



GFOAz News

A PUBLICATION OF THE GOVERNMENT FINANCE OFFICERS ASSOCIATION OF ARIZONA
(formerly the Arizona Finance Officers Association)

www.gfoaz.org

January 2003

President's Message

This is it - my last President's Message. It is hard to believe how quickly the past year has gone! I have been honored to serve as your President. The one message I would like to leave you with is how fortunate our organization is to have such dedicated leadership. Whatever accomplishments have been achieved during my term are a direct result of the team's commitment. Accordingly, I would like to thank the entire GFOAz Board of Directors, the members of the Education Committee and the League staff for their tremendous support. I look forward to the year ahead as the baton is passed to Kathy Pace (City of Mesa), who will become your new President at the annual conference in March. I know Kathy will do a superb job in leading our organization in the coming year.

At the beginning of the year the Board set some aggressive goals - after all, if you are going to row the boat you had better know the destination! I applaud the dedication and commitment of everyone that grabbed an oar and rowed. We are extremely fortunate as our Board and Education Committee take their duties very seriously and dedicate significant time and effort. We are also fortunate to have the Chairperson of our Education Committee, Dennis Massara (Lake Havasu City), who provided tremendous effort and achieved great results in developing the training over the past year. This year's upcoming annual conference is the result of the efforts of Dennis and the entire Education Committee.

For 2002 we set a number of goals organized into five major areas. A brief summary will give an overview of the year.

Organization Structure

We defined the mission of the organization and who we represent, updated our name, revised our by-laws and established the required incorporation and legal framework for the organization.

Membership

We published our first annual membership directory, created a new membership category,

expanded our membership, and began exploring opportunities to partner with other associations.

Sponsorships and Financial Support

A new corporate partner program was created along with new opportunities for advertising in the newsletter and on the web site.

Training and Career Development

In addition to coordinating the traditional Summer Training and Annual Conference, the Education Committee created new training opportunities, expanded the training throughout the state, marketed the training to non-finance staff, and began discussions for joint training opportunities with Arizona State University. An ethics statement was developed and adopted by the association. The professional development "coaching program" was launched.

Communications

Efforts in this area focused on increasing the content and frequency of the association newsletter and enhancing the web site. Keep your eye on the web site for more changes!

In summary, I am extraordinarily proud of our organization, of our volunteers who dedicate so much of their time, of our corporate partners who are so generous in their support, of our association with the League staff (thank you Dana and Wendy!), and of our members who support us in what we do. It was through everyone's involvement that we accomplished so much during the past year. Most of all, I am especially appreciative of the efforts of our leadership - the Board, Education Committee and Chapter Chairs - in both sustaining what is already good about our association as well as in taking us to new and better places. Thank you all for a great year!

Brent Mattingly

Brent Mattingly

GFOAz President

Deputy Finance Director, City of Peoria

Save the Date

March 5-7, 2003

GFOAz Annual Conference
Hilton Sedona Resort and Spa
Sedona, AZ

May 18-21, 2003

GFOA Annual Conference
New York, New York

August 21-22, 2003

GFOAz Summer Training
Radisson Woodlands Hotel, Flagstaff

GFOAz Plans 39th Annual Conference

The 39th Annual GFOAz conference is scheduled for March 5-7, 2003 at the Hilton Sedona Resort and Spa in Sedona.

Recognizing the diverse professional interests of GFOAz members, the Education Committee has developed a conference program filled with sessions that cover a wide array of issues facing governmental finance officers and staff. One significant change participants will notice from last year's conference is the introduction of a new format that includes concurrent sessions.

Participants will have the opportunity to attend several sessions that include: developing investment policies, municipal finance and budget, GASB 34, dealing with the media, and implementing a procurement card program, measuring and reporting financial conditions, activity based costing of government services, banking services, and selecting an auditing firm. GFOAz members should already have received registration packets. Additional copies of the registration packet may be downloaded from the GFOAz web site, www.gfoaz.org, or requested by contacting GFOAz at 602-258-5786 or wkaserma@mg.state.az.us. The conference registration fee for GFOAz members is \$140.

Room reservations at the group rate of \$130/night may be made by calling the Hilton at 1-877-273-3762. The group rate will be available until February 9, 2003 or until the block is filled so reserve your room early!



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GFOAz Board

Brent Mattingly, President
*Deputy Finance Director
City of Peoria*

Kathy Pace, Vice President
*Controller
City of Mesa*

Robert Nilles, Treasurer
*Finance Administrator
City of Surprise*

Frank Brown, Former President
*Retired Finance Director
City of Casa Grande*

Glenn Smith, At-Large Member
*Chief Fiscal Officer
Town of Payson*

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

New ASRS Retirement Contribution Rates

In August, the Arizona State Retirement System provided member employers with preliminary estimates for new contribution rates to take effect July 1, 2003. Since that time, the agency's consulting actuary has completed the annual valuation and final calculations for the new contribution rates.

