

It is the Communication and Technology Committee's goal to provide timely, educational and relevant information to the VGFOA members. Participation of the VGFOA members in providing feedback, writing relevant articles and/or providing other information to further the goals of the Communication and Technology Committee is strongly encouraged. Please visit the VGFOA website at <http://www.vgfoa.org>; contact VGFOA Board members or contact Communication and Technology Committee members for additional information and/or feedback.

President's Message – Rebecca Owens

I sincerely appreciate the opportunity to serve as your President this year and am grateful for your support as we continue to grow the VGFOA into the premier governmental finance organization that will hopefully serve you and your staff in becoming leaders in the financial profession.

I would like to take this opportunity to recognize Terry Adams for the leadership she provided as President in 2005-06. Under Terry's leadership, the membership increased by enhancing conference topics, ensured accessible education opportunities across the State, and provided more visibility and opportunity to our associate members.

Phil Grant completed his service to the Board in October. Phil has been a member of VGFOA since 1978 and served on the Board from 1999-2006. Phil is one of the most dedicated and loyal people I have ever met and am grateful to have his leadership and guidance for the organization. Phil has agreed to continue to be involved in VGFOA in any way that he can be of help. He will serve as a member of the Education Committee-Conferences. Thank you for your hard work and dedication to VGFOA.

During lunch on Friday at the Fall Conference, the VGFOA membership held its annual meeting at which time the following individuals were either elected or appointed to the Board:

Rebecca Owens	President
Steve Solomon	President-Elect
Terry Adams	Past President
Marycarol White	Treasurer
Ann Shawver	Education Committee-Conferences
Pat Weiler	Education Committee-Certificate Program
Charles Ramsay	Associate Membership Relations Committee
Vivian McGettigan	Legislative and Standards Committee
JoEllen Kerns	Membership and Awards Committee
William Skinker	State Representative/Historian
Leslie Beauregard	Communication and Technology Committee

Thank you to the above individuals for their willingness to give of their time to serve on the VGFOA Board. I appreciate your dedication, hard work, and a commitment to excellence to grow the VGFOA into the premier governmental finance organization.

Thank you again for the opportunity to serve you and look forward to working with you over the next year. If you have any desire to get involved please contact myself or any member of the VGFOA Board and we would be delighted to best utilize your time and efforts.

Rebecca Owens

Past President's Message – Terry Adams

Hello fellow VGFOA members. Thank you for the privilege to serve as the VGFOA President for the 2005-2006 term. The year went by so quickly that it is hard to believe that I am now Past President. It was an honor to serve all of you and an exciting time to be part of the Association. Participation in our training opportunities, conferences, and Certificate Program continues to grow. I have enjoyed seeing the new faces and meeting new members over the last year and I encourage all of you to become active in the organization. We were fortunate to add several new Board members last year and this year. These new members are enthusiastic, energetic, and open to ways to improve the Association. Board members also serve as committee chairpersons and they are looking for new recruits to keep the energy flowing. I am confident that our momentum and growth will only continue to improve under the direction of our new president Rebecca Owens and I look forward to seeing you at future events as Past President. See you in May at the Spring Conference!

Terry Adams

VGFOA Fall Conference Report

A good time was had by all who attended the VGFOA **Fall Conference** in early October in Roanoke. Beautiful fall weather welcomed the conference attendees on October 4th. There were over 180 in attendance with nineteen exhibitors and a host of sponsors. The VGFOA would like to extend its appreciation to our sponsors and supporters. Without the generosity of our vendor community, we would not be able to hold the programs and provide the support to our membership that we pride ourselves in doing. The conference highlights included sessions on healthcare, the economy, OPEB, and several sessions geared toward personal growth in retirement planning and leadership. Additionally, many social events were held including two receptions and the annual banquet. At the banquet, Jim Grisso was recognized with the Lifetime Achievement Award for his contributions to the organization as a past president. It was great to again get reacquainted with Jim and his wife, Goldie, and it was fun to surprise Jim with this award! Twelve VGFOA Past Presidents attended the conference and were honored at the banquet and at a Past President's Breakfast held on Friday morning. The VGFOA thanks members for attending the fall conference and for giving feedback on conference evaluations. This feedback is valuable in helping us to plan future conferences.

Mark your calendars now for the **Spring Conference** to be held Wednesday through Friday, **May 23 - 25, 2007** at the Oceanfront Hilton Hotel in Virginia Beach. Watch for information about this conference at www.vgfoa.org.

