

APRIL 2009

Inside:

Executive Director's Message	4
Prospects for a Housing Recovery	5
Cost-Sharing Services for Municipalities.....	7
Mello-Roos Financing.....	9
Lessons from the Current Financial Crisis	12
IRS Discusses "Hot Topics"	15
Stimulating the Municipal Bond Market.....	16
Infrastructure Projects	18
Stimulating Your Stimulus Dollars.....	23
Job Postings April 2009.....	25

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President's Message

— **Thomas Fil**, Finance Director, City of Belmont,
2009 CSMFO President

Tea, Anyone?

Who wants to join me in a protest? Any revolutionaries? Or better yet, any 60's era Berkeley grads out there? Ah, you should be easy converts!

After the Stamp Act of 1765 and the Boston Massacre of 1770, where tea imports to America were heavily taxed by the evil English King George III, Bostonian leaders organized the Boston Tea Party. Samuel Adams, John Adam's cousin, was one of the organizers. Sam was also known to make a wicked brew!

At this point, since I'm trying to enlist you as revolutionaries, we'll need a vision... So I'm going to reenact the Boston Tea Party...pretend it is a cold Boston night in December 1773, and we are disguised as Native Americans...we board the English ships and using our tomahawks we break open the tea casks...and dump 45 tons of tea in the harbor!

Flash to the present...who here today believes the state of California's government is acting like King George III? Anyone? Ah, yes, then join me and others as we reconstitute the state government! Who amongst you will be the George Washington or Marquee de Lafayette of modern times?

If these comments don't sound too absurd, you are not alone. A poll last

month indicated that 82% of Californians believe the state is heading in the wrong direction and disapprove of the performance of state government. Moreover, 63% of voters believe the greatest concern in California is the state budget deficit, ahead of "jobs and the economy", at 53%. The state Legislature's approval rating is at an all-time low of 19%!

Need I ask that, in your role as a municipal finance professional, have you ever found the state of California to be a major impediment to your agency's ability to deliver consistent quality services to your citizens?

Let me continue...the state has so complicated and perverted our system of taxation and fiscal policy, that no one except Sacramento insiders understands it any more. The state routinely steals from us to balance their budget. This year alone, they took another \$0.5 million from my city! And, no one seems to be in charge! A recent example: the governor announces mandatory furloughs, and the other constitutional officers refuse to comply! Or how about the fact that the state of California has failed to enact a constitutionally required balanced budget by June 15 in 28 of the last 32 years. Why, that's an RBI (Rare Budget In-time) of .125!

Oh yes, the state is keeping good company...Rhode Island and Arkansas...

President's Message, continued

two states who represent pillars of fiscal excellence also share our two-thirds vote requirement to pass a state budget! Joking aside, budget delays stress the state economy and allow less time to take corrective action in a declining economy when revenue shortfalls occur. They also cause indecision on the part of schools, special districts, cities and counties. To make matters worse, we have a \$42 billion state budget deficit this year, \$9 billion of it the result of delay costs caused by the Legislature's failure to act for seven months! How can this be so? We have one of the highest income tax rates in the nation...over 9% of taxable income, and heading for nearly 10% because the Feds "didn't bail us out" like the Legislature had hoped.

And while Rome burns, other important issues like infrastructure, transportation, education, economic development and so on are ignored. How sad is that? And the list goes on and on...

- High Speed Rail Project temporarily shut down
- 92,000 construction workers put out of work as projects went dark
- 20,000 non-career state workers laid off in December
- State employees ordered to unpaid furloughs
- Unemployment jumps to 10%+
- State Controller announces no income tax refunds (but green lights new office furniture!)

Do you think these problems were caused by the economy or the lack of a budget? I'll pause for a moment to give you a chance to think that one over. Are you convinced something needs to change? If so, then how do we change (and fix!) a broken state governance system? The Bay Area Council, a business executives advocacy group, believe they have the solution – a Constitutional Convention! And, they are not alone. Support is coming from the League of Women Voters and Common Cause. Perhaps the biggest surprise is that the governor himself is behind it as well. That means big money will follow and big money it will take. The estimated cost is about \$50 million!

C'mon, a Constitutional Convention?! That's stuff for revolutionaries...you know, those 60's Berkeley types...not the rest of us mere mortals! Don't kid yourself; the governor has done bold things before and history is on his side. California has also held Constitutional Conventions before - in 1849 and 1878 (131 years ago). In 1933, voters called for a Convention, but the Legislature refused to act. Since then, the Legislature has self-initiated minor constitutional revisions; and voter single issue/single ballot question initiatives have amended the Constitution numerous times...like our very own Proposition 1A in November 2004.

So, how will this happen? A Constitutional Convention can be called by the legislature with a two-thirds vote. In fact, State Senator Mark DeSaulnier, D-Concord has introduced Senate Constitutional Amendment 3 calling for a Constitutional Convention. But, this is California, that's way too easy; let's be realistic – it won't happen. Pigs will fly before the Legislature approves this bill. And, the existing Constitution does not allow for citizens to directly call for a Constitutional Convention. Drat! Oh, but

wait, perhaps there is a way? What if the first step was to amend the Constitution with an initiative petition giving the citizens the right to call a Constitutional Convention? Ya, that could work! But you would also have to place another measure on the ballot amending the Constitution yet again. If adopted, this would allow California residents to bypass the Legislature with a second initiative to call for a Constitutional Convention. It is possible to put both questions on the same ballot. Plus, it only takes a majority vote of 50% plus one to amend the Constitution when a measure is placed on the ballot. The scope of the Convention, either limited or limitless, would be defined by the second initiative authorizing the Convention. Hmmm, this is beginning to sound much more plausible. Tea, anyone?

The Bay Area Council's proposed framework for such a Constitutional Convention includes:

- A Citizen Authorized Constitutional Convention
- Limitation on the issues covered by the Convention
- Revisions would have to be approved later by voters of California
- A focused package of revisions center around:

Budget

- Two-thirds vote requirement
- Spending limits
- Two year budget cycle
- Guaranteed funding for infrastructure
- State/Local fiscal relationship
- Remove volatility in tax system

Elections

- Reforming the initiative process (too much direct participation)
- Extending term limits
- Open primaries

Governance

- Limit Constitutional officers
- Bicameral vs. unicameral Legislature

This thing has legs...long legs! In fact, the ballot questions could appear on the same ballot in either June or November 2010! But hold on...this is California, and nothing is simple...it's one thing to be mad at the state and quite another to convince voters that fundamental changes in state governance is necessary. Not to mention the Convention could be hijacked by special interests. Remember, there are many Sacred Cows like Prop 13 and 98. Just think how difficult it would be to convince voters to vote for the Convention's recommendations in the face of well-financed special interest opposition! Nonetheless, 82% of Californians believe California's state government has become dysfunctional. Realistically, the only way things will change is if the system itself is changed. That system is defined by the state constitution. The Legislature will not act to change the system that they are a part of.

