



June 1998

President-Elect's Message

Mary Bradley, Director of Finance, Sunnyvale

The 1999 CSMFO Annual Seminar will be held in Monterey, February 28 - March 2, 1999. The seminar will take place at the DoubleTree Hotel and Monterey Conference Center which are located in the heart of historic downtown Monterey. The hotel is conveniently located within walking distance to Fisherman's Wharf, Cannery Row, and conveniently close to Pebble Beach, Carmel and Big Sur. The facilities are located only 10 minutes from the Monterey Peninsula Airport, 2 hours from San Francisco, and 1 hour from San Jose.

The theme of the conference is "Sailing Into the New Millennium." The seminar committee has made extensive progress in planning the details for this seminar. We have just completed a planning meeting in which program topics and speakers were mapped out. The conference promises to be an energy-packed event with something for everyone.

An exciting addition to the 1999 seminar will be the addition of an Exhibitors Fair on Sunday. There will be a wide variety of exhibitors with an emphasis on software/hardware and technology in the

finance world. This will be a wonderful opportunity for members to see hands-on demonstrations and meet one-on-one with the vendors. On Saturday the conference committee is working on scheduling a pre-conference training workshop on communication skills.

The planning committee consists of the following:

Dewey D. Evans, Monterey

Chair

(408) 646-3940

E-mail: evans@ci.monterey.ca.us

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Leadership Capacities for
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Mary Bradley, Sunnyvale

Co-Chair

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Program Coordinator

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Developing Financial Leadership Capacities
for the 21st Century Application

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*Mini-News is
always seeking
input from all
CSMFO
members on
topics in any
department
section.*

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newsletter!*

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www.csmfo.org

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Robert C. Leland, Fairfield

Chapter Corner: Imperial County Chapter

Phil Carr, Director of Administrative Services, El Centro
Chair, Imperial County Chapter

From time to time I receive inquiries from other cities about the CAL-Card Program. El Centro has been participating in the program for approximately 2 ½ years and I highly recommend it.

The CAL-Card Program is a program administered by the State of California, Department of General Services, Procurement Division under a Master Service Agreement (MSA) with Rocky Mountain BankCard System (RMBCS). The program enables public agencies to streamline the traditional paper and labor intensive procurement process for small dollar purchases through the use of purchasing cards.

With the ease of a widely accepted VISA card issued by RMBCS employees may make walk-in purchases or place telephone orders for goods and services up to their authorized single purchase and 30 day limits.

Under the program, the person designated by the City for program and

accounting office functions (Agency Program Coordinator or APC) determines which employees receive cards, establishes limits, and develops procedures including purchase restrictions. RMBCS maintains a master file for the City, an account for each cardholder, and sends monthly statements to each cardholder, the APC, and the City's accounting department.

We currently have 15 cardholders and over the past 2 ½ years there have been virtually no problems with the program. So if you are tired of fooling with small dollar purchases, call the CAL-Card Team at (916) 324-1333 and get the ball rolling.

I have a procedure manual that I would be happy to share with anyone who is interested in the program. Feel free to call me at (760) 337-4550 or e-mail at pcarr@lpc.satcom.net.

President-Elect's Message, continued

Kelly Gonzalez, Monterey

Conference Coordinator
(408) 646-3940

E-mail: gonzalez@ci.monterey.ca.us

The committee welcomes and encourages all CSMFO members to provide input and suggestions about any aspect of the 1999 seminar. Please contact a committee member with your ideas. More details on the seminar to follow in the next issue of the *Mini-News*.

Pardon Us!

Our apologies: on page 100 in your new red directories, please correct the following entry:

Public Financial Management

Craig Hoshijima
Senior Managing Consultant
660 Newport Center Drive,
Ste. 750
Newport Beach, CA 92660
e-mail: hoshijima@sna.publicfm.com

Intergovernmental Relations Committee Report

Bob Torrez, Director of Financial Management, Long Beach
Chair, Intergovernmental Relations Committee

I am pleased to inform you that, after several very hectic months that included hiring a new City Treasurer, Budget Director and Administrative Services Manager, and coordinating implementation of a new computerized financial system in Long Beach, my attention is now very much focused on CSMFO Intergovernmental Relation Committee matters.

