



Government Finance Officers Association of Alberta

Newsletter - Fall 2008 Issue

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Hello folks! I hope this message finds everyone well as we all embark on another budget season with our Administrations and Councils. As well, I hope that everyone is well on their way towards compliance with PSAB 3150.

The Board has been extremely busy this fall, in particular, dealing with the planning process for reviewing the five-year strategic plan. The Board members and Chairs of the Board's Task Forces participated in a one-day workshop earlier this fall in Cochrane. The workshop produced some valuable input that will be built into the next five-year strategic plan for the association. The Board anticipates having the strategic plan ready for presentation at the 2009 annual general meeting.

The second substantive initiative the Board continues to review is a business case that contemplates a partnership with the AUMA/AMSC on delivery of an aggregated investment service. The Board continues to evaluate the merits of this complex issue.

For those of you had the opportunity to attend the 2008 Western Canada GFOA Conference held October 8 – 10, 2008 in Victoria, you will agree that it was a tremendous success and the Conference Organizing Committee should be applauded for its efforts in hosting such a fine conference. The conference topics were significant and timely; the networking opportunities were valuable as well.

Planning activities for the 2009 Alberta Conference hosted by Sturgeon County and the City of St. Albert continue.... keep posted for updates!!

I would like to extend thanks to the Board Task Forces who continue to work extremely hard for the membership and would like to highlight some of the activities:

Communication Task Force

The Communications Task Force has been working hard over the past months on redesigning the logo and webpage for the GFOA. The new logo was unveiled earlier this year and it is expected that the webpage will be finalized and unveiled early in 2009.

We are striving to create a webpage that will show a new look for the Association and provide valuable information to our members. We included a lot of the information that is on the current website such as information on events, employment opportunities, links to valuable sites and access to publications of interest.

Additionally, the new site has added a section concerning the issues of the day and a members only section. In the latter section, you will be able to find conference downloads, member lists and GFOA financial information as well as updating your personal information and posting financial job openings that exist in your municipality. In the interest of not re-inventing the wheel, we are continuing to utilize the GFOA's valuable relationship with the Municipal Excellence Network by providing a link to their site. It contains information on best practices in municipal government and a discussion board for use by our members to ask questions and provide comments on other postings.

We are looking forward to the launch of the new website and anticipate that our members will be pleased with the result. Further information will be circulated to members as the date of launch approaches.

Training Task Force

The Task Force is preparing for the next round of TCA workshops planned for late January early February of 2009. See Page 3 for all the details.

Research Task Force

The Research Task Force has a new look and renewed enthusiasm to roll up their sleeves and get to work. Joining existing members (Lorraine Nyal, Town of Westlock and Gerald Loewen, Town of Manning) are the new task force members: Chair Jason Labonte, City of St. Albert and John Samoil, Leduc County; Irene Sasyniuk, City of Leduc; Louise Frostad, Town of Stony Plain; Mirjam Brett, City of Fort Saskatchewan and Rick Wojtkiw, Sturgeon County.

The task force will build on the excellent relationship GFOA has built with Alberta Municipal Affairs and the Public Sector Accounting Board (PSAB) to deal with technical issues as they emerge. Expect to see more information on PSAB exposure drafts and accounting standard changes as they come forward. In addition the Research Task Force will endeavor to develop a system to research items that seem to be of great interest to GFOA members.

It is with mixed emotions that I advise the membership that Board Member Karen Gibson has retired from the board. I would like to thank you Karen; your wisdom and guidance will be greatly missed.

I would like to sign off by wishing you all good fortune as you finalize your municipal budgets. Take care.

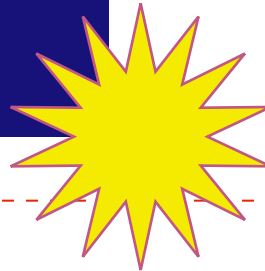
Dean Screpnek, CMA
President, GFOA Alberta

MUNICIPAL EXCELLENCE NETWORK

The Municipal Excellence Network provides web-based access to information on business/operational practices in the areas of municipal governance, administration, human resources, financial management, infrastructure services, development services, safety services and community services.

VISIT THE WEBSITE:

www.menet.ab.ca



WHAT'S NEW?

MENet Discussion Board Features

Request a Topic:

Do you have an idea for a discussion on the MENet Discussion Board?

Fill in the 'Request a Discussion Topic' field located above the list of discussions. Click the Submit button and an e-mail will be sent to the MENet team with your suggestion.

Search the MENet Discussion Board

Is there something specific you are looking for?