VGFOA Committee Reports

Associate Members Services Committee

The fall conference in Roanoke was a tremendous success with 19 Exhibitors providing information to our membership and 20 Sponsors hosting the events. Our Sponsors insured that none of the membership went without the opportunity to enjoy the wonderful food selections provided by the Hotel Roanoke. On several occasions I heard our conference referred to as "going on a cruise" with breakfasts, morning breaks, lunches, afternoon breaks, receptions and the banquet provided by our sponsors. In addition, the generously sponsored hospitality suite was open until late into the night providing extended networking time.

Ten of the vendors provided the excitement of the end of conference drawings at the Friday lunch where lobsters, car DVD players, gift baskets, gift cards, shirts and good old fashion cash (\$100) was up for grabs for those attending the lunch.

For this conference the Associate Member Services Committee introduced two new handouts. The one page Sponsorship List was developed to assist the membership in identifying who the sponsors of each event were with the names of the individuals present from each of the sponsoring firms. The sponsors were also recognized during the training sessions before and after each event. A second one page summary of the Exhibitors and the individuals present at the exhibitor booths was provided to assist the membership for reference during the conference. The new handouts were well received and suggestions have been provided to expand the handouts to include a sentence on the services provided by each firm at future conferences.

Don't forget to thank our sponsors and exhibitors as without their contributions our conference would not have been a resounding success. Many of our sponsors and exhibitors are looking forward to the May conference at the new Hilton in Virginia Beach. I have enjoyed this past year as the Associate Member Services Committee Chair and I'm pleased to welcome **Charles Ramsay** to the Board and his new role as the chair of this committee.

Vivian McGettigan

Vivian.McGettigan@fauguierscounty.gov

Awards and Membership Committee

Applications are now being accepted by the **Awards and Membership Committee** for the Edward Pettigrew scholarships and for the GFOA's Advanced Government Finance Institute Scholarship. The AGFI scholarship provides for the Institute fees of \$1,850. The Edward Pettigrew scholarships are for college and university students and are for \$1,000. Please see the VGFOA website for information and applications for these scholarships. The deadline for the **Advanced Government Finance Institute Scholarship** is **December 1, 2006** and for the

Edward Pettigrew Scholarships is December 31, 2006. For more information, go to Announcements and News at www.vgfoa.org.

Joellen Kerns, Chair

Awards and Membership Committee

Email: jkerns@loudoun.gov

Legislative and Standards Committee

As you are aware **GASB 45** is a new accounting regulation that will impact the financial reporting for post employment benefits other than pensions also known as Other Post Employment Benefits (OPEB). The statement generally requires that state and local governmental employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. The Annual OPEB cost for most employers will be based on actuarially determined amounts.

The implementation dates for this new rule are:

FY 2008 Phase 1 governments—with total annual revenues of \$100 million or more

FY 2009 Phase 2 governments—with total annual revenues of \$10 million or more but less than \$100 million

FY 2010 Phase 3 governments—with total annual revenues of less than \$10 million

What this means is that Phase 1 governments in Virginia will have to begin to deal with the issues related to the implementation of GASB 45 in the next few months as they begin their budgetary processes for fiscal year 2008. Some of the questions local officials will have to answer are: Should we pre-fund the OPEB cost or should we continue on a pay as you go basis? Should we setup a trust or other equivalent arrangement? Are the costs associated with our OPEB too large for us to continue to fund given the new accounting regulations? Are we going to make any changes to the current level of benefits to help mitigate the costs that may in some cases become prohibitive under GASB 45?

These questions were discussed at the fall VGFOA conference in Roanoke Virginia the week of October 2nd through the 6th during a GASB 45 roundtable that was held with participants from Virginia's local governments and school divisions, and actuaries who have been performing OPEB liability valuations for several years now.

While the above questions related to GASB 45 were discussed, there were additional issues that were raised that included specifics of the new statement, how to go about obtaining an actuarial study, what actuarial assumptions need to be discussed with the actuaries, and what very small governments should do to comply with this new regulation. In addition to these questions there were some issues raised that many believe will require action from legislators at the state level. Among these issues were:

- 1) Virginia, as a Dillon rule state, has not conferred the specific authority to localities to set up

the trust funds necessary to fund the OPEB liabilities

- 2) How will localities make investment decisions once the OPEB trust has been setup?
- 3) Will local officials have to take on personal liability with regard to the investment decisions that their localities make?

To try to address the issues that may require legislative changes, the Auditor of Public Accounts held a teleconference with officials from several Virginia localities and municipal associations the following week. The conversations focused on the three issues above and there was consensus reached that legislation should be crafted that will specifically confer the right to set up trusts for GASB 45 related costs and that this legislation should also address the personal liability of local officials.