The actuary determined that ASRS investment returns were less than originally calculated. Using these revised investment return calculations and other data, the actuary determined a fiscal 2003-4 pension plan contribution rate of 6.11% each for employers and employees, a figure greater than the preliminary estimate of 4.90% communicated to member employers in August. Recognizing the impact of a contribution rate increase on both employers and employees, the ASRS Board directed the actuary to expedite a periodic review of assumptions and methodologies used in the annual valuation process. Although the review is not yet complete, several changes have been recommended. The actuary suggested that if these changes were implemented immediately, they would produce an immediate effect of lowering contribution rates.

At its November 15, 2002 meeting, the ASRS Board voted to accept the annual valuation provided by Buck Consultants, which included a pension contribution rate of 5.20%, and a Long Term Disability rate of 0.50% for both the employer and employee. This represents a total contribution rate for fiscal 2003-4 of 5.70% for both the employer and employee. For more information visit the ASRS web site at www.asrs.state.az.us.

GFOAz Adopts By-law Amendments

In November, GFOAz members voted to adopt proposed amendments to the association's by-laws. The new by-laws may be reviewed on the GFOAz web site, www.gfoaz.org. The composition of the GFOAz Board changed as a direct result of the revised by-laws. In 2003, the board will include a President, President-Elect, Immediate Past President, Education Committee Chair, and four at-large directors.

All active members were sent information regarding nominations for the 2003 Board of Directors in early December. Ballots containing the names of members who expressed interest in serving on the board will be sent to active members at the end of January.

IRS Launches Newsletter for Governments

Internal Revenue Service officials have announced the launch of a new electronic newsletter designed to help federal, state, and local government entities understand and comply with federal tax laws. The quarterly newsletter is intended to provide current information for 90,000 state and local governments on tax and benefit issues concerning federal tax obligations, along with Social Security and Medicare coverage for public employers.

The Federal, State and Local Governments

Newsletter is available at <http://www.irs.gov/govts>. The site features an electronic subscription service that enables those interested to sign up to receive automatic notification of subsequent newsletters as soon as they are issued.

Renewal Reminder

All GFOAz members were sent membership renewal invoices in December. Your dues and updated membership information must be received by February 21, 2003 in order for your contact information to be included in the 2003 GFOAz Membership Directory.

DOR Business Reengineering Integrated Technology System (BRITS) Project Gets Underway

Byron Smith, Member Services Coordinator,
League of Arizona Cities and Towns

The Department of Revenue (DOR) has recently finished a lengthy procurement process and secured a contract with Accenture to build a new integrated tax system under a gainsharing agreement. Gainsharing means that Accenture is going to front the money for the system and then be paid out of increased revenues. This process seems to be going well. Accenture and DOR have been very good to work with in the early stages of developing this new system. The senior project managers have had meetings with the League and a League staff member will be serving on an oversight committee comprised of various system stakeholders. Representatives of the project will be coming to speak at the Annual Conference in March.

Submissions to the Newsletter

All active and associate GFOAz members are welcome to submit articles for the newsletter. Commercial members may also submit articles, however these articles are meant to inform members about issues, opportunities, and concerns that may impact their local agency or Arizona governmental finance as a whole. The articles should not be used to promote a product or service and will be subject to editorial review.

If you are interested in submitting an article, please send it to Wendy Kaserma at wkaserma@mg.state.az.us, on or before the deadlines listed below. In general, articles should not exceed 450 words.

<u>2003 Issues</u>	<u>Submission Deadline</u>
April	March 31, 2003
July	June 30, 2003
November	October 31, 2003

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Technology Agreements Facilitate Web Development for Local Governments of All Sizes

Byron Smith, Member Services Coordinator, League of Arizona Cities and Towns

The League of Arizona Cities and Towns recently entered into partnerships with two groups in order to help members establish or improve their presence on the world wide web.

Totally Web Government (TWG) is a cooperative agreement between IBM, the National League of Cities, and the League of Arizona Cities and Towns. TWG provides an easy-to-use point and click template that enables a non-technical person to develop and maintain a municipal web site.

Recently, new applications have been added to TWG to take e-government to the next level by providing cities with capabilities to conduct interactive informational and financial transactions through the city home page. A "Citizen Action Service" application allows citizens to request information or report problems to the appropriate city department and receive response and follow-up from the city.

