



Report on GFOA
112th Annual Conference
May 6–9, 2018 St. Louis, Missouri



Report by:
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1. ACKNOWLEDGMENTS

Our sincere thanks to CIGFARO for giving us the opportunity to attend the 2018 GFOA Annual Conference in St Louis, Missouri and for paying all associated expenses related to our attendance.

We would also like to thank our employers, the eThekweni Municipality and the City of Cape Town, for supporting us by allowing the time off to attend the conference. Grateful thanks must also be expressed to the staff members who kept operations going while we were away.

The kind invitation and hosting by GFOA is also sincerely appreciated. Special acknowledgment must be made of the opportunity provided to Louise Muller to attend three of the pre-conference sessions.

2. ACCESS TO PRESENTATIONS

All presentations are available on the GFOA website – www.gfoa.org/conference-sessions or on the GFOA App (available in the App Store) until September 2018.

Sessions can be categorized in the following areas:

- Accounting & Financial Reporting
- Budgeting & Financial Planning
- Capital Planning / Infrastructure
- Debt Management
- Financial Management
- Pension & Benefit Administration
- Technology
- Treasury and Investment Management

1. PRE-CONFERENCE SESSIONS

Building Skills for Communication and Teamwork - Leadership from the Finance Office - Friday 4 May 2018 8:30 a.m. – 12:30 p.m.

Finance officers not only manage their own departments, but also play an effective role in establishing a collaborative team culture across the organization to better allocate resources, deliver effective programs, and ensure accountability. Therefore teamwork and communication are essential for every finance office. This session focused on two components:

- 1) Identifying practical strategies and tips to better manage a team and create a collaborative culture, and
- 2) Developing communication skills, which are critical to the success of every team.

Leadership from the Finance Office: Negotiation Workshop - Friday 4 May 2018 1:00 p.m. - 5:00 p.m.

Finance officers face many scenarios where negotiation skills are critical. In many situations finance officers have a seat at the table or are looked to for their leadership. Such common instances occur while creating contract purchases or professional service contracts with vendors, establishing economic development, public-private partnership or intergovernmental agreements, or during collective bargaining with employees (in the USA). In addition, finance officers have an opportunity to negotiate internally as part of the budget process, within their own spheres, as well as through their daily interaction with other departments.

This session was a “hands-on” skill-building workshop looking at the local government level negotiation for salaries that takes place between the management and the unions in each municipality in the USA.

Disaster Planning and Organizational Resilience: Leadership from the Finance Office – Saturday 5 May 2018 8:30 a.m. – 12:30 p.m.

Resilience: is this redundancy (e.g. back-up generator to electricity) or flexibility? It is really a bit of both.

Two different case studies were considered:

1. The City of Minneapolis is funded by a shared sales tax system in the state of Minnesota. In 2007 the interstate bridge collapsed with 16 killed and over 140 injured. Further, there were various officer related shootings that created shocks through the community.
2. In April 2016 San Francisco published their resilience plan. Various changes were already implemented to ensure the shocks and stressors are dealt with. Some changes are brought on from other sources: the insurers would no longer insure properties due to the number of fires. The City put in a water system only to deal with fires – so as to ensure the insurance could be obtained and retained at an affordable level.

Some areas to consider where a municipality is most vulnerable:

- Insurance – is there underinsurance in some areas or even areas that are uninsured? Are the right areas outsourced? Has the insurance been revisited when there is a change in the business operations and/or methodology?
- Reinsurance – This is the insurance provided for an insurance company in order to manage the risk of their exposure through the original insurance. With the global changes happening, a risk anywhere is a risk everywhere. It is estimated that every week 1,4 million people move from rural settings to urban areas. More and more services are required in areas but the development is way behind.
- Data Safety and integrity - **The equivalent amount of all recorded data from the beginning of history to 2003 is now created in 10 minutes!** What is the calculated cyber-liability? Is there sufficient cover to replace infected technology in the case of a major virus?
- Risks and exposures are transforming – not only from human challenges, but also from climate change. The growing burden of uninsured losses from natural catastrophe losses falls on local government. There is a perception that, to local government, there is **no more valuable disaster recovery tool than adequate insurance.**

Lessons learnt when considering the repercussions of a disaster:

- 40 to 60% of small businesses never reopen after a natural disaster – the repercussions can be felt throughout the community;
- Bond ratings are jeopardized – just from EXPOSURE to high natural catastrophes;
- Communities can collapse – only 50% of the population returned in one year after Hurricane Katrina and, after a decade, the population was 80% of pre-Katrina population.
- A disaster can create more issues in other areas – a snowstorm causes major costs to clear, but affects the stability of pavements and roads, causing more claims due to damages and costs due to unintended road repairs. These unintended consequences need to be funded.

The Risk manager should be looking at all the different resilience strategies. Climate change is only one aspect of the risk to the resilience of an area.

2. CONFERENCE SESSIONS

Technology and Security – The Finance Officer’s Guide - Sunday 6 May
2018 1:30 p.m. – 2:20 p.m.

Speaker	Michael Makstman, City Chief Information Security Officer Department of Technology, City and County of San Francisco
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Outline of Presentation

As systems become integrated and more government information is housed on the internet, finance officers must be aware of the security risks and mitigating strategies for safeguarding sensitive information. This session featured internet security experts who provided an overview of key elements of a security strategy – aimed at a non-technical audience.

The latest bond documents all require some input on the cybersecurity measures in place in the organization seeking to issue the bond. Security breaches are being considered or are happening on a daily basis. There is some vulnerability of the municipality where there is a lack of IT governance policies or they have not been updated.

Cybercrime damage costs are estimated to hit \$6 trillion annually by 2021. The costs include reputational damage and negative publicity; lost or compromised data; lost productivity of staff who now cannot do their work and the potential further effects on the community due to the potential identity theft and sharing of confidential information.

