

GFOA
Annual Business Meeting and Luncheon
Tuesday, June 17, 2008 • Ft. Lauderdale, Florida

Good afternoon delegates and guests of the 102nd annual meeting of the Government Finance Officers Association of the United States and Canada.

It is a great honor and professional privilege to serve as your President and to follow in the footsteps of those leaders who have addressed this organization over the past century.

We can all think of those who have offered us guidance and direction over the course of our careers, and I would like to acknowledge a few people that have been instrumental in my development as a government finance officer.

First, I must recognize the leadership example and encouragement offered by three past GFOA Presidents from the State of Oregon, particularly my former boss, mentor, and friend Tim Grewe. I also thank you Charles and Tom, as well as Nancy Zielke and Carla Sledge, and the Executive Board members I have served with over the years for your support and advice.

Finally, I would not be on this stage today but for the patience and support of my wife, Patti Tigue, whom I first met in 1994 when she served as staff to GFOA's Debt & Fiscal Policy Standing Committee. As I have since learned, GFOA brings people together in many different ways.

As government finance officers we certainly are living in challenging times. The national economic slowdown is already squeezing resources for our governments, the inflation dragon, thought by many to have been slain, appears to have re-emerged and is creating a new kind of fiscal pain for us to grapple with, excesses in the housing industry are now coming home to roost, and the list goes on.

Now more than ever, the work of the GFOA in the form of Recommended Practices, publications, and training becomes even more relevant. I encourage you to take advantage of these resources to enhance your skills and to learn tools and techniques to help manage your finances during these times of fiscal stress.

During the course of the next year there are several items that will be priorities for me.

First, I will continue GFOA's successful efforts to ensure that accounting standards provide uses and benefits to decision-makers, not just to the promulgators of those standards. As GFOA's representative on the National Performance Management Advisory Commission I will work to make sure that this effort reflects the GFOA's long-standing position on this subject: performance management and evaluation needs to be integrated within the budget and resource allocation process, not as part of after-the-fact reporting.

We must ensure that these standards reflect the needs of our various members--large and small, general government and special districts--that they are reasonable, and can ultimately be implemented in a cost-effective manner. Bottom line, performance management must prove its value with practitioners, elected officials, and citizens in order for it to be deemed a success.

A second priority is to continue GFOA's efforts at the federal level to oppose "reforms" to the municipal bond market that fail to distinguish between private corporations and state and local governments. It seems every time the SEC rattles its regulatory saber about the need to protect investors in the securities we issue, far greater problems of investor abuses and lack of appropriate controls emerge in the private capital markets.

The current sub-prime, special investment vehicle, hedge fund liquidity crisis again shows us why the SEC's focus on increased regulatory oversight of the municipal bond market is misplaced. In fact, the increased costs many of us are collectively paying on auction rate securities negatively affected by the current credit crisis likely exceeds any losses incurred by investors of direct state and local governmental debt obligations over the past 20 years or more. The words of Bert Lance--"if it ain't broke don't fix it"--should apply in this case.

A third priority is to ensure GFOA is positioned to assist state, local, and provincial governments in addressing succession planning in their financial organizations. Now more than ever, capable, well-trained government finance officers are needed to help manage the challenges we are facing. As the baby boom generation moves in to retirement, we are facing a brain drain and resource loss like no other.

I know this from first-hand experience. In my organization, more than half the workforce is over the age of 45. 75 percent of my leadership team will leave the City of Portland within the next 3 years. If this was only a City of Portland problem it would not be that big of deal. In fact, it would only be my problem to solve.

Unfortunately, this is a national problem facing all of us in this room. We will all be competing for the same workforce resources; resources that currently don't see public service as their calling, or if they do, at least on terms very different from what we can or may be willing to offer.

So what can GFOA do to help? The issue of Succession Planning seems almost perfectly designed for our organization. Who else understands our profession, has a successful track record of training and development, and has a national and international reach and perspective? Over the course of the next year I will work with the Executive Board and staff to find ways to help our members address this issue.

This could include developing planning tools to help assess the workforce needs of a finance department; identifying methods for building organizational capacity in the areas of Recruiting, Retention, Mentoring, and Training; and developing strategies to increase the diversity of our profession. We must become more adept and skilled at building relationships with our educational partners in order to attract workers early in their career, and then provide them with the tools and training to grow into tomorrow's leaders. We must do all of this and more, and do it on a fast track.

Perhaps the greatest challenge of our careers will be ensuring that the governments that we have served are able to effectively function well beyond the time we leave professional service. It is imperative that we learn how to “grow” the next generation of finance officers to build on the excellence that we have created during our term of service.

We have the privilege of working in an honorable profession. Our good work helps to serve the needs of our citizens and improve our communities. Together we can work towards ensuring that our efforts continue well into the future. I look forward to meeting many of you over the next 12 months at GFOA events or at your state or provincial association meetings, and representing you as GFOA's President.

Thank you.