, maintaining the GFOAz web site, etc...

The Education Committee Chaired by Dennis Massara works just as hard as the League staff to ensure quality educational programs are offered to GFOAz members throughout the year. The Education Committee Members are:

- Dennis Massara, Lake Havasu City, Chair
- Yolanda Bracamonte, Queen Creek
- Dave Kohlbeck, Surprise
- Mary Jo Jenkins, Flagstaff
- Dianne Johnson, Avondale
- Vicki Rios, Peoria
- Glenn Smith, Payson
- Jeff Tyne, Peoria
- Carl Vessels, Safford

I would like to close this letter by encouraging you to participate in the growth and development of GFOAz. There are many ways to get involved. Involvement can be as simple as filling out our evaluation and making suggestions for improvements and training needs, to volunteering to be on the Education Committee or one of its sub-committees like the GASB review committee.

Thank you again for the opportunity to serve you for the next twelve months.

Respectfully,

Robert Nilles

Robert Nilles
GFOAz President
CFO - City of Surprise

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Pamela Reitz-Bowman
Member At-large
Budget Officer
Pascua Yaqui Tribe

Dennis Massara
Education Committee Chair
Assistant Finance Director
City of Lake Havasu City

GFOAz News is published by the Government Finance Officers Association of Arizona. Forward your comments or suggestions to the League of Arizona Cities and Towns, Attn: Wendy Kaserma, 1820 W. Washington Street, Phoenix, Arizona 85007, Phone: 602-258-5786, Fax: 602-253-3874, email: wkaserma@mg.state.az.us

GFOAz Annual Conference Provides Learning Opportunities

Dennis Massara, Education Committee Chair

The Government Finance Officers Association of Arizona (GFOAz) hosted the 40th Annual Conference in the mile high city of Prescott, March 31 through April 2, 2004, at the beautiful Prescott Resort. We kicked off by offering a two-hour presentation on "The Art and Science of Revenue Forecasting." A special thank you goes out to our two speakers, Rebecca Holmes, Senior Economist, Salt River Project, and Pilar Aguilar, Budget Director, Avondale.

At approximately 12:30 p.m., as a mountain breeze swept through the Antelope Hills Golf Course, 34 golfers dashed off in their electric carts, eager to master the challenges this rustic course had to offer. With grass from tee to green, tight fairways, and small fast greens, the foursome of Todd Noetzelman, Wells Fargo Institutional Trust, Tim Coker, Wells Fargo Corporate Trust, Eddie Clark and Brad Stevensen, Wells Fargo Corporate Trust, shot an impressive seven under par to win first place. Finishing in second place at six under par was the foursome of Dennis Massara, Lake Havasu City, Marc Anderson, Gilbert, Doug Safford, Wells Fargo Brokerage Services, and Rick Giardina, Rick Giardina and Associates. Placing third was the threesome of the city of Surprise: Robert Nilles, Doug Sandstrom, and David Kohlbeck.

Thursday morning, the conference began with a farewell speech from outgoing GFOAz President Kathy Pace. Kathy was recognized for her accomplishments as President and presented with a gift from incoming President Robert Nilles. Kathy will continue to serve on the board as the Immediate Past President.

The two Thursday morning sessions were very entertaining and enlightening. John Mitchell, Economist, U.S. Bank, was very upbeat about the state of the economy. However, he predicted the Fed Rate would remain unchanged until after the presidential election in November. Following John Mitchell's presentation was a two-hour presentation by Dick Bowers, President of RA Bowers & Associates Management Consultants. Dick's presentation, "Hard Truths, Tough

Choices: The Courage to Lead 2004," demonstrated the need for a strong vision, a creative approach, and steadfast courage. In what has become a tradition at the Annual Conference, Byron Smith, League of Arizona Cities and Towns, provided a legislative update during lunch on Thursday.

Roundtable discussions were re-introduced at this year's conference. "GASB 34 and Infrastructure Reporting" was offered for Phase 3 governments who must be in compliance for the year ending June 30, 2004, and "Credit Card Acceptance" addressed the administrative challenges with accepting credit card payments.

For those more interested in a session focused on budget issues, Charlie McClendon, Assistant City Manager, Avondale, and Jamie Warner, Budget Director, Mesa, discussed the approaches their communities are utilizing to manage service delivery when faced with shrinking budgets.