North Carolina Mecklenburg County had 48 servers encrypted and 200 systems impacted due to criminals harvesting user sign-on credentials to gain unauthorised access to the systems and, thereby locking the systems.

KEY LESSONS LEARNT:

1. Every department needs to be ready for the possibility of a cyber-attack. Has there been a review of:
 - 1.1. the processes – will there be detection of the invasion / unauthorized access and containment of the compromise?
 - 1.2. the analysis and validation of what could be compromised and how it could be dealt with in another way?
 - 1.3. potential containment, handling and eradication measures? How will the cyberattack be stopped? How will the invasion be managed? How will the full invasion be eradicated?
 - 1.4. recovery strategies? – when was the last backup, what was lost between the backup time and the items processed, what new internal controls must be put in place, what

ways can resilience be built and how are staff made aware of identifying potential illicit requests for information.

2. An excellent resource to access is: www.g2gmarket.com – cybersecurity assessments, protocols and securities
3. It was noted that there may be gaps in procedures and policies, and not gaps in IT systems. These need to be identified and changed.
4. There is a strong push to ensure block-chain procedures are accommodated at local government level. However, there are no governance procedures in place at this time and caution should be exercised.

Moving beyond ERP - Sunday 6 May 2018 1:30 p.m. – 2:20 p.m.

Moderator/Speaker:	John K. McCarthy Executive Director – Sales, Grant Street group, Pittsburgh, PA
Speakers	John R. Samford Assistant Finance Director, City of Fort Worth, Fort Worth, TX Maria Zuniga Business Improvement and Performance Officer, Bernalillo County, Albuquerque, NM

Outline of Presentation

Business Management & Organization ERP systems traditionally have focused on finance, procurement, human resources, and payroll. However, governments do much more than what has been labeled as the "core" scope for an ERP project. Governments building a truly integrated system are able to connect with treasury management, utility billing, permitting, work management, inventory, tax systems, and more.

KEY LESSONS LEARNT:

1. Align technology with business processes and finally to budget.
2. ERP should provide the core of systems but a flexible approach to other systems, subject to seamless integration and inter-operability.
3. ERP pays off in the long-term.
4. Need to have dedicated team from line and IT to implement with a detailed project plan.

Updating those 20-year-old Policies: What is Cyber Insurance? -

Sunday 6 May 2018 2:40 p.m. – 3:30 p.m.

Speaker:	Jennifer White-Vissek Vice President, Ciber, Tech E&O, Aon Risk Services Central, Inc. Chicago, Illinios
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Moderator	Casey Srader Budget Manager, City of Plano, Plano, Texas
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Outline of Presentation

Cyberattacks on governments are becoming more frequent and more sophisticated, creating a risk that governments can no longer afford to ignore. Cyber insurance can help mitigate the financial risk associated with a cyberattack by covering expenses, such as legal defense costs, computer forensics, and breach notification and remediation. Experienced practitioner, Jennifer White-Vissek explained what cyber insurance does, what's covered and what isn't, why governments have problems buying coverage and what to look for in a cyber-insurance carrier.

KEY LESSONS LEARNT:

1. A cyber policy covers loss of data – whether on paper or on a computer. Data has to be stored for long times due to Archives Acts and Tax requirements – and this creates large vulnerability.
2. The sale, on the dark-web, of personal data is huge. This includes information about deaths, minors records, etc. for creating false credit. Cyber is the loss of data – whether in paper format or on computer.
3. Data has to be stored for long times due to Archives Acts and Tax requirements – and this creates large vulnerability when government does not access this information and so it can easily be used/sold.
4. People are usually the weakest link as they click on links in e-mails. The cyber criminals are sophisticated and so the e-mail often looks like a legitimate item.
5. A cyber policy requires that the insurance carrier is advised as soon as possible. They will monitor how long it took to notice, who was advised and how long it took for the insurance company to then be advised.
6. A full team must be involved in the cyber plan. Legal must be involved in the confidentiality contracts, HR must be involved regarding staff records and related procedures if payment has to be made manually, CFO, SCM, CRO, etc., etc.
7. A policy for Cyber Insurance must have the right things covered. As a minimum it must cover operational risks of network business interruption; system failure and third party vendor cyber events; Dependent Business Interruption/ dependent System failure; Cyber extortion; Digital Asset Restoration. Privacy and Network Security Risk must include privacy and network security liability, Privacy regulatory fines and penalties, PCI Finance and Penalties, media liability (very important aspect that needs to be in the policy – refer to the slides for the information), Breach event expenses, etc.
8. It would be useful to get a cyber-broker and not directly to an insurance agency. The cyber-broker should be up to date with the cyber-attacks and which policies cover these and how these benefitted the company that has been attacked, etc. There is an AN Best rating for cyber coverage carriers. Ensure that the broker has dealt with the size of your organization, etc.

Hip to Be Square: Managing IT in a Cloudy World - Monday 7 May 2018
 10:30 a.m. – 12:10 p.m.

Moderator/Speaker:	Allison E. Bradsher Chief Financial Officer, City of Raleigh, NC
Speaker:	Samantha Sturgis Partner, Perkins Coie LLP
Speaker:	Phil Bertolini Deputy County Executive/CIO, Oakland County, MI

Outline of Presentation

The cloud is no longer a novelty. As the number of mature cloud customers grows, the entire market evolves, creating both significant benefits for government and lessons learned to discover both strengths and weaknesses. This session addressed effective contract management practices for cloud services. Factors that were discussed included service-level agreements, data and product ownership, liability, and transfer of services. Speakers also offered advice on how to avoid pitfalls in subscription contracts and how to best use cloud services to your benefit.

KEY LESSONS LEARNT:

1. Major cost savings to be derived by moving to cloud technology saving in terms of infrastructure, software and data storage.
2. Do not have to acquire additional services and can access software via internet.
3. Business case needs to be developed with current systems and costs and what we want to move to cloud.
4. Need to build expertise in procuring and contracts. Exit strategies need to be well defined. Access to data and impact of changes to software.
5. Implementation needs to be well managed and will certainly reduce costs substantially in the long term.

