Government Finance Officers Association of Texas

www.gfoat.org

GFOAT NEWSLETTER - AUGUST 2007

PRESIDENT'S MESSAGE

Colleagues and Friends –

What an exciting month August has become! Hopefully most of you will have your proposed budgets under control and ready to move into getting ready for year-end. The cycle never ends, does it? I'd like to encourage every one of you to find new ways to challenge yourself and your staff in these annual exercises. Find ways to make it better! Find ways to get your staff more involved. It may surprise you to see what they can contribute that you haven't thought of yet.

As August continues to unfold, we have some exciting news in this month's newsletter. Most timely, we offer another revealing article from **Lewis F. McLain, Jr.**, which is an analysis of weather patterns and how they affect your water rates. With last years drought and this years record-setting rainfall, it's difficult to determine where to land on rates. This article should provide some insights into how to tackle that issue.

Also, we are excited to submit our program for the fall conference in Corpus Christi. We are "Off to the Races". This conference promises to be filled with informative and educational sessions. We are excited to start the conference with two national speakers: **Robert Attmore**, from GASB, and **Jeff Esser** from GFOA. We also plan to end the conference with a very timely and important topic on retirement systems with **Eric Henry**, the new TMRS executive director and **Bob Scott**. Special thanks to all of the program development committee who have helped pull it together. It promises to be a great line-up!

Also included this month are award and scholarship applications. Please note the deadlines have been extended. The Distinctive Innovations Award is due **September 10**. The scholarship applications for fall conference are due **September 7**. The fellowship application is now due by **October 31**.

With these recognitions, education, and training programs, we continue to strive to meet the needs of our members. Please contact Becky Brooks Grimm or me if you have any suggestions on how our organization can further meet your needs.

Max

Government Finance Officers Association of Texas

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Editors Note: Congratulations to Max for receiving the 2007 AICPA Outstanding CPA in Government Award. Max was recognized in Washington DC on August 20th! Find out more:
http://fmcenter.aicpa.org/Community/Outstanding+CPA+in+Government.htm

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GFOAT NEWSLETTER - AUGUST 2007

TRAINING CALENDAR / NEWS

GFOAT NEWS TO USE……

APPLICATIONS NOW DUE - Please see committee section for links to applications for:
Lynn Anderson Fellowship - Provides a $4,000 educational college fellowship to someone pursuing a career in public finance
Distinctive Innovation Award - recognizes innovative ideas in our industry
Fall Scholarship - Provides a scholarship to some working in local government to attend the Fall Conference in Corpus Christi
MEMBERSHIP RENEWALS - You should be receiving your membership renewal forms in the mail. Please watch for it and get it turned in to continue your member benefits. In particular, please be sure if you are a CGFO, that you check off and send in the CGFO renewal fee. If you are already a member (and NOT a CGFO and NOT a member of region 8 or 13, you can now RENEW ONLINE with a credit card. Sign on to TML Online Membership update at www.tml.org/source/Security/member-logon.cfm

You will need to login with their login and password. This is the same login that is used to register for the GFOAT conferences. If you don't remember the login, email TML at database@tml.org and request your login and password.

UPCOMING EVENTS…

FALL CONFERENCE - Corpus Christi Oct 10-12 …."Off to the Races", get hotel information at www.gfoat.org/gfoatfall.pdf - Get in early and attend the following event sponsored by Bank of America:

Wednesday Night Social Event: An Evening on the Water - Join Bank of America as they host an evening on the Water, a unique nighttime bay area cruise, aboard the Captain Clark Flagship. This fun and relaxing cruise will include heavy hors doeurves, drinks and musical entertainment. A Bank of America representative will meet you in the registration area of the GFOAT event beginning at 6:30 pm. And will escort you from the Omni at 6:45 pm to make the short walk down the pier to the Flagship. The boat will launch shortly after 7:00 pm and will return to the docks shortly before 9:00 pm. This looks to be an exciting opportunity for our GFOAT attendees. We recommend that you register early for this event, as space will fill up quickly. To RSVP for this nighttime excursion or for more information, please e-mail: irma.olivas@bankofamerica.com.

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GFOAT NEWSLETTER - AUGUST 2007

TML - GFOAT Affiliates Day - November 8, 2007, Dallas Convention Center - This just in!!!!!! Exclusively for those attending GFOAT Affiliates Day, Dr. Bob Bland will sign copies of his two most recent books, A Revenue Guide for Local Governments, and the best seller A Budgeting Guide for Local Government. Bring

your copy if you want it signed after his presentation. Either book can be purchased from the ICMA websites:

Budget book (2nd edition):
http://bookstore.icma.org/A_Budgeting_Guide_for_Local_Go_P1745C29.cfm

Revenue book (2nd edition:
http://bookstore.icma.org/A_Revenue_Guide_for_Local_Gove_P1266C29.cfm

9:00 - 10:15 a.m.
Recent Developments in Budget Innovation: Linking Inputs, Outputs, and Outcomes - Find out the latest innovations in better linking budget inputs to outputs and outcomes. You'll also learn what public officials can anticipate during the next two decades in technology innovations, citizen participation, and analytical competencies in budgeting. Robert L. (Bob) Bland, Professor and Chair of the Department of Public Administration, University of North Texas, Denton

10:15 - 11:00 a.m.
Update from GFOAT: Current News and Events and Question-and-Answer Session. GFOAT Leaders

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GFOAT NEWSLETTER - AUGUST 2007

MEMBER SPOTLIGHT

Vicki N McCarthy CPA
Senior Accountant
City of Grapevine
Member Date: 11/15/2002
TML Region: 08 - Fort Worth
Phone: 817-410-3118
Education: BS Accounting 1979 University of Arkansas
Experience: 07/01 - Present Current Senior Accountant, City of Grapevine
Certifications: CPA – State of Oklahoma and Texas
GFOAT Service: 2006- Present - Newsletter and Web Site Committee (Co-Chair)

What has been one of your greatest accomplishments / projects in government finance?

When I started my career in government finance in July 2001, I got to prepare my first CAFR. I had several years of experience in the private sector in financial reporting, but no experience in the government sector. It was a challenge to start preparing the CAFR (non GASB 34) and then turn around and start preparing the CAFR in accordance with GASB 34. It was a fast learning experience.

What was one of your greatest learning experiences in your government finance career?

Attending the “New and Emerging Finance Director’s Meetings”. The classes gave me a broad exposure to the responsibilities of a finance director. Plus I got to network and meet many new and soon to be finance directors in the metroplex. Now when I need more information about utility billing, municipal court, etc., I utilize the information and contacts I got from the classes.

Who has influenced or had a great impact on you and your career in government finance?

My boss, Fred Werner. He is always challenging me and getting me to think outside the box. He introduced me to GFOAT and got me to get out, network and get to know others in the government finance community. Now when ever I need assistance I have some wonderful people that help me.

What has been one of your greatest challenges in government finance?

Lack of time and resources. I have also worked in the private sector, but I have to say the area of government finance is the most demanding job I have ever had. In one day a person can work on bonds, traffic signals, fire trucks, water bills, budgets and payroll. Never a dull moment!

What, to date, has been your biggest screw-up; no let's say 'on-the-job learning experience'?

When I first started in government finance, sometimes I would rely on the statements of others without double checking the information. Always take the time to check out your information.

In your crystal ball, what do you see as a future challenge for government finance?

Finding the resources to cover the ever increasing costs of operations, especially the costs related to employee benefits. A challenge to municipal organizations is finding well trained individuals to fill the positions in the finance department.

What words of wisdom would you pass on to new government finance professionals?

This is a job you cannot do alone. Be sure to get to know the people in the finance department of other cities. Stay up to date due to the constant changes in accounting, finance, and state and local government.

What are your hobbies that help keep you sane?

Most times I feel I am not sane and my husband says if I would find a hobby I would enjoy life more. When I do take time for fun I like to go for walks, (especially along the beach), read, and I love to go to the movies. I would love to live in the mountains (during the summer), and I like to travel.

Who is your favorite actor?

John Cusack - (Say Anything, The Sure Thing, Grosse Pointe Blank) - Yes, he has been a favorite of mine since the 80's.

Who is your favorite signer?

I like a lot of singers/bands. Fleetwood Mac, Elton John, Sting, Maroon 5, Annie Lennox, Nora Jones. I could go on and on.

What was your favorite TV show when you were a kid?

Mary Tyler Moore

What is your favorite movie?