So, I ask again...who wants to join me in a protest? Where are my Washington's? My Lafayette's? The future is clear...we need a revolution in the structure of government. We need a Constitutional Convention. Fellow CSMFO'ers, join me now in metaphorically boarding the ships in the harbor. Let's throw the tea overboard!

I would like to thank Jack Crist, City Manager and CSMFO Past President for his contribution to this article.



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Executive Director's Message

— Melissa Dixon

It's official – the CSMFO 2009 Legislative Symposium will be held on Wednesday, May 27 at the Hyatt Regency Sacramento. Please mark your calendars!

The program committee is gearing up to develop the agenda, and registration information will be posted on the Web site as soon as it's available. Watch your e-mail for more details on the event.

Speaking of legislative activities, a bill has come to our attention that may affect how your agency handles its financing. Assembly Bill 1192 (Strickland) would prohibit city, county and special district governing boards from creating a separate entity to issue debt. There has been speculation that this is a spot bill, but you may want to keep an eye on it. You can find more information about this and other legislation at www.leginfo.ca.gov.

As we become aware of legislation that may affect your agencies, we'll let you know. Likewise, if you become aware of something you think may be of interest to your fellow members, please feel free to e-mail me at melissa.dixon@staff.csmfo.org.

Happy Spring!

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Prospects for a Housing Recovery

By Brian Perry, Investment Strategist
Chandler Asset Management

The long-held belief that home prices do not decline has been shattered during the past two years, as the largest drop in home values since the Great Depression helped spark the global financial crisis and a severe recession. It seems likely that if financial markets and the economy are to recover, the housing sector must at least show signs of stabilization. With that in mind, this seems an opportune time to examine the prospects for a housing market recovery.

The Trend in Home Prices

Home prices in the United States continue to fall. In December (the most recent reading) the S&P/Case Shiller Home Price Index showed a year-over-year decline of more than 18 percent. Declines have been even greater in many hard-hit areas, and regions such as Riverside and San Bernardino in California have seen declines greater than 50 percent. As of this writing home prices have shown no signs of stabilizing, as financial market turmoil and rising unemployment inhibits Americans' ability to purchase a new home.

Increased Demand for Housing?

Although painful for many homeowners, the large decline in house prices has improved affordability measures for prospective home buyers. In areas such as Southern California, home prices are now affordable to the average individual for the first time in many years.

Reduced supply and lower prices should eventually return the housing market to a more normal state. However, there are several circumstances that could impact the timing of any recovery.

If the economic slowdown intensifies or the unemployment rate increases dramatically, the housing market will suffer. Additionally, even though the overall level of mortgage interest rates is attractive, there are questions regarding the availability of mortgage finance. Many banks and lending institutions have made credit standards more stringent and reduced the amount of money they are willing to lend. If the economy weakens further, or mortgage availability remains excessively tight, low home prices may not be enough to stimulate greater demand for housing.

The Importance of Housing Inventory

As home purchases declined, the inventory of houses for sale rose dramatically. This inventory continued to grow as new-home developers completed previously agreed-upon projects. In order for the housing market to stabilize, the inventory of homes for sale needs to decline so that the market can achieve a more appropriate balance of supply and demand.

Construction on new homes has declined dramatically and has reached historic lows. With fewer new homes available, unsold inventory can decline even if sales remain weaker than usual. So far, this benefit has been partially offset by the increasing level of foreclosed homes coming onto the market. If foreclosures begin to decline, and the supply of new home construction remains low, housing

inventory should move lower toward an equilibrium level.

Foreclosures and Home Prices

Foreclosures are continuing to soar in many parts of the country and because foreclosure sales usually occur at lower prices than non-forced sales, higher levels of foreclosures have depressed home prices. Furthermore, with so many options to choose from among foreclosed homes, buyers are able to negotiate more attractive prices from non-foreclosure sellers.



There are two potential causes for optimism on the foreclosure front. The first reason for optimism is the subprime mortgage cycle. A large number of homes that have gone into foreclosure were originally backed by subprime mortgages of dubious quality. These mortgages were especially popular from 2004 to 2006. As low

initial teaser rates on these mortgages have reset, homeowners have found themselves unable to meet their new, higher payments. This has directly contributed to the increase in mortgage defaults and foreclosures. Most of these questionable mortgages have already reset or will do so shortly. As the housing market moves past this wave of mortgage resets, it is possible that defaults and foreclosures will decline.

The second reason for optimism is the Obama Administration's housing recovery

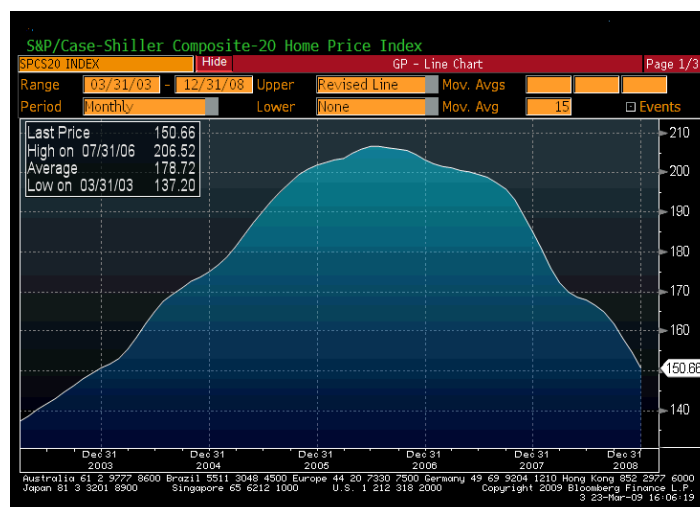
Prospects for a Housing Recovery, continued

bill. As part of the government's continuing efforts to battle the economic slowdown, this bill is designed to assist struggling homeowners in refinancing their mortgages on more favorable terms. The Administration estimates that this bill will help nearly 10 million people stay in their homes. While many experts view these estimates as optimistic, even if this bill is not as successful as hoped for, any homes that do not enter into foreclosure will reduce the supply of homes and help stabilize the housing market.

Conclusion

When will the housing market recover? While the answer to this is not clear, it is possible to analyze the necessary preconditions for an eventual recovery. Prominent among these factors is equilibrium between supply and demand in the housing market. Reduced foreclosures, sharply lower new home construction, more affordable home prices, and attractive mortgage rates will all help to re-establish balance in the housing market.