Giving Voice to Values: Ethics in Government - Monday 7 May 2018 10:30
 a.m. – 12:10 p.m.

Moderator/Speaker:	Brandon Kauffman Finance Director, City of Lincoln, Lincoln, NE
Speaker:	Mary C Gentile Creator/Director, Giving Voice to Values and Professor of Practice, University of Virginia, Darden School of Business, Charlottesville, VA
Speaker:	Catherine Bennett Organizational Development Administrator, Athens-Clarke County Unified Government, Athens, GA

Outline of Presentation

When it comes to ethics, most people know the “right” thing to do. The problem is actually doing it in the face of pressures to do the “wrong” thing. In fact, ethical tragedies are usually the result of people who sit silently on the sidelines afraid or uncertain of what to do about a transgression. At this session you will learn a distinctive new approach to ethics, called “giving Voice to Values”, which is focused on how to enact the values that we already know – think of it as a “self-defense class for your soul”.

KEY LESSONS LEARNT:

- We have to create a culture of ethics and trust!
- Silence perpetuates the action! This exacerbates the problem and makes the cost of the unethical action even higher. Your reputation is more important than your paycheck, your integrity is more important than your job.

GIS and Capital Planning - Monday 7 May 2018 1:30 p.m. – 2:20 p.m.

Speaker:	Jeff Hansen Finance Director, City of Golden
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Outline of Presentation

Capital planning presents unique challenges, from tracking the progress of projects to projecting the facilities that will be needed to meet future service needs. Geographic information systems (GIS) can help your government improve decision making by using spatial analysis on information streams. In this session speakers shared how organizations use spatial data in different ways to maintain their capital assets, forecast future needs, and communicate information to the public.

KEY LESSONS LEARNT:

- Last 15 – 20 years far better able to track capital infrastructure.
- Conditional assessments GASB 34 has resulted in far better information on cost of assets and replacement costs.
- Currently \$4.597 trillion requested to bring assets to reasonable state of repair.
- Main areas are water and roads (\$1 trillion each required) and schools 538 billion.
- Componentisation critical to ensure that each component can be tracked and appropriately replaced over useful life.
- Also able to recapitalize rehabilitation far for more effectively e.g. roads mill over 2 inches- depreciate this and recapitalize the additional layer put in.
- GIS segment information, for example, on streets, sidewalks, water and sewer lines.

- Able to record number and location of hydrants, value's, manhole covers and street lights. Accordingly able to track number of manholes, number of kilometers of power lines and number of traffic lights, etc.
- Mapping system shows exact location and better able to track assets that require replacement.
- Improved costing and transparency.
- Easy mast overlaid over GIS able to provide matrix of assets in location as well as provide 3D models of assets.

Bad Boss, Bad Work Environment - Monday 7 May 2018 1:30 p.m. – 2:20 p.m.

Moderator:	Melanie Purcell Administrative Services Director, City of Sausalito, CA
Speaker:	Karen Main Chief Facilitator, Innovations In Training
Speaker:	Grant Yee Administrative Services/Finance Director, City of Ontario, CA

Outline of Presentation

In a recent survey, GFOA asked members questions about recent job changes and results touched on an interesting point: the primary factor driving many finance officers to change jobs was their boss. It isn't easy to manage people, so how can we be effective managers and still create an environment to retain employees and keep them engaged? Learn about common mistakes that managers make and strategies on how we can positively shape the work environment.

KEY LESSONS LEARNT:

The world view is that a leader is not vulnerable, doesn't show their weaknesses or inadequacies. Some ways of ensuring that you become a better boss:

- Balanced leadership and self-awareness: allowing the staff to know why they are needed and what unique skills and talents they bring to the table;
- Remember: Delegation builds competence and autonomy – this allows others to learn, grow and develop. A good book to read is : “The one minute manager meets the monkey”
 - Does someone already know how to do this? Give it to them!
 - Is there someone who can do with learning this? Then give it to them!
Leadership is moving people beyond their current level of competence.
 - Push the task to the lowest possible level.
- The primary task of a manager/director is to be available to the staff – so they are able to ask about those tasks delegated and you can interact and get the staff to do the work in the way or to the quality you would want. You need to value the time set aside

– nothing could be more important for the standard weekly one on one or whatever the meeting time is.

- Effective coaching can take place in these one-on-one sessions. Effective coaching phrases are: Tell me your thoughts ...; What have you done so far? ... What have you learned? What are your recommendations? What will you do differently next time?
- Spend time to focus on star performers – and not on those who cause problems. That must be resolved immediately – but the focus must be on the star performers. A book to read to add value - “How full is your bucket?”

Back to the Future: Revealing the Five-Year Technology Forecast -

Monday 7 May 2018 2:40 p.m. – 3:35 p.m.

Moderator:	Phil Bertolini Deputy County Executive/CIO, Oakland County, MI
Speaker:	Jim St. Clair Chief Technology Officer, Dinocrates Group LLC, Rockville, MD
Speaker:	David T Metnick Managing Director, Education, Health and Public Service, Accenture, Washington, DC
Speaker:	Stephen Newell Blockchain Leader, US Public Market, IBM

Outline of Presentation

In many ways, it feels like the future is now. Advancements in technology are occurring at a pace that makes time irrelevant. Local governments should learn how the next wave of technologies can impact their affairs. GFOA will assemble a panel of experts to offer a glimpse into the future and will cover trends and potential developments. From cloud technologies to the Internet-of-things to blockchain, the panel will discuss what is coming next and the potential impacts on governments and the field of public finance.