The TWG program offers a one-stop solution to add a variety of "modules" without having to purchase expensive software or hardware upgrades to the city computer system. A "Utility Billing" application will enable citizens to track their utility bills and pay bills online, and a "Business and Occupational Licenses" application provides for issuing, renewing, and accepting payment for local business licenses. Other modules include a "Permit Tracking" application to enable constituents to apply and pay for building permits and several "Tax Billing and Collection" applications to enable citizens to pay property taxes online and businesses to report taxable sales and pay local sales taxes online.

Cities pay a one-time subscription fee for each module and a monthly, per-user charge. The fee includes on-line training to initially customize each application and ongoing help desk support. Instead of installing the software on your computers, it is run it from IBM's secure world class hosting infrastructure.

In order to give members a choice of providers, the League of Arizona Cities and Towns has also partnered with the International City/County Management Association, numerous state municipal leagues and technology companies, Avenet and Microsoft, to bring you the GovOffice WebCreator™. The primary goals of this initiative are to expand citizen access to government and make online government services available to communities of all sizes.

Two towns in Arizona have already begun taking advantage of this new program. Carefree (www.carefree.org) just signed up this fall, and Safford (<http://safford.govoffice.com>) began using the service last year. The site administration tools provide convenient methods to add or change content or graphics. Computer programming expertise is not required to build or maintain a vibrant GovOffice Web site for your community. Live customer

service representatives are ready to assist as you develop your customized Web presence.

Sites built with GovOffice cost a fraction of the price you would normally pay. The cost is based on population, and comprises a one-time licensing fee plus a monthly fee for hosting your web site, with special discounted pricing for League members. All you need to get started is a computer, an Internet connection, and the free Internet Explorer. Or, if you already have a web site, you can reduce costs and free up valuable staff time by using GovOffice.

If you have any questions about either of these programs before you contact the vendors directly, please contact Byron Smith at the League at 602-258-5786 or bsmith@mg.state.az.us.

Would You Like to Join the Women's Public Finance Network?

The Women's Public Finance Network (WPFN) is a voluntary association of women, elected and appointed officials and other women finance professionals, formed within the GFOA of the United States and Canada to encourage active involvement and full participation of women members in the organization, policy-making process and programs of the GFOA. Membership in the WPFN is open to all members of the national GFOA. It is an organization that provides great networking and educational opportunities for women in GFOA. You can find out more about the WPFN and download a sign up sheet by visiting the GFOA web site, www.gfoa.org/committees/wn/.

GFOAz Board Members Meet with ASU

In November, members of the board met with Dr. Jeffrey Chapman, Director of ASU's College of Public Programs, School of Public Affairs, to discuss how ASU can help meet the professional development needs of GFOAz members. Board members indicated that offering courses throughout the state in governmental accounting, budgeting topics, economics, and managing cash flows would be beneficial to members. Recognizing that members have different educational levels and full time work schedules, ASU proposed several different training formats ranging from semester long courses to half day seminars for more specialized topics. If you have additional topic suggestions, please e-mail your ideas to info@gfoaz.org.



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MEMBER PROFILES

Robert Nilles

**Finance Administrator
City of Surprise**



Where are you originally from?

I was born in Highland Park, IL.

What do you like most about your job?

The fact that as much as I think I know about government accounting and finance, I seem to learn something new here every day, and it's not usually something that I can read in a book, it's usually the result of real life experiences.

What areas of government finance interest you the most?

My first real job in government and my undergraduate degree are/were in accounting so I feel most comfortable with accounting issues. Budget and finance have been two areas I've learned to love. I'm still not as comfortable with purchasing, tax, grants administration, or risk management, but I'm fortunate to have great professionals in those positions, and throughout the department, who make me look good.

What other governments have you worked for?

As I mentioned above, I started in government as an accountant/auditor with the City of Flagstaff. I worked there for more than three years, before I went to work for Coconino County as the Chief Deputy Treasurer, but I could not get used to debits meaning credits and credits meaning debits and after about a year I moved on to the Town of Payson. I worked in Payson for about eighteen months doing a little bit of everything accounting wise, but I became bored working eight-to-five and needed more. I found that "and more" in Surprise where I have been CFO for more than five year now.

Who is your favorite musician?

My musical preferences are as many as my work history. Some days I like Beethoven (my daughter's name is Elise), and other days it's Elvis or Jerry Lee. Lately I've been enjoying a band called BR-549 (if you like Hillbilly Rock). I've also got quite a few Glenn Miller cd's.

What is your favorite book?