Tentative signs have begun to emerge that some of these factors are beginning to occur and while it is still too early to forecast a housing market recovery, it does appear that if the availability of mortgage finance can be maintained, the housing market may bottom sometime during 2009. Although no one is expecting a rapid return to sharp price increases, at this point even home price stability may be sufficient to begin to rebuild consumer confidence. This in turn would eventually lead to a recovery from the country's ongoing economic malaise.



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Cost-Sharing Services for Municipalities

By Agnes T. Walker, CPFO

Finance Manager, South Bay Regional Public Communications Authority

The South Bay Regional Public Communications Authority (SBRPCA) commonly known as RCC (Regional Communications Center) was established on Oct. 14, 1975 under the provisions of the Joint Exercise of Powers of the Government Code of the State of California. Its main purpose is to provide a consolidated regional public safety services communications system.

RCC has three member cities: Gardena, Hawthorne and Manhattan Beach. In addition, RCC serves Hermosa Beach as a client, under an agreement. Altogether, the combined population of these communities is approximately 208,000.

Governing body/management: The Board of Directors is composed of three council members from the member cities. Policy management is relegated to the Executive Committee, consisting of the city managers from each member city. Hermosa Beach is also represented by its city manager, but without voting privileges. An executive director, appointed by the Executive Committee, manages the day-to-day operations. A User Committee, composed of police and fire chiefs, provides direction relative to the needs of the organization. Police officers and firefighters make up the Police and Fire Task Forces, which provide feedback and recommendations to facilitate optimum level of service, and safety for citizens, police officers, and firefighters.

Staffing and services: The organization has 55 full-time employees—36 communications operators and seven communications supervisors respond to 911 calls; six technical services personnel support all telecommunications requirements, including maintenance of radio transmitter/receiver sites; and six provide administrative services, such as overall management, recruiting, training, and finance.

RCC processes approximately 238,000 police and fire incidents (911 calls) in the Southern California region known as the South Bay. In addition, the “Tech Shop” provides installation and repairs of telecommunications equipment (light bars, sirens, mobile data computers (MDCs), prisoner cages, etc.). In this capacity, RCC contracts with the City of Palos Verdes Estates and the El Camino College Campus Police Department to provide these agencies maintenance services (diagnostics) of their MDCs and portable and mobile radios.

Funding sources: Operations are primarily funded by annual assessments, which are determined based on the Authority’s budget. The assessment ratio is based on each member’s ownership share, which was established when, in 2001, all three member cities issued bonds to finance a new facility for the Authority. The percentage of ownership was calculated based on historical system usage for five years (this was the previous method for assessments until it was changed in fiscal year 2008-09). For the client city, the assessment is annually adjusted using the CPI for the preceding year, as stipulated in the agreement. Other funding sources include investment earnings and charges for other services to non-members.

Some benefits to members/client: Consolidating the above services offers opportunities for cost savings to municipalities. I did a statistical analysis of two cities in the South Bay and one in Orange County with a combined population of roughly 198,000, or 10,000 less than the communities served by RCC. I gleaned from their budget from their Web sites and found they have a total of 56 staff members providing dispatch services, including a full-time police sergeant and part of a police captain. RCC’s staff of 55 does not have a sworn position and includes the 6 personnel who provide installation and/or repairs and procurement of telecommunications equipment not only to Authority members but to other external agencies as well, including a few private sector clients.

RCC’s proposed operating and capital budget for the coming fiscal year is at \$7.5 million. The proposed assessment is \$5.8 million after other revenues and use of leftover monies from the prior year are considered. This is in addition to the fact that the Authority has been able to maintain \$776,000 as operating reserve, which is about 10 percent of the budget. The budget includes funding for all insurances, legal, auditing, and recruitment expenditures.

Based on my experience working with other municipalities, I observed that communications personnel have a fairly high rate of turnover (this is not the case at RCC). Consolidating the dispatching services has “relieved” our member cities’ human resources staff from the costly recruitment and training functions for these positions. Communications Operators undergo extensive training during the 15-month probationary period.

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Cost-Sharing Services for Municipalities, continued

Another benefit is the fact that the Authority is considered a "dealer" of telecommunications equipment. As such, the Authority is able to procure the equipment at a remarkable price discount, which is then passed to the members. Members not only save on the cost of equipment, but their purchasing staff is also relieved from the time-consuming task of researching and purchasing equipment. These are just some of the benefits.

Politics and egos aside, municipalities could benefit by seriously considering consolidating certain services on a cost-sharing basis with other agencies. This becomes more critical during these difficult economic times. For those agencies who may be considering a regionalized dispatching service, RCC staff will be more than happy to share any information you might need.

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Jump Start A Redevelopment Project Using Mello-Roos Financing

By Susan Cola, Bond Counsel, Kane, Ballmer & Berkman; Dave Freudenberger, Special Tax Consultant, Goodwin Consulting Group; and Scott Smith, Financial Advisor, CSG Advisors Incorporated.

At times, redevelopment agencies do not have sufficient tax increment (TI) from a project area to pay debt service on bonds issued to finance a new redevelopment project. In those instances, agencies can jump start these projects by establishing a community facilities district (CFD). Examples of agencies that have successfully used CFDs include the first phase of the Ontario Guasti Redevelopment Project, which includes a series of six office towers totaling 800,000 square feet and a full-service hotel, and San Francisco's Mission Bay, which includes approximately 4,000 affordable and market-rate high-rise dwelling units, and five million square feet of office, biotech, retail, and hotel development.

The Mello-Roos Community Facilities Act of 1982 is the statute that established CFDs as a tool to provide an alternative method of financing public capital facilities and services in California. Under this statute, almost any public agency, including redevelopment agencies, may form a CFD to pay for public infrastructure and many municipal services. Once formed, the CFD may issue bonds to pay for public improvements that are either regional in nature or specific to the properties within the CFD. In addition, the improvements do not need to be located inside the CFD.

CFD "Mello-Roos" bonds are non-recourse to the sponsoring agency, are an obligation of the CFD, and are secured by the value of the property in the CFD. The debt service on these bonds is paid from pledged special taxes imposed

annually on the properties within the CFD, usually at the same time and in the same manner as general property taxes. CFD taxes do not have to be based on special benefit, which allows significant flexibility in apportioning the tax burden among parcels in the CFD.

An agency may choose to establish a CFD for the following reasons:

- Mello-Roos financing can provide a source of funding for infrastructure sooner than traditional TI financing.
- Depending on the pledge of TI assistance, the development risk can be shifted entirely to the developer.
- Mello-Roos financing offers a cost-effective off-balance sheet financing vehicle to developers, while waiting for TI assistance to kick in.
- Mello-Roos financing can be a reimbursement mechanism for those agencies that front infrastructure costs, thus making redevelopment dollars go further.