KEY LESSONS LEARNT:

- If using RPA [Robotic Process Automation – The use of Robotics, Perception and Learning to automate tasks for the ultimate streamlining and automation of tasks, cutting down on paperwork, staff time, etc.] then go small when starting.
- Ensure that the bots created are busy all the time or are limited in their view and learning areas, or they may start other processes with unintended consequences.
- Segregation of duties is more important with BOTs than with the manual system. These must be maintained and strengthened.
- Don't let BOT's operate across systems – just like you would not let staff work across systems.
- Extended Reality – use augmented glasses to ensure additional information is shared with those, for example, repairing busses – so the process can be read off from the glasses and there is no excuse for missing a step, etc. Using immersive reality to improve actions before actually getting to the real event; working on a blended

- experience to ensure full learning experience, etc. will ensure better outcomes and compliance – assists with maintaining warranties and retaining insurance coverage.
- Data Veracity – vulnerability around unverified data is huge. Good data governance is required to ensure data is verified. Ensure that there is no “fake news” – ensure data is correct and managed
 - There are various decision points around AI (artificial intelligence):
 - Accountability remains with the organisation (e.g. Google driverless cars and accountability, etc.)
 - AI is replacing jobs, but AI also creates jobs. It should augment humans, but not replace humans.
 - AI creates many positions with different skillsets. Some jobs cannot be done by AI however. It must also be considered that there are more people retiring than there are human beings available to replace them.

Understanding (Payment Card Industry) PCI Compliance and Accepting Payment Cards - Monday, May 7, 2018 - 4:15pm to 5:30pm

Moderator:	Rafiu Ighile Deputy Director of Finance, Howard County Government
Speaker:	Cory Kampf CFO/Finance & Central Services Division Manager, County of Anoka, Anoka
Speaker:	Craig Peterson Regional Director – Payments Solutions, US Bank-Elavon, Dublin, OH

Outline of Presentation

Governments accepting payment cards must be aware of and comply with industry standards to ensure a secure processing environment. This session will provide information that all finance officers need to know about PCI standards and how they should address potential risks facing their governments when processing electronic payments.

KEY LESSONS LEARNT:

- Confirmed data breaches are taking place regularly and increasing rapidly. Card readers, POS systems, networks and wireless routers, payment card data storage and transmission and online payment applications must be secured. Point of Sale’s must be updated regularly with upgrades of software, software patches and anti-virus sets.
- As the number of transactions grow, so there are different DSS Compliance Levels based on the number of transactions processed. The whole purpose is managing the limit fraud. Cardholder data needs to be protected (POPI requirements?) There should be a policy that applies PCI processes and procedures.
- The days of just getting a credit card terminal and plugging it in are long gone! The integrity of the organisation is at stake. Penalties are being charged due to non-PCI compliance.

What internal controls are being applied to ensure access to the card data is protected once in the system?

- There are various SAQ Compliance questions that need to be answered based on the payment systems.
- Breach assistance is essential. This includes a team to investigate where the breach took place and covers the fee/fine for any breach that will be charged by Mastercard or Visa due to a loss of data.
- New encryption is being introduced from June 30, 2018 – with an upgrade to internet protocol to TLS.

For Sale to the Highest Bidder: Infrastructure Finance in 2018 -

Monday, May 7, 2018 - 4:15 pm to 5:30 pm

Moderator:	Kathy Kardell Senior Department Administrator, Office of Budget & Finance, Hennepin County, MN
Speaker:	B. Jonas Biery Business Services Manager, Bureau of Environmental Services, City of Portland, OR
Speaker:	Donald Cohen Executive Director, In the Public Interest

Outline of Presentation

Capital assets are expensive—not just to procure, but also to operate and maintain. This session discussed infrastructure financing strategies across the entire life cycle of an asset, including debt, partnering with private firms, federal incentives, and more. The session not only covered the technicalities of different financing tools but also how to communicate the need to adequately fund infrastructure across all stages of its life span.

KEY LESSONS LEARNT:

- Municipalities currently have a \$3 trillion bond market
- 90% tax exempt bonds – Investors get a tax rebate which reduces the cost of borrowing
- Accordingly heavily reliant on bonds to finance infrastructure spending. A good secondary market also exists for bonds. However there is concern that with flat interest rates and tax reforms this could impact on the cost of funding infrastructure.

The following finance instruments currently exist:

- Bonds - Tax exempt
- Taxable
- Bank loans – Vanilla borrowing
- Private Activity bonds for social expenditure (Health)
- Tax Credits
- TIFTA and WIFA (loans from state for water and waste water treatment).
- No one size fits all

- Also PPP's extensively used
- Packaging of projects is important
- Loan agreements must be carefully analysed.

Performance Management and Budget Monitoring - Tuesday, May 8, 2018 – 10:20am to 12:00pm

Moderator:	Malisa Files Deputy Finance Director City of Redmond
Speaker:	John Gross Director of Financial Management City of Long Beach, California
Speaker:	David Schmiedicke Finance Director City of Madison, WI

Outline of Presentation

The exercise of budgeting is ongoing and far-reaching. It impacts every aspect of an organization's operations on a daily, if not hourly basis. Budget monitoring and performance management are key tools to regularly examine an organization's operations to identify any potential shortcomings and to find ways to make early course corrections. This session included examples and dialogue from several organizations on their monitoring and performance measurement practices and how these relate to GFOA's new and recently updated best practices on these two essential topics.

KEY LESSONS LEARNT:

- Our section 71 report and SDBIP reports are very comprehensive and cover all the GASB standards on reporting, both financial and service delivery performance.
- Comparisons and benchmarking is important however can be problematic as each City may have variables that could impact.
- Need to customize reporting for each target audience.
- Politics and dissention are part of government. Many will not pay attention to performance management however need to appreciate that it is a tool to inform good decision making.
- Vancouver has a strategic plan and department service plans. There is a strategic linkage between the civic satisfaction survey and department service plans, performance measurement and budget management. Performance measurement can initially be done with a spreadsheet and only once bedded down should technology be used to automate Financial review to also reflect on the implications for the long term financial implications and what the risks and opportunities are.
- Redman City moved from incremental budgeting to outcomes budgeting. Data driven City that is outcomes focused and performance driven. Budget is built around 6 key priority areas and there are 25 performance measures in the scorecard. A "logic model" is used for each performance area, desk top, Citrix and excel spreadsheets.

