

GFOA-CT

Government Finance Officers Association of Connecticut



Quarterly Newsletter

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President's Message

By Bob Curry

I think we should all give a big thanks to Kate Clarke Buch for serving as President of GFOA of CT last year. She was instrumental in some of the major changes that are taking place this year such as hiring part time staff to help run the organization. I would also like to thank Ann Harter for the wonderful job she did as chair of the Education Committee for many years. She is taking a well-deserved break and we are still looking for someone to chair the Education Committee. Any volunteers?

In addition I would like to congratulate the other Executive Board members who were elected at our annual meeting or who will be continuing terms to which they were previously elected: 1st Vice President Jeff Jylkka (East Hampton), 2nd Vice President Christine Hutton (Tolland), Treasurer Sal Pandolfo (Groton), Directors Dena Diorio (Danbury); Jim Finch (Branford), Mike Walsh (East Hartford), Lisa Hancock (Wethersfield), Barbara Bertrand (Windsor Locks), Diana Doyle (Middletown), Richard Darling (Weston), New England Representatives Don Miklus (Westport) and Alan Desmarais (Manchester).

At the annual meeting the John T. Walsh Scholarship was awarded to Ann Harter and Bob Curry. This award pays the tuition for GFOA's Advanced Government Finance Institute at the University of Wisconsin. Please be sure to read their comments about the program in this newsletter. The AI Young Award which recognizes a significant contribution to Connecticut Government was given to Gerald Paradis of Scully and Wolf.

I look forward to seeing everyone at the quarterly meetings, board meetings, and training sessions. We hope to hold the spring meeting at new Hartford Convention Center and are now making arrangements.

At the September 1, 2005 meeting of the Executive Board, the following Committee Chairs were appointed:

Accounting Standards – Jim Jaskot, Cheshire

Audit Committee – Greg Simmons, Enfield

Education Committee – still need a chairperson

Internet Committee – Bob Curry, Meriden & Jim Bowes, Wallingford

John Walsh Scholarship – Bill Hogan, Newington

Legislative – Mike Walsh, East Hartford & Jim Finch, Branford

National Representative – Jeff Smith, Mansfield

Newsletter – Dena Diorio, Danbury

Program – Jeff Jylkka, Esat Hampton

Tom Hamilton of Stamford will be chairing the National Event again this year at the National GFOA Conference in Montreal. Please get in touch with me or with Tom if you would like to help plan that event!

See you all at the November 16 meeting at the Aqua Turf in Southington !

Secretary's Report

By Chris Hutton

Minutes of GFOA Executive Board Meeting

September 1, 2005

Middletown, Town Hall

- Meeting called to order at 4:15 p.m. **Board members present:** Robert Curry, Jeff Jylkka, Christine Hutton, Sal Pandolfo, Diana Doyle, Mike Walsh, Lisa Hancock, Jim Finch, Alan Desmarais, Jan Godley, and Jim Jaskot **Board members absent:** Kate Clarke Buch, Barbara Bertrand, Jeff Smith, Richard Darling, Don Miklus, Dena Diorio Tom Hamilton Greg Simmons, Jim Bowes and Bill Hogan. **Others present:** Linda Savitsky, and Jessica Sanchez.
- **Minutes of April 7, 2005 Meeting** – Jeff J. moved and Mike Walsh seconded approval. Motion passes unanimously by all board members present and able to vote. Diana Doyle abstained as she was not a Board member at that meeting.
- **Treasurer's Report** – A copy was distributed to each board member. Motion to approve the budget was made by Lisa Hancock, seconded by Chris Hutton. The report was reviewed and accepted by board members. Budget FY 05-06 reflects the addition of 10 hours a month for Linda and Jessica's combined administrative services. The Board members present at the July 11, 2005 Executive Board meeting, (which was not a formal meeting due to a lack of a quorum) had determined that dues statements should be sent at the FY 05 rate of \$30.
- **Accounting Standards** – Jim Jaskot indicated that there was no change from the previous report; he will email updated information to the board members if anything changes.
- **Auditing** – Nothing to report.
- **Education** – Linda Savitsky, Chris Hutton and Diane Doyle all agreed to be on the Education committee. They will meet to plan the Education Committee activities for the year.

- **Historian's Report** – Jan Godley presented her report and distributed an updated list of past presidents. There are still some blanks in the time line.
- **Legislative** – Jim Finch presented his report. There was discussion about the OPEB legislation and the direction GFOA may be taking this coming session regarding this matter.
- **Membership** – Applications have been sent out. Linda has taken over this responsibility.
- **National Event** –No formal report. There was discussion about the high preliminary costs of sponsoring an event in Montreal.
- **Newsletter** – No report.