The advantages of this valuable financing tool become readily apparent in a hypothetical side-by-side comparison to traditional tax allocation bond financing.

Under Scenario 1, sufficient TI revenues are unavailable to pay debt service on a \$10 million bond issuance until year 7,

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Mello-Roos Financing, continued

which in the underlying TI revenue model is the time needed to achieve traditional ratable debt service coverage requirements.

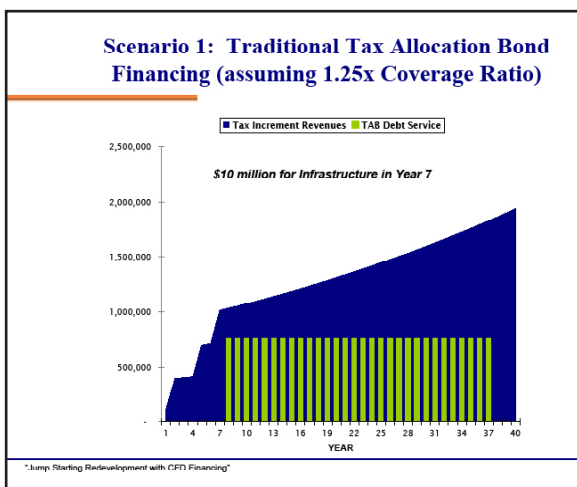
Under Scenario 2, public infrastructure

is funded in Year 1 and special taxes are used to pay debt service on a \$10 million Mello-Roos bond issuance in year 2. In this scenario, the developer fronts the costs of the infrastruc-

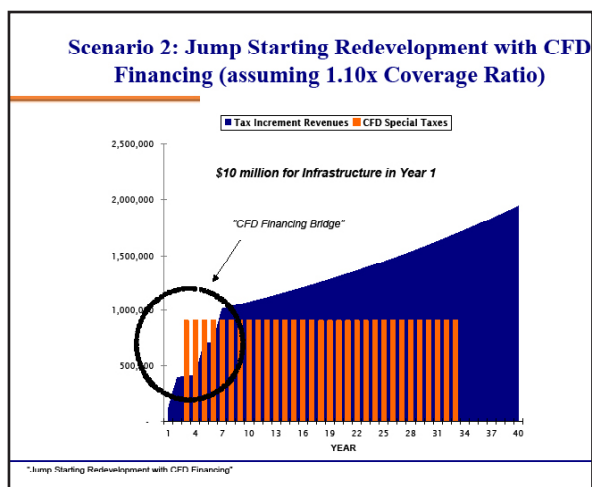
ture in Year 1 and Mello-Roos bonds are used to acquire the infrastructure in Year 2. In Year 3, special taxes are levied to pay debt service on the bonds, and TI is used to reimburse the developer's special tax payments.

Project Criteria For CFD Financing

Just like any powerful tool, Mello-Roos financing must be used with prudence. Although this financing is easier to coordinate when one developer-owner is involved since a two-thirds vote of the landowners is required to establish the CFD and impose the special tax, many CFDs are formed with multiple landowners as



additional soft costs of CFD formation and bond financing, including attorneys' and consultants' fees. The maximum amount of bonds that can be issued by the CFD is limited by the value of



larger than one-third of the collective land value within the CFD and stronger credit standards may be more appropriate. So, if the issuance is for \$10 million, the collective land value must be at least \$30 million or greater depending on the market risk. Of course, the need for public capital facilities resulting from a redevelopment project should dictate the size of the bond issuance, and not vice versa. Consequently, agencies must evaluate their actual need for

the diversification of property interests serves to effectively spread the risk of the special tax obligation.

The size of the bond issuance should be large enough to warrant the additional soft costs of CFD formation and bond financing, including attorneys' and consultants' fees. The maximum amount of bonds that can be issued by the CFD is limited by the value of the property within the CFD at the time of bond issuance and by the amount of the special tax rates for each land use.

The bond issuance cannot be

public improvements and TI cash flow to determine both the size of the issuance and whether this method of financing is warranted. Administrative costs associated with CFD formation and bond issuance can be incorporated into the bond issue, and subsequent costs of annual CFD administration can be built into the special tax rates.

The CFD formation procedure typically takes four to six months, and may be initiated with the filing of a petition by the landowner(s). Formation costs are generally borne by the developer, but may be reimbursed from the bond issuance. CFD's typically finance the purchase of facilities constructed by the developer only if the facility is deemed to have been constructed under the direction and supervision of the public agency, thus implicating prevailing wage and competitive bidding requirements. The exception to this rule is if the facility is completed before the CFD is formed.

Financing Considerations

Given the complexity of both tax allocation and CFD financing, local agencies are advised to consult with their agency and bond counsels, as well as their financial advisor and special tax consultant, in crafting their financing plan and agreements with developers. Key considerations include:

1. *Stand-Alone CFD Financing Parameters.* Despite agency assistance, CFD financing must hold up to typical CFD financing policy and feasibility measures taking into account the risk that TI revenues are delayed or fail to materialize.

Mello-Roos Financing, continued

2. *Pledge of Tax Increment.* Such a pledge can take different forms, but TI is typically pledged to the developer and not directly to CFD bonds (although such assistance may be conditioned upon current payment of CFD special taxes). The form of the pledge may be:

- Project specific (as opposed to project area as a whole);
- Senior to other project area obligations;
- Subordinate to other project area obligations (such as existing bonds);
- Subject to a cap and/or time limit;
- Subject to other performance measures of the developer;
- Some combination of the above.

3. *Special Tax Burden.* There may be limits to the special tax that can be imposed on parcels located within the CFD and, by extension, constraints on the financing capacity. These limits may relate to local policy requirements or market factors. The special tax obligation can affect marketability of real estate, a critical consideration in the context of redevelopment.

CFD financing provides redevelopment agencies with another valuable tool by allowing agencies, such as Ontario and San Francisco, to finance redevelopment projects. It offers a bridge financing alternative, when sufficient TI revenue is unavailable to pay debt service, that can jump start a redevelopment project and build better communities.

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- * Clay Holstine, City Manager, Brisbane
- * Maria Hurtado, Assistant City Manager, Tracy
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Lessons from the Current Financial Crisis: An Early Perspective

**By Richard Goldman, Chief Investment Officer
Tegrit Financial Group**

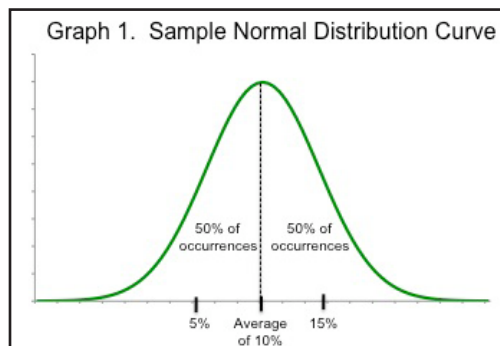
While history will ultimately judge the events that led to the current financial meltdown, a near term assessment of the factors that had the largest impact on portfolios' returns reveals practical steps that can help public officials responsible for pension funds better understand the risks inherent in multi asset class portfolios.