1. Input/ Output

2. Efficiency
 3. Effectiveness
 4. Outcomes
- A Capital investment Planning team comprising of all directors meet monthly to review all capital projects. Projects are classified as on track, requires monitoring or project in red and requires review and substitution by another project.

It's Not a Perfect World: Be Prepared for Your Next Disaster - Tuesday, May 8, 2018 – 10:20am to 12:00pm

Moderator:	Angel L. Mumma Director of Finance City of Dublin, OH
Speaker:	Michael Gossman Deputy County Administrator Sonoma County Water Agency
Speaker:	Mark Diedrich Director of Emergency Management St. Louis County, MO
Speaker:	Mark McLean Disaster Recovery & Resilience Manager City/County of San Francisco

Outline of Presentation

Local governments face disasters ranging from recurring storms to "once-in-a-generation" natural disasters. Disaster preparedness using tools provided by the Federal Emergency Management Agency (FEMA), such as threat hazard identification and risk assessment methodology, can help reduce uncertainty.

KEY LESSONS LEARNT:

- Hazzard identification – boring but essential! Define the natural, technological and human caused incidents. Disaster scenarios are considered and the resources to deal with these scenarios are considered. These are then analysed against the resources available. If these resources (usually staff) are insufficient, then alternate mechanisms need to be considered to meet the needs. One aspect often not considered is the financial support. What contracts are already in place that can be used in an emergency? What are the emergency procedures available for financial transactions, what are the limits on spending? Who controls this? Is there a view on value add? What financial controls have been put in place? What needs to be put in place for logistics and who has the authority to enter contracts, temporary leases, etc.? Are the right delegations in place? How do we budget for the consequences of any disaster? (For the 3 years after a fire, the potential of natural disasters are exponentially onerous and need special attention.) Accounts may not be delivered to homes destroyed, those valuations need to be changed, the financial impact of a change in community where there has been major destructions, needs to be quantified, etc. There are 'disaster coaches' who can advise on issues to consider and procedures to follow – as these are things we are not normally attuned to. When setting recovery targets, these must be realistic.

- San Francisco is training its 30 000+ staff on how to react in an emergency and what their roles and responsibilities are. It is not enough to simply train some key staff members. A website has been set up with information for employees on disaster procedures and useful information. Other information is available to the community – as a preparedness tool.
- Training is essential and the required training must be undertaken with the reskilling for those who may need to play another role in an emergency being reinforced. They must understand their role in the Disaster Operations Centre (if any) and what will be required and when and who they would be working with. Many courses are already available online – this training does not have to be prepared from scratch. Staff members also need to be included in the disaster simulation exercises.

What needs to keep on operating?

- Financial systems and HR systems;
- Payroll systems;
- Vendor payments, vendor file support and internal controls
- Claims unit.
- Some ideas coming out of the presentation:
 - Take advantage of non-disaster opportunities to track time and costs – in order to increase familiarity with disaster costing, scheduling of overtime if the system is not available, etc.
 - Think ahead of what is required for disaster reporting and ensure that the accounting procedures, etc. are set up correctly to ensure ease of reporting. (*How does mSCOA align with disaster reporting? Is there a standard reporting requirement for disasters?*)
 - Do the Policies already cover significant disasters? – Union buy-in, extra overtime, call-back from leave, non-shift workers required to work shifts, etc.
 - Is there photo documentation? – you would need ‘before’ and ‘after’ photographs. *Does the Aerial Photography cover everything that would be needed? Is there a list of City properties that can easily go to a relevant department to pull the “before” photographs. Are there roles for meter readers, building inspectors and field data collectors to take “after” photographs?*

Small World: Economic Update and the Impact on Government –

Tuesday, May 5, 2018 – 1:30 pm to 2:20 pm

Speaker:	Josh Harwood City Economist City of Portland, OR
Speaker:	Lindsey M. Piegza, Ph.D, Managing Director, Chief Economist Stifel, Nicolaus & Company, Incorporated

Outline of Presentation

Governments are not immune to economic and business cycles and are often impacted in both the near and longer term with lagging revenues after recovery from a downturn. With the current, continued economic boom, this session talked about trends in the economy and what governments can do now to help protect themselves from the inevitable economic downturn.

KEY LESSONS LEARNT:

- Moderate recovery and rising prices (inflation) prompts further federal action.
Growth in the USA:
 - 2015 (2%)
 - 2016 (1.9%)
 - 2017 (2.7%)
- Very slow recovery with 2018 also averaging at 2.7%.
- Last interest rate increase of 25 basis points in March 2018. No increase in May.
- Very strong job creation – 91 consecutive months of payroll growth.
- Unemployment down from 10% to 3.95%. However this does not include certain individuals who have opted to be outside of the job market e.g. people 55 years and older. If included 8%.
- Year on year sales is at 4.5% increase and business investment grew by 6%.
- However America first and other Trump policies hurting the growth of the economy – only 2% growth and inflation is also stabilizing at 2%.
- At local government level it is envisaged that there is a lag of at least two years for growth to filter through.
- Creative measures to counter the recessions are required:
 - Financial policies must have a strong foundation
 - Conservative revenue forecasting
 - Identifying one - time resources and expenditure
 - Multi - year budget balancing to ensure sustainability - two, three, five years
 - Recognize one - off expenditure
- The following are short term measures that need to be carefully analysed before being used:
 - Deferred maintenance
 - Deferred capital investments
 - Deferred debt and certain pension contributions
 - Special events
 - Any non – core expenditure
 - Early retirement
 - Contribution to reserves
 - Due cognizance must be taken of past experiences and trends
- GFOA recommends, similar to National Treasury guidelines, 2 months cash reserve for operating expenditure – 60 days cash on hand.
- A more in-depth analysis of all revenue needs to be undertaken and scenarios built taking due cognizance of lags and clarity outlining the assumptions. Risk Unit needs to provide oversight.
- Key lead indicators are key business and industry turnover and growth indicators, building permits, utility forecasts – drop in water and electricity sales, increase in UIF, increase in unemployment rates, reduction in hotel occupancy, increased office vacancy rates, decreased passengers at airport. They should be tracked by the Economic Development Unit and Risk Unit should also monitor these trends.