Something's Gotta Give – Jack Nicolson, Diane Keaton
Under the Tuscan Sun Diane Lane

In Search of a Methodology to Normalize Water Revenues
Lewis F. McLain, Jr., CityBase.Net, Inc./
McLain Decision Support Systems

Introduction

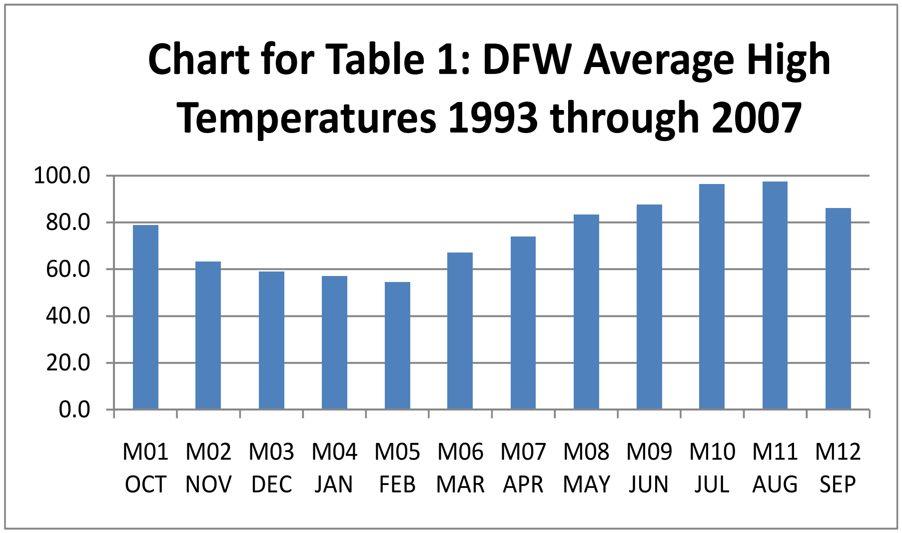
Will the real Texas normal summer please stand up? It seems to be a hopeless task to define "normal," especially with two years of back-to-back extremes. How would anybody have guessed what was in store for us, especially for the North Texas cities? This analysis is going to focus on several data compilations prepared as part of a search to find meaningful way to establish water revenue forecasts based on a calculated "normalized" year. Each table will include the purpose and construction of the matrix and the story in the compiled information. This presentation and analysis is a sampling of the search for significant correlations, but it is not exhaustive. As you will note, in the final analysis, a rather straight-forward calculation is made to illustrate a practical methodology. It does not, however, mean that the study has been concluded. Rather, this is a snapshot that you might find helpful to explain the story of weather fluctuations and the impact on water usage and resultant water revenues.

You will note that much emphasis has been placed on the use of "heat maps" that are easy to construct in Excel 2007. It is clear that the eye is aided when valuable comparative data frames the story in front of you yet relies on the eye to pick up on trends and extremes. Nothing can help more than to add color to the numbers so that certain aberrations can stand out to all readers regardless of their penchant for numerical analysis.

Average Actual High Temperatures

You will find it highly interesting and a logical place to start by examining temperature data. Table 1 shows the average high temperature for each day compiled by month for FY 1993 through FY 2007. August of 2007 is through August 19, and September 2007 is set to be the same as the median for the same month from 1993 through 2006. While you may not be surprised to see the extremes of FY 2006 compared to the other end of the spectrum for FY 2007, you may have forgotten how many extreme years we have had since 1993.

The use of *median* statistic instead of *average* statistic is preferred to establish a more central number less affected by extremes. Therefore, the median statistic is used exclusively in all tables other than Table 1 where both metrics are shown.



The average high temperature will have a considerable influence on water usage year-round. While rainfall also has a strong relationship to water usage, the amount of water pumped off-season is surprisingly high. Perhaps the most telling stories in Table 1 are of the extremes during the fall and winter months. However, you can clearly see how much warmer than normal November 2000 and 2006 were from the median. In fact, the prelude to the abnormal FY 2006 summer can be seen several months in advance as the average high temperatures were significantly higher than the medians well before summer began.

On the other hand, the temperatures for FY 2007 were about normal until January, which was about 6.7 degrees under the median and then July 2007 being 4.3 degrees lower than the median highs. August is on track to be close to the median, but we will see how rainfall coupled with temperatures tells a more complete story in a minute. For now, spend a few minutes gaining an appreciation of how widely the fluctuations have been since 1993 yet how it is possible to develop a reasonable normalized temperature to use for the purpose of explaining water revenue fluctuations.

TABLE 1 – DFW AVERAGE ACTUAL HIGH TEMPERATURE

FY	M01 OCT	M02 NOV	M03 DEC	M04 JAN	M05 FEB	M06 MAR	M07 APR	M08 MAY	M09 JUN	M10 JUL	M11 AUG	M12 SEP	MEDIAN	AVG
1993	81.6	60.0	58.8	53.2	52.2	65.8	71.1	81.4	88.4	97.5	98.0	87.4	76.3	74.6
1994	73.6	60.3	59.0	54.2	54.0	70.5	74.8	80.5	91.1	94.0	95.5	84.3	74.2	74.3
1995	76.8	64.9	57.8	58.3	58.0	66.3	72.7	82.2	87.6	96.4	95.3	83.2	74.8	75.0
1996	80.6	65.0	56.5	55.2	60.5	65.9	74.9	89.5	90.0	96.1	91.3	80.6	77.7	75.5
1997	77.9	62.1	60.6	53.8	52.4	69.0	68.1	79.4	85.3	94.8	92.8	88.1	73.5	73.7
1998	77.1	59.3	54.9	57.1	54.7	64.6	73.0	89.8	92.8	102.4	98.1	90.0	75.0	76.2
1999	78.7	63.4	55.7	59.3	60.8	65.9	75.7	83.2	87.7	96.4	101.7	87.1	77.2	76.3
2000	81.4	72.6	62.6	60.7	65.1	71.4	72.9	86.5	86.1	98.0	101.9	89.4	77.2	79.1
2001	78.1	56.0	47.8	52.3	54.4	60.3	74.1	83.9	87.9	96.7	94.2	81.1	76.1	72.2
2002	76.8	67.1	59.5	59.4	53.2	66.0	74.8	81.2	86.6	92.3	94.7	87.5	75.8	74.9
2003	72.1	62.9	57.5	54.6	49.4	67.1	75.7	85.3	85.8	96.9	97.6	81.4	73.9	73.9
2004	80.1	66.6	61.1	58.5	51.1	72.1	73.4	83.5	85.2	93.0	90.6	86.2	76.7	75.1
2005	81.4	63.2	60.2	59.5	55.6	67.8	73.9	82.9	90.8	95.6	97.4	92.2	77.7	76.7
2006	80.8	70.5	60.1	68.3	54.8	72.6	80.7	88.6	92.0	98.4	100.7	85.7	80.7	79.4
2007	79.2	66.7	60.0	50.4	54.5	73.5	69.5	82.5	87.1	92.1	97.7	86.2	76.3	74.9
MEDIAN	**78.7**	**63.4**	**59.0**	**57.1**	**54.5**	**67.1**	**73.9**	**83.2**	**87.7**	**96.4**	**97.4**	**86.2**	**76.3**	75.4

Heating & Cooling Degree-Days

Table 2 provides a calculation and a presentation that you may not have seen before. There are two widely used weather statistics called Heating Degree Days (HDD) and Cooling Degree Days (CDD). First, there has to be a base temperature, such as 65-degrees that generally represents the average outside temperature requiring little or no inside heating or cooling. If the average temperature on a given day is 75-degrees, then the difference of 10-degrees is called ten Cooling Degree Days. If the average temperature is 55-degrees, then the difference is -10 degrees and counted as ten Heating Degree Days. This data was obtained from accuweather.com for a very small fee and is available for every major airport and weather station.

In Table 2, you can see a different picture of the same data as in Table 1. You will notice it computes a Net Degree Days for each month, subtracting the HDDs from the CDDs. Actually, for smoothing purposes, I computed a moving 10-day average and summarized those numbers in a effort to produce a more meaningful and stable statistic.

Interestingly, the overall median for the entire fiscal year is generally not a large net number. However, it is for that reason that FY 2006 stands out as being almost twice as hot (6.70 degrees higher cooling degree days) as any year shown in the table. Also, while FY 2007 is not yet over, it is on track for being the coolest year since 1997.

The gas and electric industries often use HDDs and CDDs to normalize their revenues – taking an audited year and adjusting to compensate for an over-collection or under-collection of revenues. Perhaps you can begin to see why it is important to understand and develop a defendable methodology to normalize the water revenues.

