Government Finance Officers Association's (GFOA) Awards for Excellence in Government Finance recognize innovative programs and contributions to the practice of government finance that exemplify outstanding financial management. The awards stress practical, documented work that offers leadership to the profession and promotes improved public finance.

2018 Winner for Exceptionally Well Implemented GFOA Best Practice:
COUNTY OF SAN DIEGO, CA
LEVERAGING GFOA BEST PRACTICES IN THE STRATEGIC MANAGEMENT OF LIABILITIES: PENSION, OPEB, AND RENEWAL OF AGED INFRASTRUCTURE

For over a decade, the County of San Diego has worked to strategically align assets and liabilities to mitigate both short- and long-term risks and needs. This has engrained a discipline within county leadership throughout the organization to be consistently mindful of long-term risks when evaluating immediate needs and opportunities. Specifically, the County has taken a long-term approach to align and match assets to growing liabilities, which has resulted in a strategic growth in fund balance done in conjunction with managing growing liabilities in pensions and capital infrastructure renewal. The County leveraged unanticipated property tax growth during the housing bubble to fund these liabilities.

Implementation of this strategy led to an execution model with fundamentals from a number of GFOA Best Practices. The execution model included:

- A comprehensive review and codification of financial policies
- Reducing and avoiding new liabilities in the pension and capital areas through the use of recurring and nonrecurring revenues
- Review and evaluation of short-term needs through the evaluation of discretionary services while also considering alternate service delivery models

As a result, the County was able to:

- Prepay $422.1 million towards retirement-related costs since 2006
- Avoid $1.2 billion in costs related to OPEB and implement lower retirement benefit tiers
- Avoid $1.0 billion in financing costs by paying cash for capital improvements over a ten year period

GFOA BEST PRACTICES UTILIZED:

- Achieving a Structurally Balanced Budget [http://gfoa.org/achieving-structurally-balanced-budget]
- Sustainable Pension Benefit Tiers [http://gfoa.org/sustainable-pension-benefit-tiers]
- Examining the Benefits of Managed Competition [http://gfoa.org/examining-benefits-managed-competition]