Navigate to the [Discussion Board](#) and enter your search keyword.

Click the Search button

A list of discussions and posts that match your search criteria will be returned.

TRY!! If you would like to try out the new Discussion Board, register with the MENet website and check out some of the new practices posted there. Here is a practice from a new member, Jackie McMullen.

“If the owner of a property is not keeping their utility account up to date, the Town of Rimbey transfers the amount of the utility arrears, plus an administrative fee, to their tax roll.

MENet Tangible Capital Assets Page

The Tangible Capital Assets page has been created to provide access to all of the latest news and information on the Tangible Capital Assets (TCA) Project. You will find newsletters, guidelines, resource documents and access to a discussion board for questions and answers in fulfilling the requirements for the TCA.

This website is a great resources for all municipal personnel!

WHAT DO YOU THINK OF WHEN YOU HEAR THE WORD HAITI?

A tropical paradise is likely what comes to mind...

Or is it? If you ask Kim and Rick Robinson of Lethbridge that question, you will learn of the shocking ordeal they shared while on a 2-year leave of absence doing humanitarian work in Haiti.

To digress, Rick Robinson was the Director of Corporate Services for the County of Lethbridge. He saw an advertisement for a two-year position as CFO of the Hôpital Albert Schweitzer in Haiti. He had wanted to do something like that for a long time. In September of 2007 he flew to Haiti to look around for a few days and decided that everything looked reasonably safe.

In November of 2007 he was hired for the position by an organization out of Pittsburgh. The Chair of this organization was the step-son of Larry Mellon (who initially opened the hospital) of the Mellon Bank and Carnegie Mellon University. Larry Mellon left a \$20m endowment to the hospital.

Robinson's goals while CFO of the hospital were to find a replacement for the position when he left and to get the deficit under control. The once \$20m endowment was now down to \$10m. With 500 employees, the hospital had an expenditure budget of \$7.5m, while revenues were only at \$5.0m, creating a \$2.5m deficit. Revenues were from donations and investment return (which was currently minimal).

When Rick first got there in November, not even the 20 bank reconciliations had been done. Completeness became a big issue as initially revenues were not posted and reconciliations were not done. There were no policies or documented processes.

Kim Robinson had quit her job as a pharmacy technician to join her husband in Haiti. As a consultant, she too worked at the hospital organizing medical supplies. (In 2007 there was \$100,000 worth of spoiled goods.) As well, she assisted in an orphanage nearby. The orphanage was funded by charitable donations and partner organizations.

The hospital sat on 100 acres and was located in a very rural area three hours from Port au Prince, the largest city and capital of Haiti. The 70-80 kilometer trip was made by Toyota Land Cruiser over very rough roads. Surrounding the hospital was an agriculture area with many palm trees. Rick himself had planted over a hundred trees.

Some areas of Haiti were really nice, but the country was mainly dirty and poor. You would see shacks around the highways and no infrastructure. Garbage was everywhere. They burned all the garbage, so the air was

smoky and dusty. In sharp contrast, there were beautiful gorgeous beaches and facilities for tourists.

The Robinsons lived in a 3-bedroom house that had no air conditioning. They were encouraged to employ a maid and a gardener to help the economy. Their living conditions were good as they had electricity, well water (cold only) for 3 hours a day and screens for windows. They were not supposed to drink the water, but did so after buying a filter for a couple of hundred dollars as bottled water was not always available. Others weren't so lucky still living with dirt floors, no water or power and having to cook with charcoals.

The Robinsons said extreme poverty and unrest in Haiti had created a situation which could easily become volatile. Every decision had the potential of causing a riot. Poverty was high because many people only made \$2 a day while the cost of groceries was also very high (not unlike the cost here in Canada). They may get one meal every couple of days.

The finance area of the hospital had about 10 staff who were not all well trained. Lots of hospital administration duties were moved to Rick. The CEO went on a month-long holiday, so after only 3 months on the job, Rick wore another hat, this time as the acting CEO. There was no time for finance and year end.

By the time the dust had settled however, Rick had made a lot of headway. Fund accounting, for every outside grant had 50 funds set up. Now it was down to about 20 for those with bank accounts. The bank reconciliations had been done to the end of June, inter-fund reconciliations were completed and everything was posted. Implementation of ACCPAC (financial system) for payroll was scheduled for August. Performance implementations were planned for September. The medical depot had been completely categorized, and a "donated goods" policy was developed so there would be no more accepted already expired goods.