Treat me Right: How to get the most out of your team – Tuesday, May 8, 2018 – 2:40 pm to 3:35 pm

Moderator/Speaker:	Matthew D Clites Financial Manager, City of Austin, Human Resources, Austin, TX
Speaker:	Cynthia Berry, PhD Owner/Chief Organizational Development Director, Berry Organizational & Leadership Development (BOLD) LLC, Defiance, MO

Outline of Presentation

Finance Officers are often trained on how to generate a return on investment from financial assets, develop process improvements that generate greater efficiencies, and manage infrastructure that provides optimal service over its lifespan. However, many finance officers or managers have not received training in ways to maximise their staff – or “human capital”. This session explored strategies that managers can use to aid the professional development of employees working on a team or in a department.

KEY LESSONS LEARNT:

- Commute connections – encourage alternative transportation, active participants receive additional banked time off;
- Physical Educational Classes – active participants also get banked time off to attend fitness classes
- Other benefit schemes discussed based on the legislative and policy environment for staff:
 - Commuter Programme – bus, rail and vanpool offered at no cost to employees – free bus tickets to all staff members using the bus;
 - Childcare assistance programs;
 - Youth camp scholarship programme;
 - PerksConnect – an employee discount scheme;
 - Deferred compensation;
 - Retiree benefits
 - Study benefits
 - Employee Assistance is also provided: e.g. Wills, are included;
- Motivation can be measured through – engagement, satisfaction, commitment and intention to quit
- Four drives that underlie motivation:
 - Acquire – needs, social status, etc. – noting that this is insatiable
 - Bond – strong positive associations, proud to be part of the group, or no association and negative motions; noting people find it hard to break out of group orientated silo’s
 - Comprehend – make a meaningful contribution, given room to grow and learn
 - Defend – fight or flight in work – we all resist change, have clear goals/intentions and allow people to express ideas and opinions

Utility Finance Forum – Tuesday, May 8, 2018 – 3:35 pm to 4:50 pm

Moderator:	Emily S. Brock Director: GFOA
Speaker	Sean Garcia Government Affairs Manager, American Public Works Association
Speaker:	Jason Isakovic Director: National Association of Clean Water Agencies

Outline of Forum Discussions

Public sector utilities continue to face numerous challenges with regard to limited resources, deteriorating infrastructure and expanding regulation. The importance of the finance function in establishing and maintaining accounting practices that guide organizational planning and decision-making cannot be overemphasized. This session sought to inform attendees about issues relevant to utility finance, including federal funding and general themes in DC.

ISSUES RAISED AND LESSONS LEARNT:

- There is \$650 billion needed to replace ageing infrastructure. \$30 billion in bonds was issued for wastewater treatment upgrades and expansion.
- Various unfunded processes are putting an unfair burden on ratepayers due to the fact that the utility must take out pharmaceuticals, heavy metals, etc. and put back water in a better position after it has been used than when it was drawn from the river or dam. Further, infrastructure needs replacement, but the funding will never meet the need.
- In USA Private companies are using the utilities servitudes and the infrastructure put in by local government. This will sometimes create an impediment to the standard services. The costs need to be demined considering the benefits of, for instance, broadband.
- State Revolving Funds (SRF’s) are made available to municipalities. However, there are complaints that these are more expensive than borrowing from banks, far more administratively burdensome than bank loans, etc. There are huge amounts involved in that, but it does not seem to be working in some areas. However, other areas have proved it is working at the interest rates vary from 0% to about 1,9%.

Trouble in Paradise: How to Improve Workplace Culture and Employee Engagement – Wednesday, May 9, 2018 – 8:30 am to 10:10 am

Moderator:	Shelby Teufel Assistant City Administrator/Finance Director City of Pleasant Hill, MO
Speaker:	Catherine Bennett Co-inventor GOV360
Speaker:	Chris Pike, CPA

Outline of Presentation

Every local government strives to engage its employees, but it is often difficult to know what employee engagement truly means for both employees and the organization as a whole. In this session attendees explored the many meanings of employee engagement and how to create useful engagement opportunities for employees.

LESSONS LEARNT:

- Recruit to match your culture – if you want Self-initiative, versatility, dedicated, attention to detail, etc., these must be considered in the interview. Don't only look at the university degree. If an older person applies, rather see if there is a culture of learning – ask: "What has been your Continuing Professional Development over the last three years?" This is far more informative than an old transcript.
 - You can't create the right culture if you don't have the right people;
 - You can't get the right people if you don't have the right brand
 - You won't have the right brand unless you have the right people.
- You can buy a brand, but you cannot "buy" a culture for your organisation. An internal brand and culture assessment tells you what your organisation includes right now. Cultural champions review the survey and are shown where the organisation wants to go. A gap map is determined and a process needs to be established as to why these are gaps and how to move to the culture that is required. These champions become the ambassadors of the culture required and the guards of the right culture: What do we stand for? What will we not accept?
- People will often be thinking WIIFM (What's in it for me?) Make the message personal.
- There will always be Culture vultures – looking for roadkill; picking at it and spreading the word "this won't work". It is important to STARVE them!! Use the term "Culture Vultures" and when they start picking things apart, acknowledge them as "a culture vulture".
- What are you doing with your high-potential employees?
 - Staff pipeline; succession planning;
 - Lower the ladder – the front line to the customer is those at the front desk or answering the phone. Are they adequately developed? Help to "manage the high performance staff up" – bring them to a high level meeting, share information, discuss issues outside of the direct work environment.
 - The role of Innovation Ambassadors: what are the "next practices" – what will the community look like, how will they want to be served; what is the role of technology?
- The most highly talented employees are your greatest flight risk – if they are not growing, appreciated, engaged, acknowledged, etc.
- Additional resources suggested: Look up "The Alliance for Innovation" and their website. They will advise on "next practices" and what is coming up in the future. Become a HPO (high performing organisation). Also review Meyers-Briggs and Emergenetics.