- **Program** – Board is looking for direction on this topic. Jeff J. will issue a survey of the members to gauge interest of future topics. There was discussion about GFOA procuring "Survey Monkey" to use as a tool for future planning. No formal decision was made, as Jeff J. offered to let the Board members test the software.
- **Name Badges & Web Site**– A proposal has been presented to upgrade the existing website. Linda will look into both areas and report back to the board.
- **National GFOA Representative** – No report.
- **2006 New England Conference** – Alan reported that the dates would be Sept. 17 – 20, 2006 at Foxwoods. The committee will be meeting in Sept. (The date has subsequently been changed to Sept. 10 -13.)
- **NESGFOA Representatives** – The 2005 Conference is scheduled for Sept. 22 – 25 at the Colony Hotel in Kennebunkport, Maine.
- **New Business** :
 - CCM was seeking assistance in planning a 1.25 hour presentation on performance measurement for October 18, 2005 convention. This was referred to the Education committee.
 - OPM requested a representative from GFOA to sit on a Task Force looking at OPEB issues. Mike Walsh's name will be presented.
- Meeting adjourned at 6:25 p.m.

Education Committee

By Linda Savitsky

The Education Committee met on September 29 at the Middletown City Hall. Present were: Chris Hutton, Ann Harter, Diana Doyle and Becky Salerni. Linda Savitsky agreed to act as the Committee facilitator until a Permanent Chair is appointed.

The CCM Convention Session on Performance Measures has been organized with a rep. from CCM.

The Committee scheduled a Training Session on OPEB Implementation for November 29, 2005. It was agreed that Linda would contact the speakers and make arrangements with Sal for a location, preferably the Rocky Hill Marriott. The session speakers will be: Vanessa Rossitto of Blum, Shapiro, Becky Sielman and Steve May of Milliman and Mike Goss of UBS. The session will run from 9:00 – 2:00 including a buffet lunch.

The committee reviewed a calendar of scheduled activities from Oct. – June.

The Mentoring Committee has requested that the Education Committee schedule the next set of Mentoring Workshops as part of the education programming for the year.

CT is a host site again for the GFOA GAAP Update scheduled for November 10, 2005 from 1 – 5 PM at Rensselaer at Hartford.

There was discussion about sponsoring a site for the National GFOA January 25, 2006 Satellite Downlink Teleconference about Budgeting for Outcomes. Linda will investigate availability and costs.

There was discussion about conducting a survey of the membership to gauge interest in different types of Education offerings.

The committee agreed to meet again at the Nov. 16, 2005 Quarterly Meeting.

Anyone interested in serving on the committee should contact Linda.

Accounting Standards Committee

By James Jaskot

The GASB has issued various pronouncements since the last update appearing in the Winter Newsletter early this year. A brief description of each is provided below:

Concepts Statement No. 3, *Communication Methods in General Purpose External Financial Reports that Contain Basic Financial Statements*

The GASB issued Concepts Statement No. 3, *Communication Methods in General Purpose External Financial Reports that Contain Basic Financial Statements* in April 2005. Concepts Statements are intended to provide a conceptual framework of interrelated objectives and fundamental concepts that can be used as a basis for establishing consistent financial reporting standards. This Concepts Statement provides a conceptual basis for selecting communication methods to present items of information within general purpose external financial reports that contain basic financial statements. Communication methods include recognition in basic financial statements, disclosure in notes to basic financial statements, presentation as required supplementary information (RSI), and presentation as supplementary information. These communication methods are defined in the statement, along with criteria and hierarchy for their use. The statement should help the GASB or a preparer of a financial report to determine the appropriate methods to use to communicate an item of information. The Concepts Statement (Product Code GC03) can be ordered by telephoning the GASB Order Department at 1-800-748-0659, or via the GASB website, www.gasb.org.

GASB Statement No. 47, *Accounting for Termination Benefits*

The GASB issued Statement No. 47, *Accounting for Termination Benefits* in June 2005. The Statement provides accounting and reporting guidance for governments that offer benefits such as early retirement incentives, or severance benefits to employees who are involuntarily terminated. In financial statements prepared on the accrual basis of accounting, the cost of involuntary termination benefits should be recognized in the period in which the government becomes obligated to provide the benefits. The cost of voluntary termination benefits should be recognized when the offer is accepted. The Statement describes how to measure the cost of termination benefits. It also requires certain disclosures, including a description of the plan and benefit costs. In general, the proposed Statement is effective for financial statements for periods beginning after June 15, 2005, with earlier application encouraged. However, for termination benefits that affect an employer's obligations for defined benefit OPEB, implementation is required simultaneously with the requirements of Statement NO. 45, *Accounting and Financial Reporting by Employers of Postemployment Benefits Other Than Pensions*. Statement 47 (Product Code GS47) can be ordered by telephoning the GASB Order Department at 1-800-748-0659, or via the GASB website, www.gasb.org.