Again, for now, simply review the moving average net degree-days with the use of the heat map to see how a pronounced hot year, such as FY 2006, can be measured against the previous year or the median of several historical years.

To end the review of temperature data, Table 3 has been constructed to provide yet another measurement of just how hot or cold a month might be compared to a much longer average number of years. As hot as August 2006 was, you can spot how it was just one of many extremely hot August months the DFW area has experienced since 1993.

These temperature tables are meant to show different measures that may help tell a story or to spot an aberration that is not otherwise apparent.

TABLE 2 – DFW NET MOVING AVERAGE DEGREE-DAYS

FY	M01 OCT	M02 NOV	M03 DEC	M04 JAN	M05 FEB	M06 MAR	M07 APR	M08 MAY	M09 JUN	M10 JUL	M11 AUG	M12 SEP	MEDIAN	TOTAL
1993	4.42	(8.32)	(17.09)	(18.46)	(16.12)	(11.38)	(2.42)	5.87	15.27	21.33	23.13	14.65	1.00	10.89
1994	2.72	(12.99)	(15.20)	(19.15)	(16.60)	(7.38)	(0.61)	4.73	17.39	19.71	18.33	12.94	1.06	3.89
1995	4.43	(6.21)	(15.41)	(16.95)	(14.14)	(7.96)	(2.04)	6.55	14.31	19.58	20.41	13.35	1.20	15.92
1996	4.18	(8.23)	(16.38)	(20.98)	(15.56)	(11.62)	(2.76)	12.13	16.94	21.50	18.53	10.89	0.71	8.64
1997	2.10	(7.23)	(16.74)	(20.98)	(16.25)	(8.37)	(4.65)	3.32	12.76	19.25	18.60	16.06	(1.27)	(2.12)
1998	4.41	(12.49)	(17.33)	(17.88)	(14.42)	(12.16)	(0.28)	10.42	19.67	26.01	23.24	19.39	2.07	28.57
1999	6.39	(6.31)	(14.69)	(17.95)	(10.42)	(8.43)	0.91	7.95	15.86	20.31	25.17	16.39	3.65	35.17
2000	5.23	(0.77)	(13.21)	(12.01)	(11.86)	(4.25)	(0.66)	9.68	15.61	22.00	24.23	18.83	2.28	52.83
2001	3.86	(11.95)	(23.06)	(24.44)	(15.55)	(12.94)	0.37	7.79	14.65	20.51	21.34	11.36	2.12	(8.05)
2002	0.80	(3.45)	(14.37)	(19.45)	(16.45)	(12.74)	1.46	6.88	14.29	17.32	20.13	15.38	1.13	9.79
2003	2.70	(9.90)	(17.25)	(20.83)	(17.79)	(11.62)	(0.40)	9.64	13.42	20.30	22.03	11.37	1.15	1.67
2004	4.36	(2.86)	(15.38)	(15.37)	(20.28)	(5.35)	0.44	7.58	15.12	18.01	16.43	14.13	2.40	16.84
2005	7.17	(4.44)	(16.49)	(14.10)	(13.81)	(9.52)	(0.07)	6.96	16.94	20.45	21.38	19.54	3.45	34.00
2006	6.63	(3.41)	(17.15)	(9.47)	(15.45)	(4.76)	6.76	10.89	18.68	21.85	25.30	14.07	6.70	53.94
2007	4.62	(6.56)	(13.91)	(21.50)	(19.04)	(2.08)	(3.08)	8.98	15.23	18.25	20.93	14.39	(1.04)	16.23
MEDIAN	**4.41**	**(6.56)**	**(16.38)**	**(18.46)**	**(15.56)**	**(8.43)**	**(0.40)**	**7.79**	**15.27**	**20.31**	**21.34**	**14.39**	**1.20**	17.71

TABLE 3 - DEPARTURE FROM AVERAGE NORMAL TEMPERATURE (HIGH + LOW) /2

	M01 OCT	M02 NOV	M03 DEC	M04 JAN	M05 FEB	M06 MAR	M07 APR	M08 MAY	M09 JUN	M10 JUL	M11 AUG	M12 SEP	MEDIAN	TOTAL
1993	2.32	(2.50)	3.26	0.84	(0.43)	(1.23)	(1.87)	(1.23)	0.73	2.19	3.13	0.63	0.68	5.86
1994	(3.32)	(3.47)	2.90	1.52	(0.64)	1.61	0.73	(1.48)	3.00	(1.26)	(0.35)	(1.13)	(0.50)	(1.90)
1995	0.06	2.50	2.39	4.03	3.11	(0.55)	(0.70)	(0.10)	(1.07)	0.45	1.06	(0.97)	0.26	10.23
1996	0.55	(0.30)	0.77	(1.10)	2.59	(4.13)	(0.77)	6.52	1.53	1.29	(1.94)	(3.27)	0.12	1.75
1997	(0.23)	(0.33)	2.48	(1.00)	(0.04)	0.97	(4.40)	(3.06)	(1.90)	(0.10)	(1.42)	2.60	(0.28)	(6.42)
1998	(0.03)	(3.00)	(1.03)	4.13	1.68	(2.48)	(1.20)	5.32	4.63	6.55	3.32	6.13	2.50	24.02
1999	2.32	2.50	0.35	4.45	6.11	(0.87)	2.90	0.61	1.33	1.00	5.74	1.43	1.88	27.89
2000	1.94	7.77	4.74	6.35	7.86	3.35	0.27	3.48	(0.23)	2.32	5.71	2.87	3.42	46.43
2001	2.39	(5.33)	(7.32)	(1.48)	0.71	(5.58)	2.90	1.13	(0.70)	1.65	0.48	(2.83)	(0.11)	(13.99)
2002	(2.32)	4.57	2.71	3.48	(2.36)	(2.68)	3.43	(1.03)	(0.97)	(1.77)	0.23	2.03	(0.37)	5.32
2003	(2.35)	(1.33)	1.00	(0.26)	(3.64)	(1.16)	1.93	2.39	(1.97)	1.35	2.23	(2.90)	(0.71)	(4.72)
2004	1.52	4.43	2.87	4.42	(3.72)	4.39	1.20	1.23	(1.50)	(1.48)	(2.87)	0.83	1.21	11.31
2005	4.84	1.97	2.29	5.35	3.11	(0.77)	0.53	0.45	2.70	0.03	2.45	6.10	2.37	29.05
2006	1.55	5.60	1.48	10.97	0.04	4.77	7.10	4.87	2.73	2.71	5.35	0.10	3.75	47.28
2007	0.94	2.33	3.26	(1.94)	(0.11)	6.58	(2.83)	1.45	0.40	(1.26)	2.95	0.00	0.67	11.77
MEDIAN	**0.94**	**1.97**	**2.39**	**3.48**	**0.04**	**(0.77)**	**0.53**	**1.13**	**0.40**	**1.00**	**2.23**	**0.63**	**0.97**	13.96

Rainfall Data

While temperature is not likely to vary significantly city-by-city within a region, rainfall is subject to big differences between the official measuring site and a specific location. In fact, even a small city can have heavy rainfall in one section of the city and none just a mile or two away. Nevertheless, Table 4 has been prepared to show the total official DFW rainfall by month from FY 1993 through August 19, 2007. This is where some of the FY 2006 and FY 2007 extremes are simply amazing! In fact, these rainfall fluctuations have made it very difficult to implement a needed rate increase. The drought of FY 2006 produced an abundance of revenues, causing many cities to postpone needed rate increases. Now in FY 2007, the revenue shortfalls are draining reserves, but that does not help when it comes to revenue bond income tests. Thus, the urgency to act upon a knowledgeable calculation for a normalized year brings this analysis into focus.

FY 2006 introduced one water revenue phenomenon and FY 2007 introduced another. In an effort to conserve water, cities generally went to a mandated once-per-week water schedule in FY 2006. You could water only on your garbage day but not after 10:00 a.m. and before 7:00 p.m. What the cities did not count on is that residents could start their sprinkler systems at 12:01 a.m. and then run them again about 7:00 a.m., only to be followed by a third watering between 7:00 p.m. and midnight. This threw conservation out the window to a large degree.