Debt Management Best Practices- Wednesday, May 9, 2018 – 10:30 am to 12:10 pm

Moderator/Speaker:	Eric Johansen Debt Manager City of Portland, OR
Speaker:	Lisa Marie Harris Director of Finance/Treasurer San Diego County Water Authority
Speaker:	Bryan Kidney Director of Finance City of Lawrence, KS

Outline of Presentation

This session focused on the issuing of bonds and the various requirements related to it –best practices related to debt issuance. Attendees heard from those whose experiences demonstrate the importance of developing and implementing debt policy and procedures.

KEY LESSONS LEARNT:

Basic principles of items that must be in place:

- Review the interest rate and arbitrage – for legal compliance
- Ensure there is a Bond Policy and SOP
- Implement calendar “ticklers” – timely reminders for any payments, submission of returns or any review of the interest rate for the Receiver of Revenue; etc.

5. PLENARY SESSIONS

Sunday 5 May 2018 – 3:50 pm to 5:00 pm

KEY LESSONS TO NOTE:

- GFOA consists of 19 500 Members
- Best leaders show their mettle, not in good years, but in the year of struggles
- Bond market – technical innovation and greater transparency has led to a more effective bond market and funding of infrastructure
- Coming out of the interview with the representative from the USA Department of Transport, it was clear that:
 - State government has a major stimulus package for the economy
 - There is an expected \$1.5 trillion spend at local government level, supported with \$200 trillion from State coffers
 - Several local authorities are concerned about being able to raise the co–funding to drive this infrastructure spend
 - The Rural infrastructure investment incentive is a \$50 billion incentive programme focused on IT and infrastructure
 - It was recognized that greater efficiency is required in maximizing value for money

- President Trump was described as being different in challenging the current rules and bringing in private sector influence with commercial requirement in delivering projects
- The current time was considered best for infrastructure and economic development.

Motivational Speaker



Shawn Achor is one of the world's leading experts on the connection between happiness and success. He addressed all GFOA conference attendees and their guests on how to transform their lives, raise both happiness and success rates, and become a "positive genius."

In fact, 75% of our job success is predicted not by intelligence, but by your optimism, social support network and the ability to manage energy and stress in a positive way. Shawn's research in the field of positive psychology has revealed how changes in our own brain due to mindset and behavior can have a ripple effect to a team, family, or an entire organization. This positive ripple effect can create a more productive, positive work culture making positive change easier.

Shawn Achor is also the New York Times bestselling author of *The Happiness Advantage* and *Before Happiness*. His research on happiness made the cover of *Harvard Business Review*, his TED talk is one of the most popular of all time with over 14 million views, and his lecture airing on PBS has been seen by millions. He spent 12 years at Harvard, where he won over a dozen distinguished teaching awards, and taught in the most popular class at the University.

Shawn graduated magna cum laude from Harvard and earned a Masters from Harvard Divinity School in Christian and Buddhist ethics.

Monday 6 May 2018 - 8:30 to 10:10 am

Betsy Myers was the keynote speaker for Monday, May 7, 2018, at the GFOA annual conference in St. Louis.

Introduction and overview

Public finance officers must be analytic, technical, principled, and strategic to deal with the complex nature of the profession. However, to provide the required leadership for a team, organization, or entire community, the finance officers must learn to leverage their heart in addition to their brain. Betsy Myers will discuss “true” leadership with GFOA conference delegates and provide practical strategies to help attendees to discover who they really are, embrace their personal story, and build better relationships with those around them.



Betsy Myers is a leadership expert, speaker, consultant, and author of *Take the Lead: Motivate, Inspire, and Bring out the Best in Yourself and Everyone Around You*. She currently works with organizations of all sizes to motivate and develop leaders and has worked to develop a repository of best practices focused on creating a modern workforce, improving office culture and team dynamics, and helping Corporate America recruit and retain women leaders.

In the past, Betsy has served as the Founding Director of the Center for Women & Business at Bentley University, the Executive Director of the Center for Public Leadership at Harvard’s Kennedy School of Government, and as a senior official in the Clinton Administration where she was the President’s senior adviser on women’s issues. She also served as first Director of the White House Office for Women’s Initiatives and Outreach and the Associate Deputy Administrator for Entrepreneurial Development in the U.S. Small Business Administration.

Currently, Betsy serves on the Council of National Advisors of Springboard Enterprises, a national not-for-profit organization that educates, coaches and supports high growth women-led businesses that are seeking venture capital for expansion.

KEY LESSONS LEARNT:

- All are leaders – you are leading your own life. Leaders are humble. The best leaders always share the credit. Leaders need followers. We need engaged, inspired and productive followers who will produce the best each day. Leadership is the stewardship of precious lives that come through your doorway or across your path and who are willing to share their talents and skills with you. People often feel that no-one cares. We all want to feel needed. They need to be recognised and allowed to achieve – they need to be able to go home on a daily basis feeling fulfilled. Leadership is about capturing someone’s heart. Leaders get results through helping others to reach their potential. Purpose to an organisation is the “head” view – strategy, accountability, planning, focus, vision, etc. While the heart looks at the people strategy – appreciation, value, etc.
- The Leader is always watched! Pope Francis – ‘who am I to judge?’. Nelson Mandela – inclusivity. The talent pool has changed, has the leadership style changed to adapt to it?
- 88% of Americans feel they work for a company that doesn’t care about them as human beings;