I believe a principal culprit in the outsized losses experienced by many portfolios was the slow and insidious dependence on Value At Risk, commonly referred to as VaR, in measuring and targeting the aggregate risk in multi asset class portfolios.

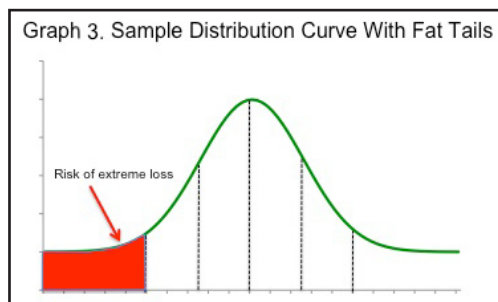
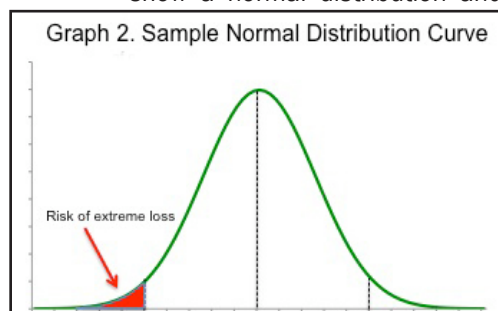
Some background: VaR was developed in the early 1990s as a result of the financial distress experienced by banks when they were caught off guard by an onslaught of losses across their credit portfolios. The financial markets became increasingly enamored with VaR principally because it allowed managers to define, in terms of a single dollar amount, the largest expected move (either up or down) in a portfolio of disparate elements.

Relying on VaR to contain portfolio losses appears to have resulted in misinterpreting the inherent risk in portfolios for several reasons:

- VaR assumes that returns for individual asset classes and aggregate portfolios are normally distributed. This means the model assumes that the likelihood during any period of a portfolio's return being below its average return is the same as it is being above its average. As shown in graph 1 below, if a portfolio's average annual return is 10%, it assumes that it is equally probable that the return in a given year will be 5% or 15%. But, we know that when owning a stock, for example, the downside is limited to 100% while its upside is unlimited. In statistical terms, VaR fails to incorporate either the kurtosis or skewness of returns.



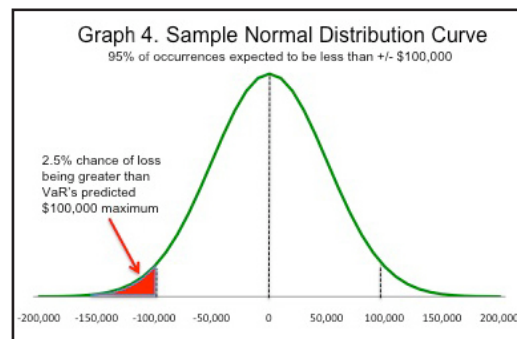
- Important to the assumption of normality is the issue of fat tails (kurtosis) and asymmetrical distributions (skewness), which refers to the ends of a return distribution curve. In reality, most returns have both characteristics - which means there is a much greater chance of an extreme return occurring than a normal distribution curve would predict. The charts below show a normal distribution and a distribution with



kurtosis and skewness, with the red highlighting the possibility of extreme negative returns.

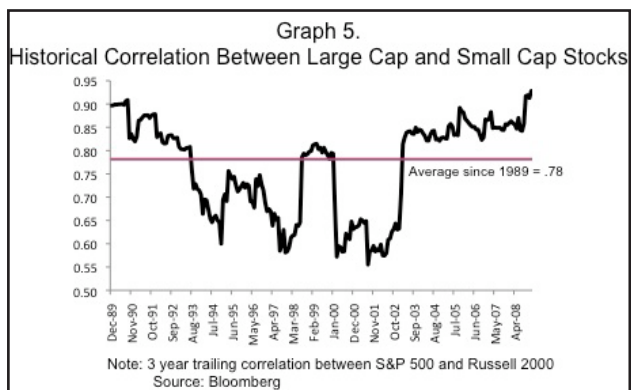
Another problem with VaR is that it can provide a manager with a false sense of comfort since it predicts the portfolio's maximum potential move with the caveat that it's with a 95% level of confidence.

For example, when a VaR model determines the maximum likely potential move to be \$100,000 in a given period, since this is with 95% probability there is still a 2.5% chance of a loss larger than \$100,000 and 2.5% chance of a gain greater than \$100,000. Graph 2 highlights in red the 2.5% of occurrences that have losses greater than what VaR predicts. What is the largest loss the portfolio can have? VaR doesn't address this.



Lessons from the Current Financial Crisis, continued

- Yet another vulnerability of VaR is that it depends on the correlations between assets when calculating a portfolio's aggregate VaR. Correlation is the statistical measure of how assets move together or apart. The problem is that the correlations between various assets are not stable; in fact they can be as volatile as the markets themselves. Two assets that historically have had unrelated returns will be perceived by the model to be diversifying and reduce risk when combined. If they suddenly start moving in synch they in fact provide no diversification benefit. Unfortunately, in bear markets when you need diversification the most assets tend to move in lock step and correlations go toward 1. As an example of how volatile correlations can be, the graph below shows the correlation between U.S. large capitalization stocks and U.S. small capitalization stocks. From 2000-2002 these stock indices weren't very correlated but recently the indices have become highly correlated. While this limitation



also exists with other measures of risk, it's nonetheless another reason to take a portfolio's VaR with a grain of salt.

Given these issues, it is prudent to incorporate other risk measures, including scenario analysis and Monte Carlo simulations, into portfolio allocation decisions. This will allow a better understanding of the potential losses in extreme market conditions, either by simulating a market crisis that occurred in the past (scenario analysis) or in a theoretical crisis (Monte Carlo simulation). Public officials should ensure that the portfolio managers that are overseeing their funds are not dependent on any single measure of risk and that they are comfortable with the worst-case loss scenarios and not simply the likely-loss scenarios.

Richard Goldman is Chief Investment Officer for Tegrit Financial Group, a public/private partnership with the Municipal Employees' Retirement System of Michigan, offering a comprehensive turnkey solution for OPEB for agencies around the country. The views expressed in this article are the personal views of Richard Goldman and are not intended as and do not constitute investment advice, legal advice, or tax advice, or a solicitation to buy or sell any security. He can be reached at 877-783-4748 with questions on the article.