I'm back and eager to work with you as we struggle to keep our local governments fiscally sound. I'd like to highlight for you below what I believe are some of the most critical issues now before the State legislature that could have devastating effects upon local government. I believe that these are among the most important issues we'll face in the coming months:

1) Vehicle License Fee (VLF)

As you are aware, there are currently several efforts underway in the State legislature to phase out or eliminate the State's Vehicle License Fee (VLF). These efforts pose the greatest threat to local government revenue sources since the State's ERAF grab. If these attempts prove successful, local governments throughout California could suffer devastating revenue losses and could be forced to make draconian cuts in local services including public safety, public works, parks and recreation, and libraries.

Although local governments are vigorously opposing VLF elimination, the popularity of this issue with voters and its political appeal could bring about its passage. We must be proactive to ensure that local governments are protected now, and over the long term, from the loss of this critical revenue stream. I encourage you to let your voice be heard

in Sacramento and to target your lobbying efforts to protect local government. Also, the League's Constitutional Amendment (ACA 42) merits your attention and support to provide Constitutional assurances that local government revenues are protected. Finally, take time to read, understand, and fully comprehend AB 1776 and ACA 45, the McClintock proposals to phase out the VLF. I urge your continued focus on this vital issue to ensure that the interests of local governments are protected during the current legislative session.

2) Property Tax Revenue Shifts

One of the most alarming, and potentially divisive, approaches to the allocation of property tax to surface in a long time is Assembly Bill 2471 (Brewer). This bill would use a statewide average for property taxes labeling jurisdictions above and below the average as "overequity" and "underequity." Overequity jurisdictions would have their current property tax allocations frozen, and their property tax growth would be reallocated to the underequity jurisdictions until statewide parity is achieved. This "Robin Hood" approach is perhaps the most arbitrary and irrational methodology we've seen in a long time.

If this bill were to pass, cities attempting to grow their property tax base through improvements to their commercial developments, redevelopment activities, and maintenance of housing stock would not receive the benefits of their hard work. And, if larger cities that serve as regional economic centers are negatively affected, the bill's impact is likely to resonate beyond their borders.

Some jurisdictions may feel they stand to gain benefits because this bill would create winners and losers. However, we

must keep in mind that we all stand to lose under this irrational and divisive effort to redistribute property taxes.

Today, we have been notified that the author of AB 2471 intends to pull this bill. Nevertheless, I encourage you to examine this legislation closely and oppose it, if it is not pulled or returns to the floor.

3) Home based Businesses

AB 2065 (Cardenas) would grant exemptions to many home based businesses from local business license fees and taxes. The League opposes this bill because it impacts local revenues, neighborhood quality of life and land use control. You may want to pay particular attention to AB 2065 because, if your city is like many others, your home based businesses have recently been growing at an astounding rate. The revenue losses you could incur if this bill passes could be much higher than in previous years. You may be surprised at how much you stand to lose if this effort succeeds.

4) Educational Revenue Augmentation Fund (ERAF)

As we mentioned above, the threat to the VLF will command our attention throughout the summer. In fact, some observers have characterized the elimination of VLF as adding insult to injury, with the injury being the State's infamous ERAF grab. Let us not be so distracted by this latest insult as to forget the grievous injury the state inflicted on local governments by the original ERAF grab. The return of local revenues taken away by ERAF should be an area of unwavering attention and continued vigilance.

Your input and suggestions on these and other legislative issues affecting cities are welcome.

GFOA Recommended Practices

Recommended Budget Practices of the National Advisory Council on State and Local Budgeting (NACSLB) (1998)

Recently, GFOA published a set of recommended practices. Here is a portion of that publication.

Background.

Governments make program and services decisions and allocate scarce resources to programs and services through the budget process. As a result, the budget process is one of the most important activities undertaken by governments. The quality of decisions resulting from the budget process and the level of their acceptance depends on the budget process that is used.

Finding that too little information about effective budgeting practices existed and that an effort to identify and share recommended practices in budgeting was needed, GFOA and seven other state and local government associations created the National Advisory Council on State and Local Budgeting (NACSLB) in 1995 and charged it with developing a set of recommended practices in the area of state and local budgeting. In December 1997, the Council concluded its work by adopting a budgeting framework and recommended budget practice statements.