- 70% of American workers are disengaged at the workplace;
- The number one reason why American's leave their place of work is due to their boss;
- Heart attacks are 20% higher on Mondays mornings;
- People who lack emotional intelligence have divisions that are underperforming by 20%;
- Abrasive, insensitive and bullying behavior now backfires – it is a sure sign of underperformance;
- It's so Simple – the philosophy of South West Airlines – The Luv Airline. It is the most successful airline that has made profits for the last 50 years. NOTE: You can live for three months on one compliment.
- Why do we come to work? What are we doing right? What can we do better? Leaders ask these questions. The strength of leadership comes from the curiosity to ask the questions, listen, seek input and build necessary relationships.
- Leaders are Self Aware A key aspect of leadership is the honest self-reflection and a life-long pursuit of self-knowledge. Leaders must be conscious about their behavior and the impact on self and others.
- For women leaders – what are the sticky floor things? Are you open enough to listen to the information shared with you? Are you framing the issue correctly?

Tuesday, May 8, 2018 - 9:00 to 10:00 am

New York Times foreign affairs columnist, Pulitzer Prize winner, and bestselling author, Thomas L. Friedman, was the keynote speaker for Tuesday, May 8, 2018, at GFOA's Annual Conference in St. Louis

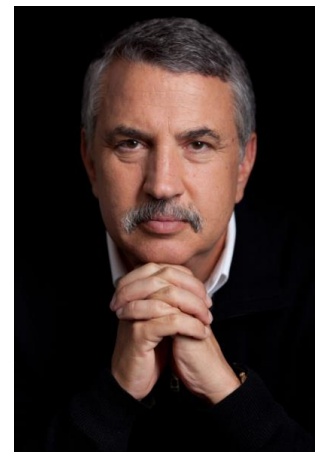
Introduction and overview:

Tom Friedman, renowned for his direct reporting and sophisticated analysis of complex issues, addressed GFOA delegates on the era of dizzying acceleration which we currently live highlighted by an exponential increase in computing power, an explosion of economic interdependency creating new riches (and spiraling debt), and dramatic changes to our environment. He provided observations on how organizations and individuals can succeed by learning to be quick and innovative, fair, and adept at shutting out noise and accessing their deepest values.

He is ranked #2 on The Wall Street Journal's list of "influential business thinkers," and is considered one of "America's Best Leaders" by US News & World Report. According to Foreign Policy magazine, "Friedman doesn't just report on events; he helps shape them."

KEY LESSONS LEARNT:

- Mr Friedman wrote a book "Thank you for being late!" This started as Thomas gave people the time to relax after arriving late for a meeting. Pause, and take time think about where you are and what you are doing.



- An opinion piece is there to provoke a response – the heating business
- An article is to give information – the lighting business
- How are we communicating?
- Considering the story of the King and the poor man and the rice – on a chessboard with grains of rice doubling – leading to 18 quintillion grains on the last square. The exponential doubling on the second part of the 64 square chess board is similar to the change in technology at this time.
 - In 2007 Facebook went global, the i-phone was launched, twitter was launched, the (the Emperor) operating system that allows all base computer systems to work on all networks; Get-up – the biggest open source company, the Kindle was launched; Netflix was launched; the bitcoin was launched; solar energy took off, fracking was launched; the cost of data per megabyte dropped radically in 2007.
 - 2007 was one of the major technological disruptors in the world. But it has been ignored due to the 2008 housing financing implosion.
 - 4 kinds of power were released:
 - The power of one – one person can now be a maker or a breaker
 - The power of machines – machines have all 5 senses,
 - The power of flows – flows of knowledge and information
 - The power of many – the effect on the climate
- Workplace: technology is evolving at a faster pace than we can adapt to it. Our ability to learn is growing faster and the ability to govern smarter is slow. We need to change AI to IA – Intelligent Assistance! If you are not ready to be a life-long learner, you will no longer be a life-long employee. We are all going to have to adapt to the changes and need to work to learn. We need to change our question to the younger generation – no longer ask what you want to do, but how you want to approach the future! Do children have the life-long motivation to keep on learning? Self-motivation needs to be a life-long skill and character trait.
- Politics is being reshaped. We are in the middle to 3 climate changes. 'Later' is no longer an option, things must happen 'now'. The world has moved from interconnected to interdependent. There is also a climate of change in business. With big data, the optimisation of business, best profit issues, predictive analytics, customisation becomes the norm and is easy – and is essential!
- Those who are most adaptive will survive these very disruptive times. We need to ensure all cycles are sustainable and so resilience must be built into processes. All political parties are blowing up – they were built on the industrial revolution and not on the technological revolution and the needs of millennials. Stop taxing the goods and rather tax the 'bads' to pay for the 'goods'. Push for radical entrepreneurship, but balance it with the safety net requirements.
- We are standing at a moral intersection. Approximately 51% of lives are lived in cyberspace. We bring in the good or the bad. No one is in charge – so what happens there depends on us all. So values matter more than ever and everyone must have an ethical basis. We need to embrace the golden law: Do unto others as you would want done to yourself. This comes from strong families and healthy communities.

6. CONCLUSION

Most sessions were very informative and, although based on North American issues (USA and Canada), there are many lessons to be learnt by South Africa and issues that South Africa can share with the USA and Canada. Some processes may be slightly different, but most can be adapted by the countries represented at the Conference.

Key Lessons coming out of the conference include:

1. Finance Officers need to look after their professional development in both the technical knowledge as well as in the soft skills;
2. Cyber security is an essential responsibility of the CFO and finance department in conjunction with the IS&T Department;
3. The protection of data is essential and more legislation is being passed across the world that affects the way that data must be protected; and
4. New insurance and finance instruments are available to deal with changes in the climate – we all need to keep up to date on these issues.
5. Technology is developing at a faster pace than we can adapt to. Artificial intelligence will play a major role in how our cities of the future are shaped and managed.