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ABCs OF SCHOOL DEBT FINANCING

April 6, 2009 Hilton Ontario Airport Ontario, California Cost \$199

This one-day seminar is tailored to school business officials and staff members who seek a better understanding of debt financing, including the approval and sale of general obligation bonds. This seminar covers sources of debt financing and ongoing administration and accounting issues.

FUNDAMENTALS OF LAND-SECURED FINANCING

April 6, 2009 Hilton Concord Concord, California Cost \$199

This one-day workshop focuses on Mello-Roos Community Facilities District and Assessment District financings. It covers financing structures, pre-formation considerations, the district formation process, project implementation, bond issuance mechanics, and the administration of liens and bonds.

MECHANICS OF A BOND SALE

April 30 - May 1, 2009 Crowne Plaza Redondo Beach Redondo Beach, California Cost \$250

This one and one-half day seminar is the second in a series of three CDIAC debt issuance seminars intended to help issuers plan and market their debt. This seminar covers structuring the financing, developing a debt management policy, using a plan of finance, securing credit enhancement, preparing legal documents, marketing an issuance, understanding federal arbitrage rules and regulations, and investing bond proceeds.

LIVING WITH AN ISSUE: ONGOING DEBT ADMINISTRATION

May 14-15, 2009 Sheraton Mission Valley, San Diego San Diego, California Cost \$250

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E-mail Rachel Moroski at rmoroski@hansonbridgett.com

We are excited about offering this valuable training and are also looking for the possibility of holding a similar session in southern California. Please take advantage of this wonderful opportunity.

The IRS has established a team in California to focus on the payroll taxes of public agencies. An IRS representative from that team, Ms. Leslie Van Buren, has agreed to speak to public agencies, and provide education and outreach on a number of current “hot topics”:

- Mandatory SSA & Medicare coverage
- Form 941X
- HEART act
- Accountable plan vs. nonaccountable plan
- Employee vs independent contractor
- Firefighters
- New mandatory withholding under Int Rev Code 3402(t)

We have worked with Ms. Van Buren in connection with payroll taxes and can promise you that her presentation will be very informative. You will have ample opportunity to ask her questions about these and other payroll tax issues. Please join us for this unique opportunity to hear from the IRS.

Date: Wednesday, April 29

**Time: 9:30 a.m. - 10 a.m.
Registration**

**10 a.m. - 3 p.m.
Program (with lunch)**

**Place: 425 Market Street
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**Cost: Free. Lunch will be
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Inland Empire Chapter Meeting

When: 11:30 a.m. to 1:30 p.m., Thursday, April 16
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 1333 University Avenue
 Riverside, CA 92507
Topic: What Issuers of Federal Securities should know about Federal Securities Laws
Speakers: Chris Lynch and Steve Melikian, Jones Hall
Cost: \$21

RSVP by April 13 to Carrie Corder, Chapter Chair at carriec@cvwdwater.com

Stimulating the Municipal Bond Market

The American Recovery and Reinvestment Tax Act of 2009 and Build America Bonds

By Russ Trice, Senior Associate

Fulbright & Jaworski LLP

On February 17, 2009, President Obama signed into law, as part of the American Recovery and Reinvestment Tax Act of 2009 (the "Recovery Act"), the most sweeping changes to federal tax rules relating to municipal bonds in more than 20 years. Some of the provisions in the Recovery Act offer immediate opportunities for municipal issuers, others will require additional guidance from the Treasury Department to be implemented. The success of the temporary provisions in the Recovery Act during the next few years may determine the future legislative direction for municipal tax rules. Issuers should prepare now to take advantage of the Recovery Act's new and supplemental authorization for municipal bonds. Among the Recovery Act's municipal bond provisions are the following:

- Build America Bonds
- Recovery Zone Bonds
- Qualified Zone Academy Bonds
- Clean Renewable Energy Bonds
- Qualified Energy Conservation Bonds
- Qualified Small Issue Bonds for Manufacturing
- Exempt Facility Bonds for High-Speed Intercity Rail
- Qualified School Construction Bonds
- Tribal Economic Development Bonds

The Recovery Act also expands provisions for "bank qualified" obligations and provides certain relief from the alternative minimum tax. This brief article summarizes the authority for the first category of bonds referenced above: Build America Bonds ("BABs").

Build America Bonds

Any type of governmental, municipal bond, subject to certain limitations, that satisfies the federal tax requirements for tax-exempt issues (including the rebate and arbitrage rules and restrictions on private business use) may be issued as a BAB. Private activity bonds, including exempt facility bonds, mortgage revenue bonds and 501(3) bonds cannot be issued as BABs. BABs, like pension obligation bonds, are taxable through their final maturity, i.e. the interest on the BAB is not excluded from the bondowner's gross income for federal tax purposes. Significantly, however, the federal government will provide either (i) a tax credit to the bondowner equal to 35% of each interest payment (a "Tax Credit BAB"), or (ii) a

direct subsidy to the municipal issuer of such bond equal to 35% of each interest payment (a "Direct Payment BAB"). There are important differences between these types of BABs, as described below. As with traditional pension bond investors, BAB investors are expected to require a "make-whole" redemption provision in the financing documents. This redemption provision requires a municipal borrower to make a lump sum payment upon redemption derived from a formula based on the net present value of interest payments that would not be received by the investor due to lower market interest rates for a comparable investment in the future because of the redemption.

Two Strategies for Issuing Build America Bonds

Tax Credit BABs. Tax Credit BABs may be issued anytime after February 17, 2009, and before January 1, 2011 to finance new capital projects or refinance existing obligations and for qualified working capital financings. BABs of all types must be issued with minimal original issue premium. The tax credit can be used to offset a bondowner's regular income tax or alternative minimum tax liability. In addition, to the extent a bondowner has insufficient tax liability to use the credit for the taxable year in which the interest payment date occurs, the credit can be carried forward to a subsequent taxable year. The Recovery Act provides that a mutual fund holding a Tax Credit BAB (or certain other tax credit bonds) may elect to pass through to its shareholders their proportionate shares of the tax credits and associated interest income from the bond in accordance with guidance to be prescribed by the Treasury Department. The Recovery Act also authorizes the Treasury Department to prescribe procedures under which a real estate investment trust holding a Tax Credit BAB could pass through to its beneficiaries the associated tax credit and interest income from such bond. Municipal issuers may find Tax Credit BABs attractive because there is no federal volume cap limitation. As with other forms of tax credit bonds, it is reasonable to assume that Congress will consider extending the authorization for Tax Credit BABs.