Guide to Implementation of GASB Statements 43 and 45 on Other Postemployment Benefits

The GASB issued an Implementation Guide in August 2005 to assist plans and employers as they prepare to implement the OPEB reporting and disclosure standards in Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The guide provides the answers to over 250 questions to topics that include the scope and applicability of the Statements, actuarial matters, and the treatment of implicit rate subsidies that arise when retirees are insured in a group with current employees. The guide also includes questions and answers and expanded illustrations related to the option provided for certain employers and plans with small plan memberships, allowing them to apply an alternative measurement method to estimate liabilities and expenses associated with their OPEB obligations. The Implementation Guide (Product Code GQA43/45) can be ordered by telephoning the GASB Order Department at 1-800-748-0659, or via the GASB website, www.gasb.org.

Guide to Understanding Service Efforts and Accomplishments Reports

The GASB published *Government Service Efforts and Accomplishments (SEA) Performance Reports: A Guide to Understanding* in July 2005. The guide describes the information that is likely to be found in an SEA report, and how best to use that information. A copy can be obtained by contacting the GASB Order Department at 1-800-748-0659, or via the Performance Measurement for Governments website, www.seagov.org.

GASB Preliminary Views (PV) document, *Accounting and Financial Reporting for Pollution Remediation Obligations*

The GASB issued a PV document, *Accounting and Financial Reporting for Pollution Remediation Obligations* in March 2005. A PV is a document designed to set forth and seek comments on the GASB's current views at a relatively early stage of a project, generally preceding the issuance of an ED. This PV highlights the Board's thoughts on obligations that address the current or potential detrimental effects of existing pollution. The PV proposes that, once any one of five specified obligating events occurs, governments would be required to estimate the components of expected pollution remediation outlays using an "expected cash flow" measurement technique, and determine whether outlays for those components should be accrued as a liability or, in limited instances, capitalized. The GASB anticipates a range of differing views on the use of the "expected cash flow" technique, which would measure a liability using a probability-weighted average of the range of potential outlays. Provisions for an effective date will be provided in the Exposure Draft; issuance is anticipated in the first quarter of 2006. The PV (Product Code GV08) may be ordered by telephoning the GASB Order Department at 1-800-748-0659. The comment period on the PV concluded on June 24, 2005.

Exposure Draft (ED), *Sales and Pledges of Receivables and Future Revenues*

An ED on *Sales and Pledges of Receivables and Future Revenues* was issued in September 2005. The proposed Statement addresses such transactions as the sale of delinquent taxes or student loans, or future revenues such as those arising from tobacco settlement agreements. Specifically, the proposal will address whether certain transactions should be regarded as a sale or a collateralized borrowing. The requirements of this proposed Statement would be effective for financial statements for periods beginning after December 16, 2005. The ED (Product Code GE61) may be ordered by telephoning the GASB Order Department at 1-800-748-0659, or downloaded via the GASB website, www.gasb.org. The comment period on the ED concludes on December 30, 2005.

GFOA Advanced Government Finance Officers Institute

By Ann Harter

As one of the 2005 recipients of the John Walsh Scholarship, I wish to thank the GFOA of Connecticut and the John Walsh

Scholarship Committee for the opportunity of attending the Advanced Government Finance Institute at the University of Wisconsin, Madison. At the request of the John Walsh Scholarship Committee, I am writing about my experience in order to promote this class to others.

The title of the program, Advanced Government Finance Institute at the University of Wisconsin, Madison, may convey many sessions on accounting, budget, debt management, and investment strategies in an area overflowing with dairy products. On the contrary, the institute provided a fresh approach to address issues that most upper management personnel, not just finance, are faced with today.

Upon registration I was given a three-inch binder filled with the speakers' outlines for this intensive program. My housing on campus was significantly better than my CCSU dormitory. The Lowell Inn, a seven-story hotel, conveniently offered a sufficient amount of lodging for all conference participants and is located one block from The Pyle Center, our conference center. The hotel offered many amenities a few of my favorites were the in-room coffee makers, complimentary breakfast, swimming pool and daily housekeeping service.

At our first dinner, Executive Director Jeff Esser welcomed us. He provided the participants with some background of the program and explained that the instructors from this university had a much better rapport with experienced professionals than any other of the educational facilities used in the past. He also answered the question that was a concern to some people. Yes, your GFOA badge will allow you to buy beer at the student union! However, Tim Riordon brought us back to reality stating we had to read a Case Study #1 in his economic development section of our binder for his class the following day.

As we introduced ourselves, I discovered that the participants were from all parts of United States (Oregon to Florida) and Canada (Calgary, Alberta to St John's, Newfoundland), different size municipalities and various levels of experience.