The GFOA Committee on Governmental Budgeting and Management has continuously reviewed and been involved with the work of the Council. The GFOA Executive Board passed a resolution in support of its ongoing work in October 1997.

Recommendation.

The Government Finance Officers Association (GFOA) endorses the work of the NACSLB, including the NACSLB's definition, mission, and key characteristics of the budget process, stated as follows:

Definition of the Budget Process:

The budget process consists of activities that encompass the development, implementation, and evaluation of a plan for the provision of services and capital assets.

Mission of the Budget Process: To help decision makers make informed choices about the provision of services and capital assets and to promote stakeholder participation in the process.

Key characteristics of the Budget Process:

- Incorporates a long-term perspective;
- Establishes linkages to broad organizational goals;
- Focuses budget decisions on results and outcomes;
- Involves and promotes effective communication with stakeholders;
- Provides incentives to government management and employees.

Accordingly, the GFOA adopts the NACSLB framework for improved state and local government budgeting and recommended budget practice statements. The GFOA recommends that state, provincial and local governments look to the recommended practices of the NACSLB as a model for evaluating and improving their own budget policies and procedures, with the goal of ultimately developing, adopting and implementing their budgets in accordance with these recommended practices. Given the evolving nature of good budgeting and management, these practices are not intended as mandatory prescriptions for governments. Rather, they are recommendations that provide a blueprint for governments to make improvements to their budget processes. Implementation of these practices is expected to be an incremental process that will take place over a number of years.

References.

- NACSLB's Framework for Improved State and Local Government Budgeting and Recommended Practices.
- NACSLB's Practices located on GFOA's Website at www.gfoa.org.

Budget Bulletin Takes On A New Look

In the interest of providing cities with timely and relevant information, the League of California Cities is giving the Budget Bulletin a new image and format. Recent changes in the sources and availability of information caused the League to reevaluate the usefulness of the Budget Bulletin to members. A new service called the Budget Planning Packet will replace the Budget Bulletin offering up-to-date information through several channels.

The Budget Planning Packet will be available through the Internet at the League website (www.cacities.org), through Fax-on-Demand, and in a library loan packet. The packet will be updated on a regular basis as new information becomes available. Special notices will be posted on the League newsgroup to alert members to items of timely importance. In addition to containing the same information as the bulletin, the packet will have the flexibility of adding new sections and articles to assist in the budgeting process. The website links users to other websites that contain current data used for budgeting purposes.

A notice advising finance directors of the new service which starts June 15 was sent mid-May. Since this new format offers expanded flexibility, your comments and suggestions will help make this service a success. Please contact Frances Medema, League staff analyst, at (916) 658-8210 or e-mail medemaf@cacities.org with any questions or recommendations.

CSMFO Website Features E-mail Group List Responses

Finance and policy related questions and their answers are posted to the CSMFO e-mail Group List daily by members of CSMFO. Until recently, however, much of the information shared was not summarized and published for others to view.

In an effort to capture this valuable information for CSMFO members, the Career Development Committee is now monitoring the response summaries prepared by questioners on the E-mail Group List and forwarding relevant items to the CSMFO website (www.csmfo.org) for others to view. The Committee hopes this strategy will help develop the CSMFO website into a living resource library for members.

If you haven't joined the CSMFO E-mail Group List yet, you're missing out on a terrific resource that's part of your membership. Participating on the E-mail Group List is literally like having access to nearly 200 California finance professionals at the click of a button.

To join, send an e-mail message to "majordomo@webcoach.com" and type the words "subscribe csmfo-members-list" in the body of your message. [Do not put anything in the subject line of the e-mail.] Follow the directions that are e-mailed back to you and you will be subscribed to the list. The entire process should take only a few minutes.

Upcoming Events

GFOA Conference

June 28-July 1, 1998
San Francisco

Entry Level Accounting

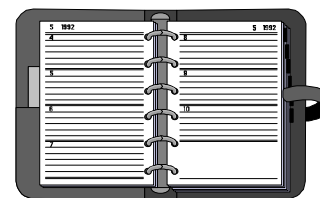
July 16, 1998
Greater Riverside Area

League Financial Management Seminar

December 3-4, 1998
Westin Hotel, San Diego

CSMFO Annual Conference

February 28-March 2, 1999
DoubleTree Monterey



What's New on the Web?

