

MINNESOTA GOVERNMENT FINANCE OFFICERS ASSOCIATION

MnGFOA NEWSLETTER

January 2004

Excellence and Leadership in Government Finance

www.mngfoa.org

MESSAGE FROM THE PRESIDENT

By: Lori Webster

My first action as President of MnGFOA for 2004 is to extend a sincere thank you to our outgoing board members and especially to our past President, Tom Kelly.

Tom, MnGFOA is a much better organization for your leadership, and I sincerely hope that I can make 2004 as productive!

We enter into a New Year with what I hope will be a year of useful, interesting and educational meetings, conferences and seminars. During my tenure on the executive board, we've seen subtle changes in the program format – some have worked and some have not. We must always pay attention to the basic foundation of why we exist as an organization. With this in mind, however, we recognize that there are sometimes new ways and approaches to reach and deliver services to our members. Ongoing discussions have revolved around how to better deliver educational programs in new and more effective ways and to strengthen our relationships with colleges and universities and other professional groups.

We have a great organization with a great number of dedicated volunteers. Our technology committee, this year to be co-chaired by Ron Hedberg and Cathy Shuman, will continue to look at improving our website, program sign-up and the e-version of this newsletter. Lynn Cornwell has already been busy with the social committee, lining up events for the 2004 conference. Robin Roland has been working on the line-up of topics and speakers for the fall conference with her committee. Michelle Pietrick and Joe Huss will be co-chairs of the program committee this year and will welcome input you may have for suggested speakers. Bonnie Burton is heading up the Education Committee this year already with ideas of what to plan for 2004. If you are interested in helping out by serving on a committee, please contact any of these individuals (phone numbers will be listed later on in this newsletter).

During the year, we may try a number of new things, either with the monthly programs, the annual conference or the

educational seminars. I welcome your thoughts, comments and suggestions!

The 2004 Executive Committee looks forward to working with all of you in this New Year. Happy New Year!

JANUARY MEETING



Date: Wednesday, January 21, 2004
Location: Minneapolis Sheraton 4 Points
Topic:
Speaker:
Meal: Lasagna
Time: 11:30 a.m. – Welcome and Program
12:20 p.m. – Lunch & Business Meeting
1:00 p.m. – Executive Committee Mtg.
Cost: \$15.00

Reservations: Please leave your reservation with Greg Sticha at the City of Minnetonka at 952-939-8252 or on our website at www.mngfoa.org by THURSDAY, JANUARY 15, 2004. (Vegetarian meal choice is available.)

2004 MnGFOA DATES

Monthly Meetings:

January 21	February 18	March 17
April 21	May 19	[No June Mtg.]
July 14	August 18	[No Sept Mtg.]
October 20	November 17	December 15

Conference/Training:

GFOA Annual Conference	
Milwaukee, WI	June 13-16, 2004
MnGFOA Annual Conference	
Alexandria, MN	Sept 21-24, 2004

Committee

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2004 BUDGET

The 2004 MnGFOA budget was adopted at the December meeting of the Executive Committee. Here are some highlights:

- Total expenditures of \$122,850 will be covered by \$112,200 in revenues and \$10,650 use of reserves (fund balance). Total fund balance at the end of 2003 is anticipated to be about \$70,000.
- The use of reserves is primarily for an outside contractor to perform a membership survey, budgeted at \$10,000. In 2001, Ed Burrell, MnGFOA President at the time, introduced to the Executive Committee the idea of **relevance**. To be successful and useful, MnGFOA must continue to be relevant to its membership. We need to find out what you want from the association ... and how, when, where and why you want it. We want the association to keep up with your needs. And where it makes sense, we want to utilize improvements in technology to meet those needs. In sum, we want to channel our efforts and energies into the areas that matter to you. We feel a comprehensive survey is the place to start.
- The annual conference at Arrowwood accounts for just short of one-half of MnGFOA's budget. Conference registration and sponsorship fees are sufficient to cover conference expenses; the conference is not subsidized by membership fees.
- \$3,000 is budgeted for undergraduate student scholarships, \$1,850 for one scholarship to the Advanced Governmental Finance Institute in Madison, and \$3,000 in matching funds for a student internship. If you are interested in knowing more about these, please contact Chris Miller at 651-490-2210.
- The GASB contribution is increased by \$500 to \$2,000.
- \$2,000 is budgeted for website development.

EXECUTIVE COMMITTEE UPDATE

At its December 17 meeting, the Executive Committee approved the November 19 meeting minutes, which included the following:

- Bonnie Burton of the Education Committee reported on the Introductory Governmental Accounting seminar held in St. Cloud on November 13. 60 people attended. The average self-rating of knowledge on the subject increased from 2.7 before the seminar to 3.6 after (1 to 5 scale).
- Robin Roland reported on the evaluations received from the Arrowwood conference delegates. 92% rated the conference overall as either a 4 or 5 (1 to 5 scale).
- Some problems have surfaced with the function of the MnGFOA website and distribution of the monthly newsletter. The Executive Committee plans to meet with these service providers in January to resolve the matters.
- The preliminary 2004 MnGFOA budget was discussed and approved. (See article below on budget.)