In FY 2007, we have had a ton of rain. However, the rain has been such that many residents did little or no watering in May, June and July. Therefore, Table 5 was constructed to show a key statistic when it comes to rainfall data. Many residents will continue to water even when there are small showers throughout the month. Therefore, Table 5 is meant to show the cumulative days in each month since there was at least ½-inch of rainfall or more. In the study of total water consumption for a city, it was noticeable how water consumption grew to its highest levels as the number of days since a “good” rainfall had occurred. The counts are for a continuous number of days, so the measurement chopped into months is not exactly correct. Still, notice how in April, May and June of 2007, there were not more than 5.5 days that went by without at least ½-inch of rain. There it was not just the amount of rain but rather the distribution of significant rain that can be seen.

Also, notice how December and January of FY 2006 were extremely dry compared to the median. Now you are hopefully able to see a story that otherwise would not stand out to you.

TABLE 4 - RAINFALL (INCHES)

FY	M01 OCT	M02 NOV	M03 DEC	M04 JAN	M05 FEB	M06 MAR	M07 APR	M08 MAY	M09 JUN	M10 JUL	M11 AUG	M12 SEP	MEDIAN	TOTAL
1993	3.10	3.56	4.56	1.74	5.75	3.03	3.46	1.75	3.75	0.00	0.75	3.28	3.19	34.73
1994	5.10	1.57	2.54	1.39	2.05	1.64	3.60	5.80	2.05	3.96	4.87	1.39	2.30	35.96
1995	8.19	6.03	2.44	2.11	0.44	6.70	6.86	7.50	2.41	3.45	0.86	1.54	2.95	48.53
1996	0.75	0.74	2.06	0.97	0.35	2.36	2.14	1.03	3.42	3.85	5.02	1.52	1.79	24.21
1997	6.56	5.54	0.47	0.34	7.40	2.21	6.73	3.93	4.00	1.68	3.13	2.01	3.53	44.00
1998	5.66	1.01	6.52	5.07	3.22	4.45	1.25	2.18	1.76	0.11	0.35	0.67	1.97	32.25
1999	5.64	4.91	4.41	1.44	0.48	2.85	2.74	6.93	0.99	0.78	0.00	2.30	2.52	33.47
2000	2.26	0.31	2.54	1.59	3.30	2.92	4.28	3.17	5.93	0.00	0.00	0.17	2.40	26.47
2001	4.38	6.95	3.57	2.57	6.17	5.27	0.89	5.58	1.28	3.85	2.72	3.72	3.79	46.95
2002	1.87	1.11	3.24	4.90	0.94	7.39	5.68	5.40	3.10	3.07	1.47	1.38	3.09	39.55
2003	6.44	0.52	4.13	0.22	3.07	0.85	1.87	2.53	5.17	0.08	1.85	3.99	2.20	30.72
2004	0.78	3.15	0.96	3.04	3.84	1.69	2.96	4.73	10.51	4.16	4.24	1.02	3.10	41.08
2005	5.73	5.01	0.65	4.33	1.62	2.17	0.56	3.35	1.14	0.74	2.46	1.36	1.90	29.12
2006	0.89	0.02	0.33	2.25	3.85	4.40	1.86	1.90	0.34	1.78	0.52	2.60	1.82	20.74
2007	4.34	2.58	3.33	5.58	0.43	3.81	2.82	8.34	11.10	5.54	0.02	0.00	3.57	47.89
MEDIAN	4.38	2.58	2.54	2.11	3.07	2.92	2.82	3.93	3.10	1.78	1.47	1.52	2.70	32.22

TABLE 5 - CUMULATIVE DAYS ENDING IN MONTH FOR RAINFALL LESS THAN 0.50"

FY	M01 OCT	M02 NOV	M03 DEC	M04 JAN	M05 FEB	M06 MAR	M07 APR	M08 MAY	M09 JUN	M10 JUL	M11 AUG	M12 SEP	MEDIAN	TOTAL
1993	10.5	6.6	10.4	17.3	4.4	10.9	6.7	13.3	6.4	21.0	17.3	16.7	10.7	141.6
1994	10.5	12.8	7.8	35.0	46.3	9.8	28.6	3.9	9.3	8.4	20.8	15.5	11.6	208.7
1995	9.1	6.0	12.7	17.4	19.5	10.2	3.9	9.4	12.6	11.0	15.0	19.7	11.8	146.3
1996	30.0	12.8	8.9	29.0	59.0	45.9	11.7	16.2	4.9	12.4	27.0	7.5	14.5	265.2
1997	17.3	6.1	17.0	48.0	14.4	9.1	4.7	6.4	8.5	11.6	13.1	14.1	12.3	170.3
1998	10.1	10.8	4.7	8.1	22.2	8.1	16.7	7.6	8.1	36.0	67.0	97.5	10.5	297.0
1999	17.7	5.9	4.7	23.6	16.5	16.6	6.0	2.5	16.5	17.9	37.0	26.1	16.5	190.9
2000	9.8	16.5	17.9	10.8	11.3	10.2	6.5	6.0	8.2	36.0	67.0	97.5	11.1	297.9
2001	55.4	3.5	14.8	16.6	6.7	3.9	9.5	7.0	8.3	15.0	15.6	4.5	8.9	160.9
2002	11.8	34.5	13.7	19.5	10.2	19.4	5.6	4.9	7.4	7.5	9.5	13.5	11.0	157.5
2003	8.5	27.5	6.9	17.0	29.5	11.7	8.1	11.4	7.4	30.0	47.3	7.8	11.6	213.2
2004	35.0	15.2	12.9	16.9	10.1	12.4	30.6	5.6	5.4	13.2	8.0	8.9	12.6	174.2
2005	6.4	5.5	24.0	10.3	15.5	34.2	19.5	20.3	11.6	41.0	30.8	15.0	17.5	234.1
2006	29.5	15.5	46.0	49.5	12.5	9.1	15.8	12.9	41.5	17.8	43.0	10.0	16.8	303.1
2007	7.7	11.5	6.7	4.1	25.5	42.2	5.5	4.1	3.8	9.1	12.0	0.0	7.2	132.2
MEDIAN	10.5	11.5	12.7	17.3	15.5	10.9	8.1	7.0	8.2	15.0	20.8	14.1	11.6	151.7

Now For Results

Up to this point, the purpose of the analysis has been to at least explain weather variations and to calculate the impact on water usage. For those of you who have attended any of my seminars or workshops or even my students from SMU in the 1970's, UTD in the 1980's and UNT in the 1990's know that I am fond of labeling my illustrations as the City of Fiscal Bliss. In this case, Fiscal Bliss is a real city, but the name is not important. I was able to obtain daily water production records from FY 2000 through August 19, 2007. I was also able to get the number of meters at the end of each month and prorated them into the daily water usage records. It is the only way to get the *average usage per customer (meter).*

The results are in Table 6, and they are profound! It shows a January and February statistical median of just under 270 gpmd (gallons per meter per day). You can also see how extreme the water usage is during the irrigation months. But look how low May, June and July 2007 were compared to the medians! You can also spot how many hot September and October months they have had in past years. You can also measure the drought extremes for FY 2006. Table 6 is loaded with data that can help explain the major impacts on weather-related revenues as well as to form the basis for establishing a normalized year through the calculation of median values.

In fact, Table 7 takes the daily averages per meter and places them on a monthly basis, another vital view. You can now get a sense of the monthly fluctuations. Look at August and September 2000 and compare with Tables 4 and 5 for the same months. This is powerful data!

What can you do with it? Among other things, you can multiply these monthly volumes by the current rate structure to measure the average bill variances. Fiscal Bliss has a very high inverted (conservation) rate, which, by the way, is doing nothing to stifle consumption.

From there you can multiply the monthly volumes by the number of accounts to get a sense of what the normalized revenue should be and just how much FY 2006 was over the "normal" and how much FY 2007 is under the same median statistic. Let's assume 10,000 accounts for illustration purposes.

The normalized revenue for 10,000 accounts is $6,362,600. The revenue for FY 2006 was $8,265,300 or 29.9% above "normal." FY 2007 is estimated to be $5,323,700, which is 35.6% below FY 2006 but 16.3% under the normalized revenues. If you needed $7,000,000 in revenue for FY 2008, you should raise the rates 10.0%, because you would expect to receive $6,362,600. If you raise the rates based on FY 2007, you would likely over-collect next year.