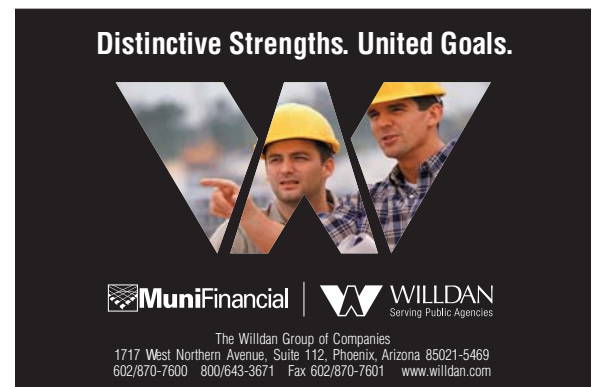
The final two sessions on Thursday afternoon focused on stabilization funds, specifically developing and implementing a policy on fund balance, and the current and future issues surrounding development impact fees.

Friday morning, Craig Trbovich, Partner, Cronstrom & Trbovich, gave an overview of the forgotten GASB Statement No. 35-42. Dennis

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Massara, Education Chairman, put out a call for volunteers to form an ad hoc committee to monitor the proceedings of GASB and to formulate comments/concerns regarding proposed standards. For more information about this committee, please see the article on this page.

The 40th Annual Conference was brought to a close by two programs, "Selecting an External Investment Advisor" and "New Trends in Employee Benefits that Will Not Break the Bank."

We wish to acknowledge the staff members of the League of Arizona Cities and Towns for their dedicated service to the GFOAz in making the 40th Annual Conference a success.

Also, without the financial support from our Corporate Partners, we could not provide you with quality programs and facilities. On behalf of the GFOAz Board and the Education Committee, I would like to extend a special thanks to our 2004 Corporate Partners:

Platinum Partners: Arizona Public Service Company, Bank of America, Bank One, Greenberg Traurig, Incode, Peacock, Hislop, Staley & Given, Piper Jaffray & Co., RBC Dain Rauscher, Stone & Youngberg, U.S. Bank, and Wells Fargo.

Gold Partners: MuniFinancial, Bond Logistix, and MBIA.

Silver Partners: Fitch Ratings, Gust Rosenfeld, ICMA Retirement Corporation, Metropolitan West Asset Management, BNY Western Trust Company.

Please mark your calendars for the next educational training on May 12, 2004, at the Glendale Civic Center. The featured topic is "Measuring Debt Capacity."

You Can Catch Him at the GFOA 2004 Annual Conference!

Frank Abagnale, one of the world's most respected authorities on forgery, embezzlement, and document security, will be the keynote speaker at GFOA's 2004 annual conference Financing the Future of Government in Milwaukee, Wisconsin, June 13 - 16. Abagnale was

the subject of the best selling book and movie Catch Me If You Can, and is the author of The Art of the Steal.

The 2004 GFOA Annual Conference presents an ideal opportunity to network and learn ways to improve the fiscal management of your local government. GFOA has expanded its annual conference this year to provide an even better educational opportunity at an affordable cost. You can now earn 20 continuing professional education credits while creating your own curriculum from among general and concurrent sessions and discussion groups. Sessions will be offered in the general areas of:

- Accounting, auditing, and financial reporting
- Budgeting and financial planning
- Cash Management and Investing
- Debt Management
- Management and Policy
- Pensions and Benefits
- Technology and Digital Government

A detailed conference agenda and registration materials are available at www.gfoa.org.

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Plan to Attend Measuring Debt Capacity Event

GFOAz will offer a daylong training on Measuring Debt Capacity, Wednesday, May 12 at the Glendale Civic Center. A panel of experts in the field will lead the training, which will be based on the GFOA's publication "Benchmarking and Measuring Debt Capacity,"

Aspects of measuring debt capacity that will be covered in the all-day training will include:

- Looking at existing debt service obligations and requirements
- Evaluating revenue trends, revenue reliability, fund balance, etc.
- Measuring of debt burden on the community
- Measuring of the tax and revenue base
- Statutory or constitutional limitations on debt issuance
- Market factors affecting interest costs
- The use of benchmarking debt capacity with similar organizations
- Developing a comprehensive debt policy

Registration materials were e-mailed to members last week, additional registration material may be downloaded from the GFOAz web site, www.gfoaz.org. The cost is \$40 for members, and \$70 for non-members. Please contact staff at (602) 258-5786 or info@gfoaz.org, if you have questions regarding this training.

GFOAz Board Establishes Committee to Review GASB Exposure Drafts

At the February GFOAz Board meeting, members of the board decided to create a committee specifically to review GASB Exposure Drafts. The board was recently asked to take a position on an exposure draft and realized there was no formal mechanism for evaluating the impact of proposed changes by the GASB. The committee will be responsible for reviewing exposure drafts and recommending whether or not the board should take a position on proposed changes. Members interested in serving on this committee should contact Education Committee Chair, Dennis Massara, at (928) 855-2116 or massarad@ci.lake-havasu-city.az.us.