Sample VLF Council Report
Sample VLF Resolutions
Internet Access and Use Survey Results

League Announces New Publication

The League of California Cities is proud to announce a new publication, *Financing Cities: City Financing in the Decades after Proposition 13*. The author, Michael Coleman, documents the changes in the financial structure of cities since Proposition 13. As city finances are once again at risk with proposed elimination of Vehicle License Fees and moratoriums on taxing Internet commerce, this publication serves as a valuable tool to demonstrate the need to protect, restore and reform local finances.

Right now the purchase price of this information, facts, figures, be shared with elected officials to



in preserving local finances. In

that you share the results of your communication efforts. The League welcomes any suggestions and enhancements you have for future publications. To receive a copy, fax (916/658-8240) or e-mail (medemaf@cacities) your request to Frances Medema and ask for publication number 939.

League is waiving the \$20 to encourage cities to use to educate the public. The summary and overview can citizens, the media, and build the case for support return, the League requests

Entry Level Government Accounting

In response to member requests, the Career Development Committee is developing an entry level accounting course to be offered at regional locations. The first session will held on July 16th in the Greater Riverside area. This course is designed to assist those just entering government accounting. The cost will be kept to a minimum to encourage participation by larger cross section of staff levels and communities. It is estimated that the Riverside session will cost \$20 including lunch. Look for time and location in the July *Mini-News* and Chapter mailings. If you have questions, you may contact the CSMFO administrative office at (916) 658-8210.

1998 GFOA Certified Public Finance Officer Program

On Friday, June 26, 1998, in conjunction with GFOA's Annual Conference, GFOA will begin the second year of the Certified Public Finance Officer program in San Francisco by introducing the second examination, Cash Management and Investments. Candidates who successfully complete all five examinations in the program will be awarded the designation Certified Public Finance Officer. GFOA will also be offering the Governmental Accounting, Auditing and Financial Reporting examination on the same date. For more information and an application packet, please contact the GFOA office at (312) 977-9700, or e-mail certification@gfoa.org.

Update on the Impact of VLF Elimination on Cities

If you want more information on the impact of the elimination of VLF to your city revenues, check out the League of California Cities website www.cacities.org for the latest analysis: *The VLF Repeal: Putting California Cities in Peril*. The study includes analysis by Michael Coleman with graphical charts to use in presentations to elected officials and the public. This is one of the hottest political issues for cities this year. Make sure you have information to support your cities' position in this critical area.

*If things seem under control,
you're just not going fast
enough.*

--Mario Andretti

Welcome New CSMFO Members



Janet Sacks

Director,
Arbitrage Compliance Specialists
Englewood, CO

Jim Uzzo

Reg. Market Director, PEBSCO
Hermosa Beach

Robin Spencer

Staff Accountant
Palo Alto

Traci Schweffler

Accountant
Santa Maria

Cheryl Bunnell

Finance Manager
Sunnyvale

David Gougis

Revenue Systems Supervisor
Sunnyvale

Gabriel Silva

Budget Officer
Sunnyvale

Meetings



CSMFO San Diego Chapter CMTA Division 1

Note: Joint Meeting

Date: Thursday, June 25, 1998

Time: 11:30 AM

Place: Marriott La Jolla,
4240 La Jolla Village Dr.,
La Jolla

Spkr: Greg Smith, San Diego
County Assessor's Office

Rsrv: JoAnne Hancock, La Mesa
(619) 667-1125

Next meeting: Thurs., July 16, 1998,
Same place, same time.