TABLE 6 – CITY OF FISCAL BLISS GALLONS PER METER PER DAY

FY	M01 OCT	M02 NOV	M03 DEC	M04 JAN	M05 FEB	M06 MAR	M07 APR	M08 MAY	M09 JUN	M10 JUL	M11 AUG	M12 SEP	MEDIAN	TOTAL
2000	805.6	611.6	327.3	341.6	354.2	310.1	403.1	517.5	487.9	1,044.6	1,296.2	1,092.3	502.7	7,592.2
2001	546.6	284.0	302.9	264.1	238.9	252.1	400.9	531.6	709.0	971.1	1,007.6	484.1	442.5	5,992.9
2002	497.5	459.7	306.6	290.2	287.5	332.9	372.6	457.0	642.3	621.5	995.6	792.0	458.4	6,055.4
2003	448.4	327.7	250.3	272.8	262.9	402.6	524.1	654.2	601.1	1,024.3	972.6	556.1	486.3	6,297.1
2004	584.8	371.8	303.7	265.7	235.0	287.0	432.8	567.9	425.5	722.6	730.5	703.3	429.1	5,630.5
2005	417.8	300.0	275.5	240.9	231.0	310.3	538.0	616.2	837.8	941.3	833.8	913.1	477.9	6,455.9
2006	745.6	509.7	377.3	462.8	328.4	387.9	648.8	759.7	962.7	1,133.8	1,065.7	681.4	665.1	8,063.9
2007	577.6	437.5	301.8	243.4	270.4	436.9	406.1	346.2	371.9	471.3	876.1	710.5	421.5	5,449.7
MEDIAN	562.1	404.6	303.3	269.3	266.6	321.6	419.4	549.7	621.7	956.2	984.1	706.9	484.6	6,365.7

TABLE 7 – CITY OF FISCAL BLISS GALLONS PER METER PER MONTH

FY	M01 OCT	M02 NOV	M03 DEC	M04 JAN	M05 FEB	M06 MAR	M07 APR	M08 MAY	M09 JUN	M10 JUL	M11 AUG	M12 SEP	MEDIAN	TOTAL
2000	24,975	18,349	10,148	10,590	9,918	9,614	12,092	16,043	14,637	32,383	40,181	32,770	15,340	231,699
2001	16,944	8,519	9,391	8,187	6,689	7,816	12,027	16,479	21,270	30,105	31,237	14,522	13,274	183,186
2002	15,422	13,792	9,504	8,997	8,049	10,319	11,179	14,167	19,269	19,266	30,864	23,761	13,980	184,589
2003	13,900	9,831	7,760	8,456	7,362	12,481	15,724	20,280	18,033	31,752	30,150	16,682	14,812	192,412
2004	18,129	11,155	9,416	8,238	6,579	8,896	12,983	17,604	12,765	22,399	22,645	21,098	12,874	171,907
2005	12,952	9,000	8,542	7,469	6,469	9,620	16,140	19,102	25,134	29,182	25,847	27,394	14,546	196,852
2006	23,113	15,291	11,698	14,348	9,196	12,026	19,463	23,550	28,880	35,148	33,036	20,443	19,953	246,193
2007	17,906	13,124	9,355	7,545	7,570	13,543	12,183	10,731	11,158	14,611	27,159	21,316	12,653	166,202
MEDIAN	17,425	12,139	9,403	8,347	7,466	9,969	12,583	17,042	18,651	29,643	30,507	21,207	14,812	194,384

TABLE 8 – CITY OF FISCAL BLISS AVERAGE MONTHLY WATER BILLS

FY	M01 OCT	M02 NOV	M03 DEC	M04 JAN	M05 FEB	M06 MAR	M07 APR	M08 MAY	M09 JUN	M10 JUL	M11 AUG	M12 SEP	MEDIAN	TOTAL
2000	$83.84	$57.33	$30.68	$32.12	$30.10	$29.74	$37.00	$49.84	$45.27	$117.71	$158.88	$119.74	$47.56	$792.25
2001	$52.77	$28.42	$29.47	$28.02	$26.23	$27.58	$36.79	$51.26	$68.10	$105.75	$111.69	$44.90	$40.84	$610.97
2002	$47.82	$42.52	$29.60	$29.00	$27.86	$31.24	$34.03	$43.74	$60.32	$60.31	$109.74	$78.68	$43.13	$594.88
2003	$42.87	$30.00	$27.51	$28.35	$27.03	$38.26	$48.80	$63.89	$56.31	$114.40	$105.99	$51.92	$45.84	$635.33
2004	$56.62	$33.95	$29.50	$28.09	$26.09	$28.87	$39.90	$54.91	$39.19	$72.90	$73.94	$67.37	$39.54	$551.33
2005	$39.79	$29.00	$28.45	$27.16	$25.96	$29.74	$50.16	$59.78	$84.52	$101.72	$87.55	$94.12	$44.97	$657.97
2006	$75.93	$47.39	$35.72	$44.33	$29.24	$36.78	$60.95	$77.79	$100.44	$132.23	$121.14	$64.58	$62.55	$826.53
2007	$55.90	$40.35	$29.43	$27.25	$27.28	$41.71	$37.29	$32.57	$33.96	$45.19	$93.13	$68.29	$38.82	$532.37
MEDIAN	$54.33	$37.15	$29.48	$28.22	$27.16	$30.49	$38.59	$53.08	$58.32	$103.74	$107.86	$67.83	$44.05	$636.26

Review, Other Observations and Concluding Comments

There are few revenues as erratic as water revenues. The financial consequences of weather-induced fluctuations are worsened when the revenue source mainly comes in the last four months of the fiscal year for most cities in Texas. To makes sense of these variations, especially the extremes experienced in FY 2006 and FY 2007, it is important to establish a methodology to normalize water revenues.

This analysis has attempted to compile various views of both temperature and rainfall data to be used to help discern, measure and explain water revenue fluctuations. The reader might have expected a statistical correlation to be established between temperature, rainfall and water usage. That was done selectively, and there is about a 95% correlation of temperature to water usage. However, I do not want to distract the reader from the direction and magnitude that could be detected by the eye through the use of heat maps to portray the data.

The primary calculation established to be of most use was to compute the average gallons of usage per meter per day. In the case of the City of Fiscal Bliss, the city was able to provide daily data from FY 2000 through the current date of this article. The results were very revealing. In fact, some of the data first appeared to be erroneous for some months until those months were viewed with the companion temperature and rainfall data.

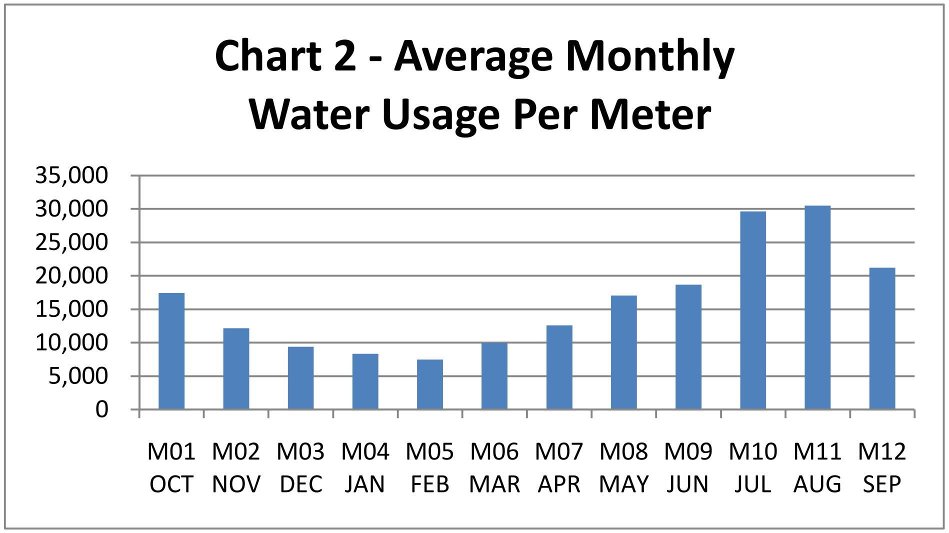


Chart 2 shows the calculation of the average monthly water usage by meter computed as the median for FY 2000 through FY 2007, data derived from the medians shown in Table 7. This becomes the foundation for establishing a "normalized year. Even though the median calculation can be amended to incorporate new data at the completion of every fiscal year, it is very unlikely that the calculated result will change dramatically from year to year. However, minor tweaks would be expected to account for weather trends as well as overall consumption habits of customers. The ideal database would be more than 5 years of history with a preference of 10 years or more. Since the calculations are on a per meter basis, the growth in accounts will be kept separate from the underlying average usage data from which weather variations could be measured.

Chart 3 is a critical measure of two factors combined. The average usage from Chart 2 is applied to the actual rate structure. If the minimum bill was low and the city had a uniform rate (same charge per 1,000 gallons regardless of usage), the result would be more stable than when a conservation rate structure is in place. Since Fiscal Bliss has an extremely inverted rate structure (from $3.25 at 10,000 gallons to $6.50 for usage above 40,000 gallons per month, you can see the dramatic result in Chart 3.