WIFA's Executive Director Charts Course for the Future

Jay R. Spector, Executive Director, Water Infrastructure Finance Authority of Arizona

I appreciate this opportunity to introduce myself to the GFOAz membership. As some of you may know, I became the executive director of WIFA in September 2003 and have hit the ground running. I have been very busy traveling the four corners of the state meeting with borrowers and with interested parties.



One of the greatest strengths I bring to the Authority is a great deal of government and environmental experience. I am also a native Arizonan and familiar with the infrastructure needs of communities throughout our state.

Prior to joining WIFA, I served as the director of intergovernmental affairs and outreach for the Arizona Department of Environmental Quality and was responsible for the agency's interactions with state and local elected officials as well as management of the agency's community outreach program.

Prior to joining ADEQ, I was director of federal affairs for the National Association of Industrial and Office Properties (NAIOP), a national trade association that represents the commercial real estate industry in Washington, D.C. Prior to NAIOP, I was appointed special assistant to U.S. Secretary of the Interior and former Arizona Governor, Bruce Babbitt.

About WIFA

For those who may not be familiar with our Authority, WIFA is an agency of the state

authorized to finance the construction, rehabilitation and/or improvement of drinking water, wastewater, wastewater reclamation, and other water quality facilities/ projects. We offer below market interest on loans for 100% of eligible project costs.

As a "bond bank," WIFA is authorized to issue water quality bonds on behalf of communities for basic water infrastructure. By pooling different entities' financing needs, the Authority provides significant savings through reduced borrowing amounts, lower interest rates, and shared/reduced closing costs.

Recently WIFA received triple-A (AAA) ratings from the top Wall Street rating agencies. By being awarded these high credit ratings, the Authority is able to offer the best available interest rates to communities and water systems around the state. To date we conservatively estimate \$150 million in interest savings for our borrowers.

WIFA's principal tools for providing low interest financial assistance include the Clean Water Revolving Fund (CWRP) for publicly held wastewater treatment projects and the Drinking Water Revolving Fund (DWRP) for both publicly- and privately-held drinking water systems.

Both revolving funds are capitalized by contributions from the state and from the U.S. Congress. Presently Arizona receives about \$18.5 million in federal appropriations annually for the wastewater and drinking water infrastructure construction improvement. The formula used by Congress for wastewater allocations is based on 1970's data. The WIFA board and I are working with the U.S. Congress to change the funding formula to make it more equitable for Arizona's status. If the formula were based on current population and infrastructure needs, Arizona would receive 4 to 5 times the current appropriation of \$9 million.

For More information about WIFA

We have been working hard to create a more user-friendly and up-to-date website. Please check out www.wifa.state.az.us in the coming weeks.

Please contact me at (602) 364-1310, toll-free at (877) 298-0425 or by email at jspector@wifa-az.us if you would like to visit with me about WIFA's financing options for your upcoming water or wastewater project.

Commerce Assists Financing of Williams Justice Center

As Coconino County and City of Williams officials dedicate their new Justice Center on April 13, the Arizona Department of Commerce was on hand to present a symbolic check for \$400,000 representing a loan received via the Greater Arizona Development Authority (GADA). Housed in the Arizona Department of Commerce, this \$20 million bond authority leverages funding for infrastructure projects, helping to accelerate project development, lower costs of financing and enhance community and economic development.

"GADA financing is an integral part of our commitment to improve conditions for community growth and development statewide," says Arizona Department of Commerce Director, Gilbert Jimenez. "This kind of lending is structured so it does not interfere with the options of the City and County to borrow in the future."

Commerce Assistant Deputy Director for Community Development, Tom Belshe, also serves as Executive Director of GADA. "This project represents part of \$11.23 million in bonds issued through GADA in 2003 and we'll be announcing additional projects in this area in the near future. The total package for last year will save the City of Williams, the Drexel Heights Fire District and the Town of Queen

Creek an estimated cumulative total of \$918,000 over the life of the bonds." Those savings result from lower interest rates and the reduced cost of issuance.

Over the past four years Commerce has seen benefits in 45 cities and

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towns, six special districts, seven tribal communities and five counties - some of which have partnered with GADA more than once. All together GADA has loaned \$56.11 million while encumbering only \$2.1 million of the \$20 million fund. "What that means," says Belshe, "is that we expect to be able to loan close to \$600 million for public infrastructure projects in the years to come." Total savings to GADA partners since the programs' inception in 1998 exceed \$4.1 million.

For more information on the many ways in which the Arizona Department of Commerce supports communities and counties statewide visit www.azcommerce.com.

Candidates May Now Register for Computerized CPA Exam

Candidates preparing to sit for the computerized Uniform CPA Examination may now begin scheduling appointments.

To reserve a seat, candidates must have applied to a state board of accountancy or a designated agent and received a notice to schedule (NTS). Candidates who do not have a valid NTS may not schedule an exam.