Orange County Chapter

Date: Thursday, June 25, 1998

Time: 11:30 am - 1:30 pm

Place: Turnip Rose, Orange

Topic: New Directions for CSMFO

Next meeting: Thursday, July 23,
11:30, Turnip Rose
Speaker: Coleen Clark, TCA,
"Transportation Solutions for the
Future"

CSMFO Peninsula, East Bay & North Bay Chapters CMTA Divisions V & VII

Note: Joint Meeting

Date: Thursday, June 11, 1998

Time: 9:00 AM

Place: His Lordship's Restaurant,
199 Seawall Drive,
Berkeley

Topic: Electronic Commerce,
John O'Sullivan, MRC

Topic: Developing a Performance
Based Budget,
Ron Howard, Concord

RSVP: Karen Hornung, San Bruno
(650) 877-8861

Movin' On

Al Holliman is leaving the City of Vista on June 15 to join the Solano Beach bond firm of Kinsell, O'Neal, Newcomb & DeDios. Thanks to Al for chairing the Annual Conference committee. We look forward to seeing you at GFOA and future CSMFO conferences.

Mark Moses has joined the City of Fremont as Assistant Financial Services Director. Prior to joining the City, Mark was the Finance Officer for Union Sanitary District (USD) in Fremont, where he was employed for 7 years.

CSMFO Mini-News

1400 K Street, Suite 400
Sacramento, CA 95814

(916) 658-8210

Fax: (916) 658-8240

www.csmfo.org

Up the Ladder, continued

ACCOUNTING MANAGER/DEPUTY CITY TREASURER - Pico Rivera, CA. \$52,524 - \$63,852 plus \$2,520 auto allowance. Requires undergraduate degree in acctg. or related field and 5 yrs. relevant exp. including supervision. Knowledge of governmental accounting, auditing, and computer operations is required. Prefer local government or related CPA firm experience. Send city application by 6/15 to: Personnel Office, City of Pico Rivera, P. O. Box 1016, Pico Rivera, CA 90660-1016. (562) 801-4385.

FINANCE DIRECTOR - City of Vista, CA (Salary: \$5,987 - \$7,304 monthly, plus comprehensive benefits package) The City of Vista is located in beautiful North San Diego County and is situated just seven miles inland from the Pacific Ocean. Vista was recently selected for the second time as one of the "Top 50" cities in the country to raise a family. The Finance Director is a Department Head position reporting to the City Manager. The Director plans, organizes, directs and administers the City's financial management program, including accounting, revenue administration, investment of funds, Business License division, and purchasing. Typical qualifying background is four-year degree in business administration, finance, accounting, or closely related field and 3-5 years administrative experience. MPA or MBA highly desirable. **APPLY BY:** June 30, 1998. For application packet contact the City of Vista, Personnel Office, 600 Eucalyptus Ave., Vista, CA 92085, (760) 726-1340. Find us on the Web at www.ci.vista.ca.us.

FINANCE DIRECTOR - Richmond, CA. \$65,160 - \$107,436/yr DOE. Oversees annual general fund budget of approx. \$69 mil, and a dept. budget of \$1.9 mil. Dept. consists of 25 personnel. Reqs: 7 yrs. prog. resp. professional exp. in accounting or fin. mgmt., inclu. 3 yrs. supv. of professional staff; exp. in municipal finance preferred. Bachelor's Degree from accredited college or university w/degree in acctg., fin., or closely related field is required; CPA cert. or advanced degree is desirable/may be substituted for 1 yr. of general exp. Send a detailed resume/references to City of Richmond, Human Res. Mgmt. Dept., 2600 Barrett Ave., Richmond, CA 94804; Attn: Marva Wallace, Dir. of Human Resources Mgmt. For more info, call Juan Phelps (510) 620-6607. Final filing date: June 30, 1998.

DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES - City of Glendale, CA (Population: 200,000). Salary open DOQ. Glendale is situated northeast of Los Angeles in the foothills of the San Gabriel Mountains. Position reports to the City Manager. City has a total budget of approximately \$333 million with a general fund budget of \$89 million. Ideal candidate will have five years of senior-level management experience in municipal finance and staff services administration. Desire a bachelor's degree in accounting, business or closely related field; master's degree and CPA a plus. Send resumes by 7/13/98 to Norman Roberts & Associates, Inc., Attn: Norm Roberts, President, or Juliet Lee, Associate, 1800 Century Park East, #430, Los Angeles, CA 90067-1507, FAX (310) 552-1113, or e-mail to NRASSOC@AOL.COM. EEO/ADA.

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Remember, nearly 1,000 people read the CSMFO *Mini-News*.