I don't have a favorite. The most useful book for me is the Bible. I'm currently reading the Whirlwinds of War. I love history.

What are your hobbies?

I do enjoy playing softball, but I have young children (4&7) so I don't have hobbies, unless playing Spiderman or school is a hobby.

MEMBER PROFILES

Ava Alcaida

Finance Director
La Paz County

Where are you originally from?

I am a native Arizonan and have spent all but five years of my life in Arizona.

What do you like most about your job?

The people I work with really make my job rewarding.

What areas of government finance interest you the most?

I find the budgeting process to be the most interesting part of government finance.

What other governments have you worked for?

My previous work experience includes eleven years at a Tribal government and six years at a non-profit hospital.

Who is your favorite musician?

My favorite musical group is the Dixie Chicks.

What is your favorite book?

My favorite book is Yellow Raft in Blue Water by Michael Dorris.

What are your hobbies?

When not working or chauffeuring my kids around, I enjoy reading, camping, boating, and playing the piano.

Newsletter Advertising is Now Available!

If you would like to learn more about advertising in GFOAz News, please visit the GFOAz web site, www.gfoaz.org or contact Wendy Kaserman at (602) 258-5786 or wkaserma@mg.state.az.us.

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Focusing on Results in Phoenix

Bob Wingenroth, City Auditor, Phoenix

At the City of Phoenix we aspire to conduct ourselves in accordance with eight visions and values. These statements transcend the hundreds of programs and thousands of people that work for Phoenix. We use these values to help guide us through the fast paced, decentralized environment that we work in.



As you might imagine, a strong performance measurement system is one of several important tools that help make this "value based" approach work. For the past ten years, people in all city departments have been working hard to improve their performance measures. We've had some small successes and learned some hard lessons - here's a summary of our experience so far:

- Our first attempt to develop performance measures looked good on paper, but failed miserably. Auditors performed academic research to identify "scientifically" the best mix of performance measures. These measures were categorized as inputs, outputs, outcomes, and efficiency indicators. Department directors told us that the measures were complex, the jargon was confusing, and the information was not relevant to the "real world." In order to succeed, we had to come up with a more practical approach.
- The tool that saved us and now serves as the foundation for identifying performance measures is the focus group. We have conducted over a hundred focus groups with Phoenix residents and asked this question: "What is most important to you about the services we deliver?" Residents have stepped up and given us outstanding advice - advice that is relevant, that is simple, and that is free from complex jargon. Department directors readily embraced and adopted the measures identified by these important stakeholders.
- The International City/County Management Association (ICMA) and the Governmental Accounting Standards Board (GASB) have given us valuable technical support, advice, and encouragement. Both organizations have dedicated professionals that focus on advancing the art of performance measurement.
- When you look broadly at the advice of our residents, performance measures fall into four main areas - 1) satisfaction with service quality, 2) response time, 3)

cost, and 4) mission accomplishment. To see examples of our measures, you can look at our City Manager's Executive Report available at <http://phoenix.gov/MGRREPT/index.html>

- While data, information systems, comparisons, and analysis are important aspects of performance measurement, we believe the most powerful thing that performance measures do is to let everyone in the organization know what is important.

If you would like to learn more about the City of Phoenix experience in the area of performance measurement, you can contact Bob Wingenroth, City Auditor at bob.wingenroth@phoenix.gov.

2003 National GFOA Annual Conference: "Meeting Financial Challenges"

The 2003 Government Finance Officers Association annual conference is scheduled for May 18-21, 2003 in New York, New York. GFOA's annual conference, "Meeting Financial Challenges," will offer an unsurpassed opportunity for government finance professionals to equip themselves with the latest tools and techniques to meet today's financial challenges. More than 75 concurrent sessions and discussion groups will offer a wealth of practical strategies and tactics for dealing with the fiscal issues confronting state and local governments.

GFOA's 2003 annual conference is a valuable opportunity for finance officers to share their experiences in addressing the challenges that continue to test state and local governments. Government finance officers from around the globe will converge on the center of the financial world to learn from experts and from each other how to successfully manage the complex issues confronting their communities. To register or learn more about GFOA's annual conference, see www.gfoa.org or e-mail conference@gfoa.org.

U.S. Conference of Mayors Addresses Role of Tourism in Metro Economies

The U.S. Conference of Mayors released a new report entitled The Role of Travel and Tourism in America's Top 100 Metropolitan Areas. It contains data on the vital role of tourism in metro economies, as well as the impact of the recession and 9/11 on tourism jobs and dollars. Mayors and travel industry leaders also developed an action plan to boost travel and tourism. The report and the action plan are available at www.usmayors.org.