The computerized CPA exam, which officially launched April 5, will be delivered at over 300 Thomson Prometric test centers in the United States. The computer-based exam is a joint effort of the American Institute of Certified Public Accountants (AICPA), the National Association of State Boards of Accountancy (NASBA) and Prometric.

Prometric offers three scheduling methods:

- Online at www.prometric.com/cpa
- Via telephone, (800) 580-9648
- On-site at a test center

Prometric recommends that candidates register via the Internet, because the system is available at all times and offers instant confirmation of the test appointments. Candidates must reserve their seats at least five

days in advance of their desired exam date. However, the AICPA, NASBA, and Prometric encourage candidates to schedule appointments as early as possible-preferable 45 days in advance. Test seats are booked on a first-come, first-served basis.

Further information about the computerized CPA exam, including tutorials and sample tests, may be found at www.cpa-exam.org.

ICMA Offers Book on Capital Budgeting & Finance

The International City/County Management Association has published *Capital Budgeting and Finance: A Guide for Local Governments*. It is intended as a practical guide and reference for city and county managers, finance and budget directors, and other local officials involved in capital planning and financing. The book is authored by John Vogt, professor of public finance and government at the School of Government, University of North Carolina at Chapel Hill. A free excerpt of the book is available at ICMA's Bookstore & More, located on the web at www.icma.org.

Don't Forget to Make Your Reservations for the 2004 Summer Training!

The GFOAz 2004 Summer Training is August 19-20, 2004 at Loews Ventana Canyon Resort located in the foothills of the beautiful Catalina Mountains. Room reservations at the group rate of \$58/ night may be made by calling (800) 234-5117. The group rate is available through July 20, 2004. Registration material for the summer training will be mailed to members and posted on the GFOAz web site in July.



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MEMBER PROFILE

Pamela Reitz-Bowman

Budget Officer,
Pascua Yaqui Tribe



Where are you originally from?

I am a fourth generation Tucsonan.

Where did you earn your undergraduate degree?

My undergraduate degree is from the University of Arizona. (BSBA/Major in Accounting)

What do you like most about your job?

What I like most about my job is that while it is professionally challenging, I am fortunate that it affords me the ability to balance work and family.

What areas of government finance interest you the most?

The specific areas of government finance that interest me are budgeting and performance measurement because they give you a good overall view of the workings of an organization.

What other communities have you worked for?

Prior to coming to work as Budget Officer for the Pascua Yaqui Tribe I was Chief Financial Officer at the Tucson Urban League, Finance Director at the Tucson Indian Center and Budget Analyst at the City of Tucson. There was also a bit of stay-at-home-mom thrown in there somewhere!

What is your favorite book?

I read quite a bit and enjoy it tremendously but don't necessarily have one particular favorite. I tend to lean towards fiction but like to mix it up.

MEMBER PROFILE

Steven Baumgardt

Controller, City of Tolleson



Where are you originally from?
Minnesota

Where did you earn your undergraduate degree?

B.S. in Accounting St. Cloud State, University, St. Cloud Minnesota 1975. C.P.A State of Minnesota 1981

What do you like most about your job?

Because the City of Tolleson is a small community I would say the variety of accounting work. Such as budgets, grants, financials, fixed assets, utilities, investments, etc... This gives me the opportunity to be involved in different City functions.

What areas of government finance interest you the most?

Financial reporting and its structure.

What other communities have you worked for?

McKinley County, New Mexico and Minnesota State Auditor's Office

What is your favorite movie?

"BLUES BROTHERS"

GFOA Offers Advanced Finance Institute

The national GFOA will offer their prestigious Advanced Government Finance Institute from July 18-23 at the University of Wisconsin - Madison. The program includes seminars, lectures, and small group assignments. Government finance officials from around the United States and Canada will explore emerging trends in change management and leadership strategies, economic and demographic trends, technology solutions for the public sector, benchmarking and performance measurement, and public sector ethics. The program faculty includes representatives from the UW's School of Business and other departments, as well as government officials and private sector consultants and specialists. The cost of the program is \$1,850 and covers tuition, housing, meals, materials, and activities. Application packets, as well as information on full scholarships, are available on GFOA's web site, www.gfoa.org. More information can also be obtained by contacting Joanne Howard at 312-917-6104 or jhoward@gfoa.org.

ASU Offers Governmental Accounting Course

A new elective has been added to the School of Public Affairs Fall 2004 Schedule. PAF 591 Governmental Accounting will be offered on Tuesdays from 5:15 to 9:15 pm, August 23 - October 28 only. The schedule line number is 00167.

You do not need to be enrolled in a graduate program at ASU to take this course, however you do need to be admitted to ASU as a non-degree seeking graduate student to register. This process is easy and inexpensive, for more information visit the ASU Graduate College web site at www.asu.edu/graduate/admissions/steps.html.



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