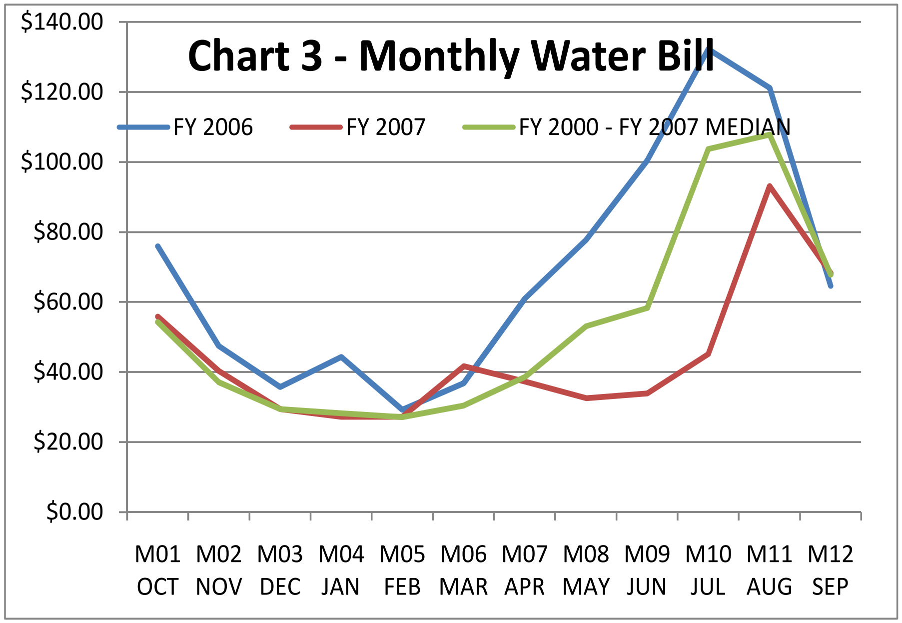
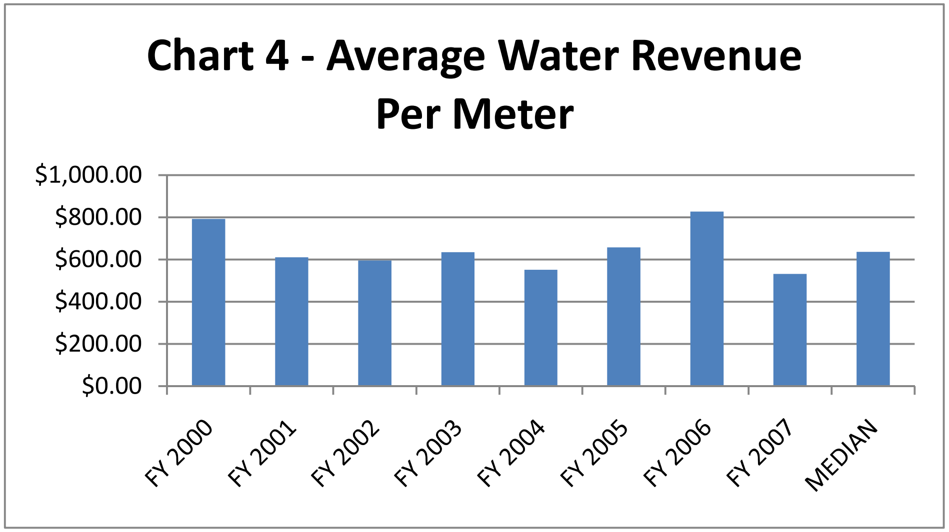


Chart 3 is an eye-opener. But Chart 4 provides a picture of total column of Table 8 and lays the foundation for a measurement of annual revenue impact. The current rate structure has been in place for Fiscal Bliss since FY 2000. However, if there had been rate changes, you would want to apply the current rates to all previous years to measure the weather influence. Also, again, growth in accounts has been taken out of the equation.

The revenue per meter allows the data in Chart 4 to be applied to any level of customers (meters) in the case of Fiscal Bliss. With this kind of data, one can measure with a high degree of accuracy the amount of “normalized” revenues that could be expected compared to the actual result.



Rate Stabilization Fund

Assuming an even 10,000 accounts, one can compute that the normalized revenues for Fiscal Bliss can be established at $6,362,600 ($636.26 in Table 8 x 10,000 accounts. The excess revenue recorded in FY 2006 would have been $1,902,700 ($8,265,300 - $6,362,600). If there had already been an adequate Rate Stabilization Fund, then this excess should be reallocated to capital projects or other big-ticket, non-operating and maintenance items.

If FY 2007 turns out to be as estimated, water revenues are going to fall short of the normalized year by $1,038,900 ($6,363,600 – $5,323,700). Given that a Rate Stabilization Fund existed or was previously funded, FY 2007 establishes a reasonable size that could be justified for the Fund that has always been nicknamed “The Rainy Day Fund.”

What about Wastewater Revenues?

Wastewater revenues tied to usage should not have wild fluctuations since they are usually capped based on a fixed number or based on winter usage. However, this data provides a basis of evaluating the effectiveness of the wastewater rates as well as to the measurement of Inflow/Infiltration (I&I) problems.

Table 7 shows a base level of water usage during the winter months. The medians for December, January and February are 9,403 gallons; 8,347 gallons; and 7,466 respectively. Or 8,405 gallons as an average for the three winter months, primarily representing domestic water usage returned to the wastewater system. In fact, 8,405 x 12 months or 100,860 gallons annually for domestic usage compared to the actual annual usage helps to separate a reasonable estimate for irrigation. It is then where you can see how the dry winter and hot summer of FY 2006 provided a record amount of irrigation: about 1-1/2 times domestic usage.

With the actual wastewater flows, which are not shown, one could calculate a reasonable estimate for I&I. In the case of Fiscal Bliss, I&I is substantial, and FY 2006 provided a base year to show just how much wastewater flows only can be estimated. The cost per 1,000 gallons for the treatment of rainwater introduced into the sewer system can be staggering.

Monthly Measurements a Must

I always find it amazing how much effort is spent on the control of office supplies when literally hundreds of thousands of dollars are ignored. Water loss and unaccounted for is costly and should be minimized. If due to faulty or worn out meters, then calculate the money you are losing from a $38 meter. If you are paying thousands of dollars to treat I&I, then fix it!

The missing link is the work required to do monthly measurement and reconcilements that will tell you what kind of weather-influenced year you are having compared to the past. In fact, the revenues can be separated into:

- ✓ Growth related.
- ✓ Rate related.
- ✓ Weather-related.
- ✓ Gains & Losses (I&I, water losses).

Without a good grasp of a normalized year, wide fluctuations can be occurring with city official left clueless. It is with certainty that problems are introduced when nothing is measured. While we can’t predict the weather, we can measure the impact. Since water pumped is measured by the calendar month and water usage is measured throughout the month, there should be no surprise about weather impact when revenues are recorded; pumpage numbers can give you at least a two-week “heads up.”

While there are so many factors that go into the recorded revenues, the finance official is encouraged to measure and stand ready to tell the story of normalized weather and its influence on revenues throughout the year. FY 2006 and FY 2007 have shown us the whipsaw result that could lead not only to financial problems but “corrective” decisions based on faulty assumptions. LFM

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GFOA REPRESENTATIVE - Jerry Dale, Director of Finance, McAllen; 956-972-7185; jdale@mcallen.net

GFOAT FOUNDATION

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VICE PRESIDENT- Rosie Vela Director of Finance, San Marcos
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MEMBER (EX OFFICIO) Rhonda Young, Dir of Finance, Baytown; 281-420-6529; rhonda.young@baytown.org

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VACANT

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Lavern Bozant, Texas Municipal League (Conferences, Membership) lavern@tml.org
Joe Foster, Texas Municipal League (Financial) jfoster@tml.org.
Director of Internet Services - Kenneth P. McLain (kenneth@gfoat.org)

NATIONAL COMMITTEES

GFOA Executive Board
Charles Cox, President, Farmers Branch
Kathy DuBose, Corinth
GFOA Executive Special Review Committee
Jennifer Fung, Chair, McKinney
Accounting, Auditing & Financial Reporting
Bob Scott, Carrollton, Chair
Lena Ellis, Fort Worth
Randy Moravec, Addison
Budget & Management
Karen Rhodes, Plano
Anna Mosqueda, Arlington
Cash Management Committee