The instructors were from the University of Wisconsin's School of Business as well as other experienced professionals. All of whom were captivating speakers who also did a wonderful job with class participation and interaction.

The structure of the program was set up to start 8:30 every morning. The classes included

- Motivating Employees and Managing Conflict by Charles Pulvino
- Economic Development and the Future of Communities by Tim Riordin
- Issues in Technology by Kate Kusterman
- Issues in Accounting by Stephen Gauthier
- Work/Life Balance by Roger Williams
- Strategic Planning by Doug Katz
- Dealing with the Media by Marshall Cook
- Global and Economic Trends by Clare Zempel
- Leading Organizational Change by Randy Dunham
- Two roundtable discussions were provided to discuss these topics in further detail.

There are two sessions for the Case Study. The first session (Tuesday morning) is devoted to meeting with your assigned group to strategize over the case study with further preparation to be done in our spare time. The second session (Thursday morning) is for each group's presentation. While I was under the impression this was a going to impact receiving my diploma, most groups found this as a form of entertainment.

During the week Steve Jackson, a GFOA consultant, and I exchanged ideas on how national GFOA and the state associations, like Connecticut, can partner their education programs. We also discussed the benefits of having programs for

smaller governments.

The university is situated on Lake Mendota and the surroundings of the water and sailboats made it a beautiful and relaxing atmosphere. Wednesday evening is an opportunity to explore the city on your own. On Thursday evening we had a tour of Frank Lloyd Wright's Hillside School. Madison served the GFOA very well even the cab drivers were well informed about CAFRs, but I'll let Bob Curry tell that story. GFOA staff did a wonderful job of making sure there was plenty of interaction among participants.

While I'm sure I will refer to the contents of my three-inch binder as a resource, I will also look to my newfound colleagues around the country as a greater resource. In fact, as I write this I am wondering how the Hurricane Katrina Disaster has affected our classmate, Paul Bourg, an accountant for Jefferson Parish, Louisiana. At a cost of \$370 a day for food, lodging and top instructors it was much more rewarding experience than a national conference. I encourage anyone who has not taken the class to seriously consider taking the time and effort to do so.

GFOA Advanced Government Finance Officers Institute

By Bob Curry

First, I would like to thank the Connecticut GFOA and the John Walsh Scholarship Committee for awarding me the John Walsh scholarship. This scholarship is awarded annually to a Connecticut government finance officer and funds the registration cost of the national GFOA Advanced Government Finance Institute. The Institute is an active five-day program of training run at the main campus of the University of Wisconsin in Madison. There were 44 attendees who are experienced government finance officers from all parts of the United States and Canada. This scholarship is especially meaningful in light of John Walsh's ongoing commitment to ethics, professionalism and professional development. John was the Finance Director in Hartford and a past President of the national GFOA. I am providing a summary of the program so that others in the organization are aware of the Institute and its benefits.

The program is supported at the highest levels within national GFOA. Jeff Esser, GFOA Executive Director, presented diplomas at the end of the week's activities. There were also two senior GFOA staff members present all week to ensure that all went well with the program. The Institute seeks and accepts participants from various parts of the country. Attendees in my class stretched from Canada to Florida and from Rhode Island to California. The program which is run in association with the University of Wisconsin's Executive Education and School of Business uses professors from the University as well as outside speakers with extensive experience in their subject areas. Session topics included Strategic Planning, Ethics, Dealing with the Media, Economic Development, Leadership, Motivation, and Technology. We also had small group projects where 5 people were given a problem to solve and then had to do presentations of your recommended solutions. The days were full with sessions beginning around 8:00 am. and ending with dinner, which finished about 7:00 pm. One evening included a visit to the Frank Lloyd Wright's Hillside School of Architecture during killer tornadoes.

I arrived in Madison Wisconsin on a beautiful summer afternoon to attend the Advanced Government Finance Institute. Imagine my surprise when the first thing the cab driver asked was if I knew what a CAFR was? He then went into a dissertation about how government has loads of hidden money stashed away and the CAFRs prove it. There aren't too many

cabs in Madison so a number of attendees heard the same story. Later in the week he dropped off a video at the hotel's front desk and we watched some of it in class. It was pretty comical but I was still impressed that a cabbie knew what a CAFR was.

I would highly recommend the Advanced Finance Government Institute to anyone interested an excellent training program. One of the highlights was meeting with people from all over the US and Canada. The differences in the way government is run across the country is amazing. One Finance Director from a small town was responsible for a liquor store and motor vehicle office in addition to the normal town responsibilities. If you have any interest I would suggest including this in your budget for next year and when that is cut apply for the Walsh Scholarship. You will really enjoy the program and Madison itself.