The last week of July Rick spent working remotely to finish year end. Year end was December 31st, but they needed to have it completed by September 1st or risk losing the right to have *charitable donation* status. The auditor had just finished the previous day.

During that last week in July, Rick received a death threat by telephone where he was given a week to get out or they claimed they would kill him and attack his wife Kim. It seemed that someone was upset with the 2009 budget in which they were looking at trimming positions which made some people nervous.

Hospital officials didn't think anything would come of the threat, although chaos had struck earlier the same year over wages in a massive riot. (There had been no increases

over the last three years at a time when inflation had been 10-15%.)

The Chief Operating Officer, Medical Director and Community Health Director of the hospital at the time were chased out by a mob attacking their houses with them still inside. Police were involved and machine guns fired. You could hear people screaming and running, all within a few hundred feet of the Robinsons' house!

The rumour mill was used to stir up people against officials at the hospital whenever new programs or procedures were being considered for implementation.

A week after he received the death threat, Rick and his wife Kim attended an early morning medical conference meeting. Rick noticed that the security staff had mysteriously disappeared. As the conference ended, Rick opened the door to face a group of about 30 angry men waiting outside the conference room. "All hell broke loose on July 31st". Some of the angry group were intent on trying to pull him out. Even his wife received a couple of bunches during the physical struggle.

Hospital staff were finally able to pull Rick back inside and keep him out of sight while they waited for a security guard to arrive. When the armed guard arrived, the crowd did disperse, only to find a new target in the engineer and his staff, as well as trying to pull another female administrator out of the hospital.

After about a 3-hour wait, police showed up with machine guns and gave Rick an armed escort home, where he had about 20 minutes to pack. The police then escorted the couple to Port au Prince where they spent the night and flew home to Lethbridge the next day.

Almost a week after the attack in Haiti, the Robinsons were safely back home trying to come to terms with the quick end to their humanitarian service.

Although Kim Robinson was sure she would not return to Haiti, Rick was undecided. All of the positive changes that were being planned for the hospital's financial picture could have ensured its operations for years to come, but with him gone, such implementations would not happen and the inevitable ending would be that the hospital would be turned over to the Haitian government.

Kim was reached by telephone recently and asked if a decision had been made about returning to Haiti or not. She said that Rick had decided to return to fulfill his commitment and complete his term as CFO at the hospital. The two of them went back on October 17th of this year. Kim was only there to tie up some loose ends and then she returned home. She is now about to start a new job.

When asked if she had anything else to say about the whole experience, she answered that it was really quite sad to think you were going there to help the people in such a poor

county only to find out what a very tall order that turned out to be with so much manipulation by the government.

Note:

This article was created from the speaking notes provided by Barry Sawada who did a telephone interview with Rick Robinson. Thank you, Barry.

Some of the details were gleaned from an article released in the Lethbridge Herald on August 7, 2008.



Workshops in 2009

GFOA is pleased to announce TCA workshops in January 2009. Workshops will focus on Contributed Assets and Financial Reporting. Valuing and recording the different type of contributed assets will be presented with the main focus on contributed subdivisions. Financial Reporting changes are significant and the workshops will cover the 2009 Sampleford financial statements (new format) along with developing budgets under the new accounting standards. You will get a better understanding of the Statement of Cash Flow and the new additional statement, the Statement of Net Financial Assets/Net Debt. The workshops will conclude with an opportunity to ask questions regarding tangible capital assets.

Workshop Schedule

Cochrane (Calgary)	Tues. or Wed.	Jan.20 or 21
Lethbridge	Thur.	Jan.22
Medicine Hat	Frid.	Jan.23
Red Deer	Tues.	Jan.27
St. Paul	Wed.	Jan.28
Edmonton	Thurs.or Fri.	Jan.29 or 30
Grande Prairie	Thurs.	Feb.5

Due to the generous support of Alberta Municipal Affairs, registration fees continue to be affordable for attendees. GFOA member fees are \$150 and non member fees are \$175. Registration information is also posted on the GFOA website at <http://gfoa.ab.ca> and look under Conferences and Events. Workshop size is limited to 40 attendees per workshop to ensure a quality experience for all attendees.

Please contact our Executive Administrator, Candace Coombs, to confirm that there is still room in the workshop of your choice. Sessions are filling up!

GFOA Tidbits

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visit our website for information: <http://gfoa.ab.ca>

We like to hear from our Membership!

If you have any articles, comments or suggestions for our newsletters, or something you would like to see on our website,

please contact Candace Coombs, Executive Administrator
phone: (780) 586-2888, e-mail: candelah@explornet.com

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