Charles Cox, Ex-Officio

Keith Nelson, Deer Park
Diana Ortiz, Denton
Kent Austin, University Park (term 2007-2009)

Debt & Fiscal Policy
Dan Black, MAC, Advisor
Charisse Page Mosely, Harris County
Cynthia Alexander-Pearson, League City

Economic Development & Capital Planning
Kathy DuBose, Corinth
Kent Pfeil, Richardson
Rodney Rhoades, Collin County

Retirement and Benefits
Eric Davis, TMRS
Stephen Edmonds, Austin Emp Retire. Sys
Rhonda Smith, Houston FRRF

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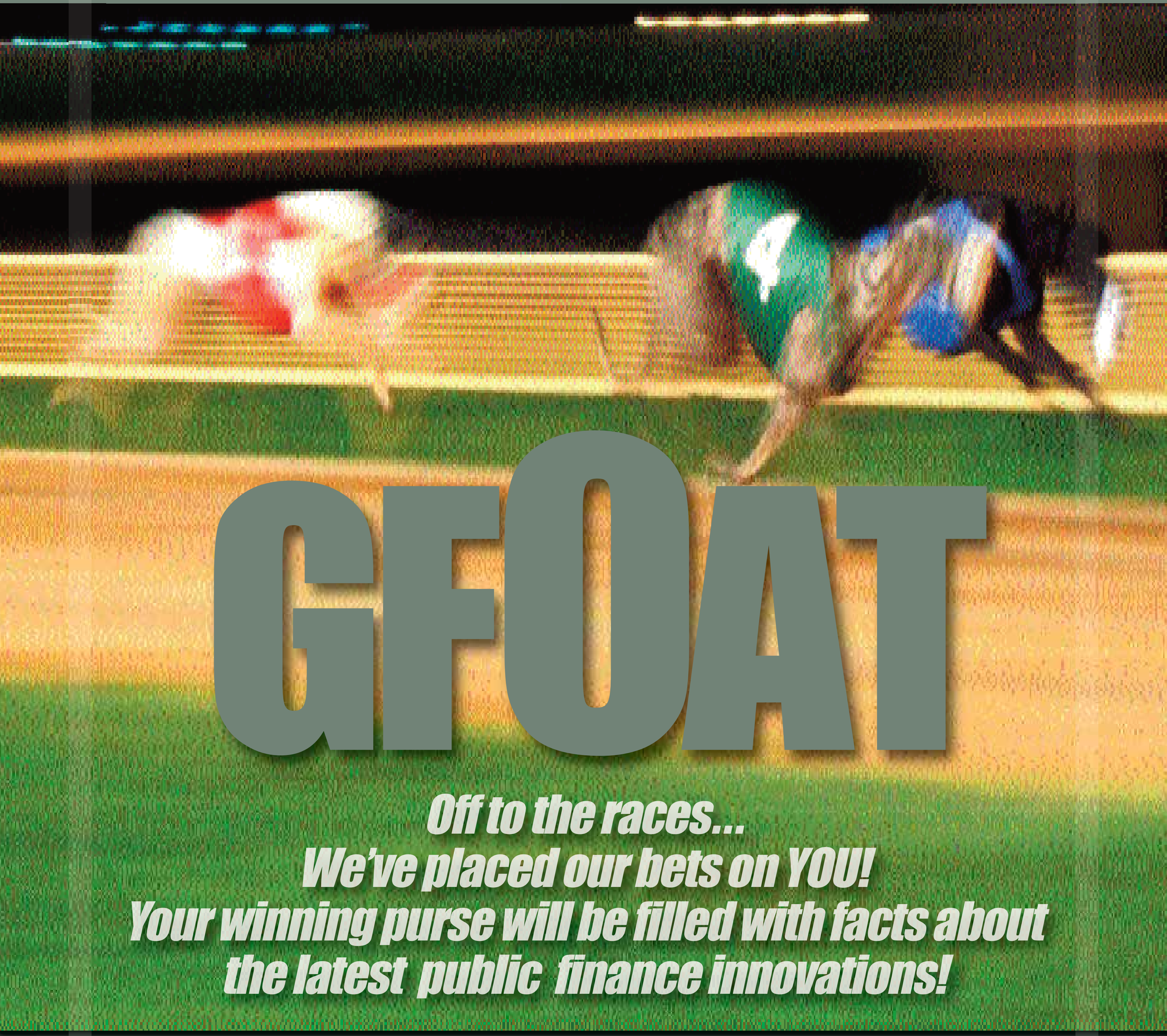
Rhonda Young, Baytown; 281-420-6529; rlyoung@baytown.org VACANT

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF TEXAS (GFOAT) FALL CONFERENCE



GFOAT

Off to the races...
We've placed our bets on YOU!
Your winning purse will be filled with facts about the latest public finance innovations!

OCTOBER 10-12, 2007

OMNI BAYFRONT HOTEL • CORPUS CHRISTI

ATTENTION!

If you are a
finance director, city auditor, city controller, finance officer,
budget officer, accounting supervisor. . .
or any other official working with public finances,

THIS MEETING IS FOR YOU!

Preliminary Agenda

WEDNESDAY, OCTOBER 10, 2007

11:00 a.m. – 3:00 p.m.
Committee meetings

- 11:00 a.m. – 12:30 p.m.
  Professional Development Committee
- Noon – 1:30 p.m.
  Newsletter/Web Site Committee
- Noon – 1:30 p.m.
  Membership Committee

1:30 – 3:00 p.m.
Committee meetings

- FRRR Committee (GASB)
- Legislative Committee
- Professional Awareness Committee
- Program Development Committee
- Scholarship, Fellowship and Foundation Committee
- Women’s Public Finance Network

3:00 – 5:00 p.m.
GFOAT Executive Board Meeting

3:00 – 5:30 p.m.
CGFO Testing

4:00 – 6:00 p.m.
Registration

5:00 – 6:30 p.m.
President’s Welcome Reception

6:30 – 9:00 p.m.
SPONSOR-HOSTED EVENT: An Evening on the Water
Join Bank of America at an evening on the water—a unique, nighttime, bay area cruise—aboard the Captain Clark Flagship. This fun and relaxing cruise will include heavy hors d’oeuvres, drinks, and musical entertainment. A Bank of America representative will meet you in the registration area of the GFOAT conference at 6:30 p.m. and will escort you from the Omni Bayfront Hotel at 6:45 p.m. to make the short walk down the pier to the Flagship. The boat will launch shortly after 7:00 p.m. and will return to the docks a little before 9:00 p.m. This will be an exciting opportunity for all GFOAT attendees! We recommend that you register early for this event, since space will fill up quickly. To register for this nighttime excursion, or to receive more information, please e-mail irma.olivas@bankofamerica.com.

THURSDAY, OCTOBER 11, 2007

7:30 a.m. – 5:00 p.m.
Registration

7:00 – 8:15 a.m.
New-Member and New-Attendee Breakfast
(for all conference attendees!!!)
Introduction of New Members and First-Time Conference Attendees
Moderators: **Collin Boothe**, Financial Analyst, City of Conroe; and **Liz Dieterich**, Chief Finance Officer, City of Bellmead

8:30 – 10:30 a.m.
Welcome and Opening General Session (2.4 CGFO/CPE)
Max Duplant, GFOAT President and Chief Financial Officer, City of Beaumont, presiding

8:30 – 9:30 a.m.
Across the Nation: News from the Government Finance Officers Association (GFOA)
Speaker: **Jeffrey Esser,** CEO and Executive Director, GFOA, Chicago

9:30 – 10:30 a.m.
The Direction of Governmental Accounting Standards
Speaker: **Robert Attmore**, Chairman, Governmental Accounting Standards Board (GASB), Norwalk, Connecticut

10:30 – 10:45 a.m.
Refreshment Break

10:45 a.m. – Noon
Concurrent Workshops (1.5 CGFO/CPE)

Weighing In: Interim Financial Reporting—How? When? What to Include?
Hear running commentary on how to report updates on the backstretch, clubhouse turn, and homestretch of financial cycles.
Speakers: **Maria Alicia Garcia**, Director of Finance, City of Dallas; and **Monica Kohlenberg**, Director of Finance, City of Tomball

Racing to Raise Rates—Utility Part 1: Cost of Service
The majority of the municipal utilities in the United States can be defined as small to medium-sized systems. This session will provide an overview of generally accepted cost-based practices where local governments face resource and/or data limitations.
Speaker: **Bob McLain**, Utility Rate Analyst, McLain Decision Support Systems, Lewisville