Further, the Recovery Act authorizes the Treasury Department to prescribe procedures that allow a Tax Credit BAB and its associated tax credits to be separated (or "stripped") and sold separately on initial issuance of the Tax Credit BAB or in the secondary market. In such circumstances, the right to receive bond principal and the right to receive the tax credits would each be treated for federal tax purposes as a taxable

Stimulating the Municipal Bond Market, continued


zero coupon bond. Stripping may enhance the attractiveness of Tax Credit BABs by enabling an individual bond to be marketed separately to (1) investors that do not need tax credits such as tax-exempt pension funds and foreign investors not subject to U.S. income tax and (2) investors that seek to buy a stream of tax credits.

Direct Payment BABs. Direct Payment BABs represent a completely new approach to bond financing in the municipal marketplace. They may be issued anytime after February 17, 2009, and before January 1, 2011 (although as a practical matter issuers may decide not to issue Direct Payment BABs until after the Treasury Department has published procedures under which issuers can claim and receive the federal payments). Unlike the indirect subsidy provided through the exclusion of interest from gross income on municipal bonds for federal tax purposes, Direct Payment BABs allow issuers to receive a direct cash subsidy from the federal government equal to 35% of each interest payment on such bonds. Direct Payment BABs, however, are subject to significant limitations. They cannot be used for working capital financings and without explicit Treasury Department guidance should not be used by issuers for refunding transactions. Further, Direct Payment BABs are subject to a 2% cost of issuance limitation and may be issued with a reasonably required reserve fund. One hundred percent of the proceeds of Direct Payment BABs (less costs of issuance and the reserve) must be used for qualified capital expenditures. Some commentators have expressed concern that the federal government could stop the tax subsidy payments after issuance of Direct Payment BABs, thus shifting the balance of post-issuance changes in law or policy from the bondowner to the issuer. However, in times of significant general fund stress, the limitations and risks described above may not slow acceptance of Direct Payment BABs among municipal issuers.


Critics argue that BABs could threaten the traditional municipal market for tax-exempt bonds. According to the Chief Tax Counsel for the House Ways and Means Committee (as reported in the *Bond Buyer*), however, BABs “were designed to be a supplement to tax exemption and to provide state and local governments with one more finance mechanism to borrow money to finance their affairs.” Indeed, BABs may represent only the beginning of legislative initiatives in the next several years designed to provide municipal issuers with access to liquidity and a broader base of investors.

For more information regarding the municipal bond provisions of the Recovery Act, please contact Russ Trice at 213-892-9317. The views expressed in this article are solely those of the author.

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On the Road with Jack, Freddie and Sallie? Considerations for a Government Sponsored Entity to Access Foreign Capital for State and Local Government Infrastructure Projects¹

By Mark H. Vacha, Partner, Public Finance, Dilworth Paxson LLP, Philadelphia, Pennsylvania
(www.dilworthlaw.com)

General Background; Basic Premises; Factors Limiting Foreign Investment

This article analyzes funding infrastructure needs in the United States through the formation of a national infrastructure bond pool (or bond bank) that would buy municipal bonds issued by state and local governments (i.e. pool participants) in the United States (the “State/Local Government Bonds” or the “Local Bonds”). This “bond bank” would be formed pursuant to a federal charter² and would be a government sponsored entity for infrastructure purposes (the “Infrastructure GSE” or “GSE”). It would issue taxable bonds (the “GSE Bonds”) principally to foreign investors to access foreign capital markets for state and local governments and possibly reduce future needs for direct federal funding of basic infrastructure. The structure described herein borrows heavily from traditional municipal bond pool structures.

An Infrastructure GSE should become increasing relevant based on the following three assumptions. First, basic infrastructure needs (e.g. transportation and water and sewer projects) will continue to increase within the United States.



Second, access to foreign capital in significantly greater amounts will be necessary or very useful for funding these needs. Recent events raise concerns that instability and a lack of capital in the U.S. markets may be with us for a long while. Moreover, there likely will continue to be substantial pools of funds (including sovereign wealth funds) available overseas with a preference for U.S. investment. Third, financing public infrastructure through municipal bonds has certain efficiency benefits.³

Certain factors tend to limit foreign investment in municipal bonds. The benefits of tax-exempt interest income generally do not benefit foreign investors like they do domestic investors. Thus, the lower yields corresponding to tax-exempt municipal bonds (in comparison to taxable bonds) are not as attractive for foreign investors.

Historically, there has been little need for U.S. state and local governments to access taxable debt markets outside the United States. U.S. state and local governments (with a few noted exceptions) are not well known or understood in foreign capital markets and have not had significant experience with foreign capital markets regulatory requirements. Consequently, the transaction costs for a state or local government to issue in these markets (particularly on an occasional basis) have rendered these markets inaccessible or, at least, not a very desirable source of capital.

Basic Bond Program Mechanics of the GSE

The GSE would publicly offer and issue debt into the foreign capital markets, use the proceeds from those issuances to purchase and create, in effect, a portfolio of the Local Bonds issued substantially simultaneously with the GSE Bonds in private placements to the GSE. The GSE would use the payments it received on those municipal bonds to repay the GSE Bonds. The GSE Bonds would be secured by the trust holding the Local Bonds. The Local Bonds would have payment terms that corresponded closely the GSE Bonds and could be pooled in various ways according to investor interest. The GSE would buy bonds from pool participants at a yield in excess of the yield on the GSE

¹ This article is solely for informational and discussion purposes only. This is not legal advice.

² Although not analyzed in this article, it is expected that Federal enabling legislation would be necessary.

³ These benefits tend to accrue as the incidence of the benefits and burdens of a project fall among the same group of people. Municipal finance (particularly on a local level) can often co-locate to some significant (albeit imperfect) degree the information holders, decision makers, payers, users and affected third-parties for a particular project.

Infrastructure Projects, continued

Bonds. For example, if the Infrastructure GSE issued a bond at a 5.00% interest rate payable each January 1 and July 1, it would buy Local Bonds from pool participants at an interest rate of 5.00% plus a spread of a certain number of basis points payable each June 15 and December 15. Some of that spread would fund some transaction/administrative costs. The time interval between the debt service payment dates on the two levels of bonds would allow time to use credit enhancement in time to avoid a default on GSE Bonds.

The Infrastructure GSE would not need to impose any substantial costs on the Federal government other than certain transaction and administrative costs in getting this bond program running and managing it. The GSE need not necessarily be involved actively with the management of projects. Its debt could, but need not necessarily, be given any special tax treatment. There are at least two enhancements (with additional costs) that could be made. First, is to provide certain credit enhancement to the bond program to reduce borrowing costs which could be passed through in substantial measure to the issuers of the Local Bonds. Second, some form of subsidy could be created so that municipal bond issuers could issue at a cost of funds that was effectively the equivalent of tax-exempt rates.