Concerns were also voiced that there should be an investment vehicle that localities can use to invest GASB 45 related funds similar to the Local Governmental Investment Pool (LGIP). This vehicle would, however, have to be structured to allow for investments in instruments that would provide the potential for returns in the 7.5% to 8.0% range. Without this ability many OPEB programs may become cost prohibitive and the benefit of tying funds up in an irrevocable trust are lost. To achieve the higher yields necessary to fund some of the OPEB that are currently in place GASB has said that the trust arrangement must 1) be irrevocable, 2) that the plan's assets must be used to fund the plan, and 3) that the plan assets be protected from the creditors of the employer.

The teleconference was concluded with the agreement that the participants would craft language and return it to APA for consolidation into one, or possibly two bills that address the legislative needs. A follow-up meeting is tentatively scheduled for the last week of November with briefings to key legislators to follow soon after.

If you have questions or would like to discuss the issues related to GASB 45 please contact John Wallingford at wallingj@pwcs.edu.

Vivian McGettigan, Chair
Legislative and Standards Committee
Vivian.McGettigan@fauquiercounty.gov

Letter of Thanks to all VGFOA Members.....

Dear fellow VGFOA member,

I would like to thank the scholarship selection committee and the members of VGFOA for making it possible for me to attend the GFOA Advanced Government Finance Institute in Madison, Wisconsin this past August. It was one of the richest finance and leadership experiences that I have ever had.

The Institute is provided in conjunction with the School of Business at the University of Wisconsin in Madison, Wisconsin. Madison is a very interesting place- just beautiful- and the weather was perfect. They put us up in a campus lodging facility. It was not Hotel Roanoke, but it served the

purpose well... We were a short walk from the class locations, the student union (which has a fabulous patio overlooking a large lake where you can sit and snack and watch people and boats all day long), and the downtown area full of restaurants, shops and bars. They like beer in Wisconsin. I made it a point to try and fit in.

Many of the classes were led by professors from the University of Wisconsin. Some of the other classes were led by GFOA staff or Finance professionals. They were all really dynamic speakers, enthusiastic about their topics. One of the things I really enjoyed was that the classes were very interactive.

In one class, we were assigned a team project- a case study. In the case, the locality was suffering from a declining economy and falling property values. Because of this decline, demand for some services (social services, housing assistance, medical care) was increasing, as revenues were diminishing. Additionally, the team, as the Finance Director, had been tasked with identifying and implementing budget cuts, mostly to deflect the blame for budget cuts away from the Administrative and elected officials. Our task, then, was not only to develop a strategy for resolving the financial issue, but also to address the political issue. Our approach was to pull the County functional departments together to generate shared ownership in the problem and to generate a comprehensive solution. We worked on it after hours and over meals. Since we were all from different places, with different circumstances, we each had something to contribute. We learned so much from each other.

The students really were a diverse group. There were people from small and large localities: One guy was from a locality so small, he was not only the City's Finance Director, he was the City Attorney, too.

We heard from Ed Harrington of San Francisco, California, and a former GFOA president, on disaster planning. Stephen Gauthier, Director of the Technical Services Center for GFOA, spoke on emerging issues in Governmental Accounting. That man really loves his accounting. He was very enthusiastic! Because I had signed up to attend his session, I was also seated at his table over lunch that day. Anne Spray-Kinney, also a former GFOA president, and currently Director of the Research and Consulting Center at GFOA spoke to us about Performance Measures in Budgeting.

One of the speakers, David Zach, is a futurist. He actually has a master's degree in Studies of the Future from the University of Houston Clear Lake. His talk was fascinating. What I came away with is that, even as things are changing so rapidly, there are sustainable constants: Those basic human characteristics and emotions. So, no matter how much and how fast things change, people will likely still value community, family and relationships with other people.

We didn't work the whole time. We toured the Frank Lloyd Wright School of Architecture. It is a very small school, housed in building designed by the man himself. The students live on campus, almost communally, and are totally immersed in the learning experience. We also attended a wine reception where I had a short conversation with Jeffrey Esser, Executive Director of GFOA. He was very open and easy to talk to, and very proud of the program. I did my best not to embarrass VGFOA.

As you can tell, I had a really good time, and I learned so much. Thank you all for sending me. I enthusiastically recommend this experience to anyone, and I encourage you to compete for the scholarship next year.

Sincerely,

Deborah King
County of Stafford
Debt, Securities and Records Manager

The newsletter is produced through VGFOA's [Communications and Technology Committee](#) (Committee) with the assistance of Radford University's [Governmental and Nonprofit Assistance Center](#) (GNAC). To submit a future article for consideration, contact the [Editor](#).