Municipal Court: New Updates
Keeping up with the changing rules and regulations in municipal court is always a challenge; finding ways to improve operations and increase court efficiency and effectiveness is another. Hear two program experts discuss the latest updates in this critical operation.
Speakers: **Jim Lehman**, Collections Program Manager, Office of Court Administration, Austin; and **Don McKinley**, Court Operations Manager, City of Austin

Noon – 1:30 p.m.
Luncheon, Business Meeting, and Awards (1.8 CGFO/CPE)

1:45 – 3:00 p.m.
Concurrent Workshops (1.5 CGFO/CPE)

All Bets Are Off: Management Survival Stories Roundtable
Hear stories of how only the fittest survive. Contribute your own “lessons learned” from hard runs on wet tracks.
Moderators: **Chip VanSteenberg**, City Administrator, City of Shenandoah; and **Monica Kohlenberg**, Director of Finance, City of Tomball

Keeping Up with the Pack—Utility Part 2: Fees and Collections Roundtable
Join this roundtable discussion about setting and collecting other utility and development fees.
Speaker: **Jeff Howell**, City Manager, City of Kilgore

House Favorite: Implementing GASB
Attend this perennial favorite GASB update and learn program approaches to the issues raised by GASB 45. What changes are entities making to their benefits programs? What steps can finance directors take to help lessen the liabilities?
Moderator: **Bob Scott**, Assistant City Manager and C.F.O., City of Carrollton
Speaker: **Susan Smith**, Executive Director, TML Intergovernmental Employee Benefits Pool, Austin

3:00 – 3:30 p.m.
Refreshment Break

3:30 – 5:00 p.m.
Concurrent Workshops (1.8 CGFO/CPE)

Winners Circle in Capital Project Management
As with jockeys, owners, and trainers, everyone on the capital project management team has their roles and responsibilities, including holding each other to high standards of performance. What should finance officials know about project management? What tips and tools are available to help project managers stay on time and within budget?
Speaker: **Dwain Brown**, P.E., Principal, Freese and Nichols, Inc., Fort Worth

Being a Front Runner: Creating an Ethical Environment
As leaders in our public organizations, what do we need to focus on to create an ethical environment?
Speaker: **Charles Zech**, Associate, Denton, Navarro, Rocha and Bernal, P.C., San Antonio

Win, Place, or Show: Best Practices in Purchasing
In bids and proposals, there are seldom second-place winners. In this session, you will learn the current trends and tricks to make effective purchasing decisions.
Speakers: **Jack Beacham**, Purchasing Agent, Tarrant County; and **Mike Ryan**, Chief Purchasing Officer, City of Plano

6:00 – 10:00 p.m.
SOCIAL EVENT (included in the delegate registration): A Night at the Races
What better way to spend an evening than by enjoying the thrills of live Greyhound racing? Buses will leave the Omni Bayfront Hotel at 6:00 p.m. to take delegates to the Corpus Christi Greyhound Racetrack, where you will enjoy dinner, racing, and the opportunity to bet in a private area. A cash bar will also be provided. There will be a total of 13 races, with the first race beginning at 7:30 p.m. and the last race ending around 10:30 p.m. You may purchase a guest ticket for $35. Please see the registration form for details.

FRIDAY, OCTOBER 12, 2007

7:30 – 8:45 a.m.
Mentoring Breakfast (for all conference attendees!)

9:00 – 10:30 a.m.
Concurrent Workshops (1.8 CGFO/CPE)

Tip Sheets: Revenue and Economic Forecasting Models, Tools, and Tips from the Pros
This session will cover what to consider when forecasting community growth and how different variables affect a community's tax revenue balance.
Speaker: **M. Elizabeth Morris,** C.E.O. and Chief Economist, Insight Research Corporation, Dallas

The Payroll Trifecta: Timekeeping, Payroll, and Reporting
Score a winning combination on these top three critical tasks. As the essential finance function where the smallest errors are big mistakes, payroll tasks, rules, and procedures can be overwhelming. Learn some tips to streamline the process and eliminate the potential for mistakes.
Speaker: **Robert Rainey**, TimeClock Plus, San Angelo (other speakers invited)

Going the Distance: Managing the Accounting Year-End Close
This session will help you manage and pace your department to go the distance and complete the annual report and audit in record time…hopefully, with no disqualifications.
Speakers: **Edward B. Peacock**, C.P.A., Consultant; and **TBD**, Weaver and Tidwell

10:30 – 10:45 a.m.
Refreshment Break

10:45 a.m. – Noon
General Session (1.5 CGFO/CPE)
Photo Finish: Pushing Our Retirement Systems to the Wire
The glut of baby boomers is nearing their finish line. After much attention on pensions, actuarial studies, and post-employment issues, where do we really stand on retirement programs? How are employers making sure they are funding programs adequately? What is TMRS doing to ensure that retirement benefits remain reasonable and soundly funded and that employer costs remain affordable?
Speakers: **Bob Scott,** Assistant City Manager and C.F.O., City of Carrollton; and **Eric Henry**, Executive Director, Texas Municipal Retirement System, Austin

Noon
Drawing for Door Prizes (must be present to win)

GENERAL INFORMATION

REGISTRATION FEES:

Government Finance Officers Association of Texas (GFOAT) member by September 10	$275
GFOAT member after September 10	$325
GFOAT non-member by September 10	$375
GFOAT non-member after September 10	$425
First-time attendee	$150
Student	$ 60
Thursday social event guest	$ 35

Hotel information: The Omni Bayfront Hotel, located at 900 North Shoreline Boulevard in Corpus Christi, is the site of the GFOAT Fall Conference on October 10-12. The hotel has extended a room rate of $110 single and $120 double. In order to receive this special rate, your reservations must be made by **Monday, September 10**. To make a reservation, call the hotel at **800-843-6664** and mention that you will be attending the **GFOAT Fall Conference.**

Cancellation and Substitution Policy: If you are registered and cannot attend, we encourage you to send a substitute. If you cannot send a substitute, a $45 registration cancellation fee will be assessed if written cancellation is received by **Monday, September 10. No refunds will be honored after that date.**

WEDNESDAY NIGHT SOCIAL EVENT: An Evening on the Water

Join Bank of America for an evening on the water. To register for this nighttime excursion, or to receive more information, please e-mail irma.olivas@bankofamerica.com.

THURSDAY NIGHT SOCIAL EVENT: A Night at the Races

If you are a registered GFOAT conference delegate, your badge will gain you admittance to the event. You will only need to purchase a ticket at $35 for someone not registered for the conference. **Tickets cannot be refunded after Monday, September 10.**

Continuing Education: An application has been submitted and approved by the State Board of Accountancy for CEU/CPE continuing education units. CGFO credits will also be offered.

Confirmations/Badges: Conference badges will be mailed in advance. If you do not receive your packet in the mail, you can pick up your registration materials on site. REMEMBER—BRING YOUR BADGE AND ANY OPTIONAL TICKETS YOU MAY HAVE ORDERED TO THE CONFERENCE.

CGFO Testing: The Certified Government Finance Officer's exam will be offered from 3:00 – 5:30 p.m. on Wednesday, October 10, at the Omni Bayfront Hotel. If you are interested in sitting for the test during this time, please contact Becky Brooks Grimm at bbgrimm@gfoat.org.

Special Accommodations: Let us know if you need special assistance of any kind. WE WANT TO HELP! In order to respond to any special requests, we would appreciate as much advance notice as possible. Thank you.

Car Rentals: AVIS discounts are available at www.avis.com or by calling 800-331-1600. Your Avis World Wide Discount (AWD) Number is J867208. Enterprise Corporate Class discounts are available at www.enterprise.com or by calling 800-736-8222. Your Corporate Class number, which is Y21222, can be accessed by entering the association acronym, TEX, at the Corporate Reservation section of the Web site.

Golf: A golf outing is scheduled for Wednesday, October 10, at the Northshore Country Club, located at 801 East Broadway Street in Portland. The cost is $61 pus tax, which includes the green fee, cart, and range balls. For further information, contact Greg Wilmore with the City of Cleburne at 817-645-0911 or gregw@cleburne.net, or Tony Sekaly with Coastal Securities at 800-681-4121 or tds@coastalsecurities.com.

Prayer Luncheon: If you are interested in participating in a Prayer Luncheon, please contact Monica Kohlenberg at 281-290-1417 or mkohlenberg@ci.tomball.tx.us.

Questions: Call the TML Program Development Department at **512-231-7400**, or e-mail **fallconference@tml.org.**