GFOA YIELD ADVANTAGE

The National GFOA in December announced an alliance with Grant Street Group, a fixed income Internet auction house, to create *GFOA YieldAdvantage*, a real-time electronic marketplace for governments to invest their cash holdings.

Historically, governments have sought several quotes from local banks before investing their cash. This is done via fax or over the telephone, and often consumes a significant portion of a treasury manager's day.

GFOA YieldAdvantage revolutionizes this process by creating a marketplace in which banks compete for a government's investment business.

Competition optimizes the yields that governments earn on their short-term cash investments. In addition, the functionality built into the site expedites the investment process.

In a typical open bid auction, a government specifies the quantity and type of investment instruments it wants to buy, and then opens up the auction. Banks bid against each other until the auction closes, at which point the government awards the funds to the bidder that best suits its needs, usually the highest bidder. During the auction, banks can view their rank, but not the best bid. In a sealed bid auction, bidders receive no feedback and hence submit just their best bids.

In a sealed bid auction, *GFOA YieldAdvantage* allows governments to solicit bids for multiple investment instruments. It can be used to invest in collateralized or non-collateralized certificates of deposit, commercial paper, treasury and agency securities, and repurchase agreements. This flexibility allows governments to diversify their short-term investments, and the platform automatically compares returns across the various instruments, which further streamlines the cash investment process.

“Investment officers are always on the lookout for opportunities to improve yield and make the investment process more efficient, all the while ensuring that their portfolios are safe,” said GFOA Executive Director Jeffrey L. Esser “*GFOA YieldAdvantage* is one way that governments can meet these goals.”

The auctions will be powered by Grant Street Group, whose base product, YieldAuction, is currently being used by a number of jurisdictions, including Monroe County, NY; Sioux County and Story County, IA; and St. Johns County Tax Collector’s Office, FL. *GFOA YieldAdvantage* features the same functionality as Yield Auction. If you would like more information, please contact Jeff Esser at 312-977-9700 or jesser@gfoa.org.

MEMBERSHIP RENEWALS

You should have received your MnGFOA membership renewal form via postal mail by now. To be included in the 2004 membership directory, fill out the application form and mail with your payment by January 31, 2004 to Greg Sticha, City of Minnetonka, 14600 Minnetonka Boulevard, Minnetonka, MN 55345 or call him at 952-939-8254 if you did not receive an application.

2004 EXECUTIVE BOARD AND COMMITTEE CHAIRS

President	Lori Webster City of Hastings	651-480-2352
President-Elect	Tom Pepper City of Eagan	651-675-5017
Secretary	Chris Miller City of Roseville	651-490-2210
Treasurer	Greg Sticha City of Minnetonka	952-939-8254
Past President	Tom Kelly White Bear Township	651-429-5827
At-Large	Dan Maiers City of New Brighton	651-638-2102
At-Large	Terri Heaton Springsted, Inc.	651-223-3022
State Rep.	Ron Hedberg City of Cottage Grove	651-458-2832

INTRODUCING THE NEW COMMITTEE CHAIRS FOR 2004:

Conference	Robin Roland	651-463-1880
Education	Bonnie Burton	952-474-3236
Program		
Co-chairs	Michelle Pietrick Joe Huss	715-381-4304 763-717-2677
Social	Lynn Cornwell	612-667-9874
Selection	Steve Hauer	763-494-6334

If you have any questions, want to help out, or have suggestions for the Executive Board or for any of the committees for 2004, please feel free to give them a call.



JOB POSTINGS

FINANCE MANAGER **CITY OF MINNEAPOLIS**

City of Minneapolis, MN

\$70,025 to \$77,396

BA in Finance, Business Admin, Economics, CPA &/or Master's preferred. Visit our website at

www.ci.minneapolis.mn.us for more information.

Send cover letter & resume by January 23, 2004 To Sarah Kriewall, City of Minneapolis Human Resources, Room 100, 250 S 4th St, Minneapolis, MN 55415

ACCOUNTING MANAGER **CITY OF MINNAEPOLIS**

City of Minneapolis, MN

\$47,442 to \$55,935

BA in Accounting, Finance, Business Admin., CPA &/or Master's desirable. Call 612-673-2282 for

application materials or apply online at

www.ci.minneapolis.mn.us

Tom Pepper
City of Eagan
3830 Pilot Knob Road
Eagan, MN 55122

MESSAGE FROM THE EDITOR

The New Year brings a new editor to your newsletter. I gernaelly ctach msot sepllning eorrrs; hovwee, I hvae been knwon to tarsnopse lteters on ocaseoin ... pelsae fogrvie me.

Wanna make some commotion

About someone's promotion?

Or just share some good news with the group?

Is someone retiring?

Or might you be hiring?

If so, please call and give me the scoop!

If you get information to me by the 20th, I can put it in the next month's newsletter. Thanks!

Tom Pepper, City of Eagan

Phone: 651-675-5017

Email: tpepper@cityofeagan.com