Potential Advantages of the Infrastructure Pool Bond Program

The pool bond program may (1) achieve certain benefits for credit enhancement⁴ (discussed under the next caption in greater detail); (2) provide or expand market access; (3) reduce transaction costs of issuance for State/Local Government Bond issuers; (4) provide efficiencies and better purchasing power regarding the investment of proceeds of the State/Local Government Bond issuers prior to their expenditure by the

municipal bond pool participants (in effect, the Infrastructure GSE could become a significant short-term institutional investor which may function as a money market or other mutual fund for short-term investments for the pool participants); and (5) avoid project restrictions imposed by the Internal Revenue Code for tax-exempt bonds (such as arbitrage investment regulations and private activity bond regulations, which inhibit public-private partnership ("P3") structures).

Methods for Credit Enhancement

The infrastructure pool bond structure can pass through a lower cost of funds for many pool participants (when compared to the cost of funds available to them through issuing directly) due to the diversification of municipal bond issuers within the pool. Thus, the risk premium that investors would seek should be somewhat smaller because concentration risk is lessened.⁵ This diversification could improve over time as a wider range of issuers joins the pool bond program. A portion of the markup expected to be charged to the bond pool participants (e.g. for illustration sake, 10-25 basis points) could be used in part to build-up what would be an equity-funded debt service reserve fund of the Infrastructure GSE. Another form of credit-enhancement would be to allow the GSE (or its bond trustee) the ability to have certain federal funding to state and local governments (presumably limited to some nexus to infrastructure) intercepted should a state or local government pool bond participant default on an obligation to the GSE.

The Federal Government could provide credit enhancement by: (1) providing a full faith and credit guaranty from the United States Treasury on all of the GSE Bonds⁶ or on a subordinate tranche of the GSE Bonds (the Infrastructure GSE could pool stronger underlying State/

Local Government Bonds into a senior non-guaranteed tranche while using the limited U.S. Treasury guarantee on a pool of weaker (or unrated) State/Local Government Bonds); (2) establishing a debt service reserve fund for the GSE's bonds which would be supported by an appropriation or pledge of the United States to make-up any deficiency in the DSRF; or (3) establishing and capitalize a related government sponsored financial surety enterprise which would issue bond insurance policies relating to certain GSE Bonds or State/Local Government Bonds held within the pool. Such premiums, and the investment earnings thereon, could further build up the capitalization of the insurer entity or reimburse the federal Treasury for some portion of the initial federal capital infusion.

Achieving a Tax-Exempt (or below taxable market) Cost of Funds

The Infrastructure GSE program could be combined with Federal infrastructure grants to state/local governments sized to synthetically achieve tax-exempt rates. The grants could equal on a present value basis the difference between the taxable rates at which the bonds are issued and prevailing tax-exempt rates and be required to also be spent on infrastructure.

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Fullerton, CA 92831

Infrastructure Projects, continued**Conclusion and Summary**

This article analyzes an option for infrastructure finance which expands the reach of municipal bond financing into foreign capital markets through a GSE pool bond issuer. Although Federal funds might be employed in connection with such a pool bond program, this article suggests that there are certain benefits (evidenced in cost of funds) that the GSE could achieve with little or no commitment of Federal funds. The GSE could achieve such benefits for state and local governments by creating economies of scale, reducing transaction costs, facilitating creative public-private partnership structures, creating a known “brand” in the international debt markets and diversifying risk for foreign investors through the pool. The GSE is envisioned as a supplement to traditional tax-exempt financing.

⁴ Unlike other GSEs, an Infrastructure GSE would have the benefit of an underlying asset class (i.e. state and local government bonds issued for basic governmental purposes) which historically has had a relatively low default rate.

⁵ Various types of diversification could be achieved: bonds from different regions within the United States; a mix of general obligation bonds, other tax supported bonds and revenue bonds; and diversity among revenue supported bonds such as for road projects, transit projects, and water or sewer projects.

⁶ This raises points beyond the scope of this article since such bonds would begin to compete with other obligations which were guaranteed by the United States Government. The benefits to these Infrastructure GSE bonds may be offset to some material extent by their impact on the debt markets for other securities.

Presentation Skills for Finance Professionals

A One-Day Skills-Based Workshop

Presented by Neil Kupchin, Kupchin Training Associates

Wednesday, April 18, 2009, 8 a.m. - 5 p.m.

West Basin Municipal Water District

17140 South Avalon Boulevard Suite 210, Carson, CA 90746

Registration Fee: \$250 (includes workshop, materials and lunch)

Registration Deadline: Wednesday, April 11, 2009

The workshop to be presented is skill-based, in that technique and strategies will be presented and discussed in detail during the morning session, while in the afternoon participants will have the opportunity to plan and deliver a presentation, which will be video-taped. Participants will receive constructive feedback and suggestions from the Consultant and other participants. The opportunity to view your own presentation on videotape and receive positive feedback and suggestions is critical to your success in making presentations.

The Workshop will be presented in three phases:

- Preparing and Organizing the Presentation
- Writing a Presentation Plan
- Delivering and Evaluating the Presentation

Workshop topics include:

- The Four Essentials of Effective Presentation
- Defining and preparing Objectives
- Analyzing and Assessing Your Audience/Determining Style
- Writing a Presentation Plan: Introduction, Body/Content, Conclusion
- Positive Presenter Characteristics: Voice, Body Movement Enthusiasm, Eye Contact and Building Confidence
- Rehearsing, Presenting and Evaluating the Presentation
- Practice Presentation of Financial Information, among others

Register online through the CSMFO Web site

Attendance will be limited to 15 people. All fees must accompany your registration and be received by the April 11, 2009 deadline. There will be a \$35 processing fee for any changes or cancellations made prior to the April 11, 2009 deadline.

No refunds, changes or cancellations will be processed after that date (9 hours of CPE credit are available).

Questions regarding the seminar should be directed to Kim Nakamura at 805.388.5322 or knakamura@ci.camarillo.ca.us.

2009 CSMFO Professional Development Calendar

The CSMFO Career Development Committee contributes to the advancement of CSMFO members through its presentation of training and educational programs. Through specific training, the Coaching Program, Webinars, Bridge Calls and the Resource Matrix, the Career Development Committee is committed to assisting municipal staff and officers enhance their knowledge base. We are excited about the training opportunities offered our members this year. Following is the schedule of the training workshops, coaching calls, bridge calls and Webinars:

Introduction to Government Accounting

Date	Chapter	Host Organization
Thursday, April 19	Channel Counties	City of Camarillo
Wednesday, April 25	Peninsula	City of Sunnyvale
Wednesday, April 22	Desert Mountain	Palmdale Water District
Wednesday, May 6	Sacramento County	City of Elk Grove
Wednesday, May 20	Coachella Valley	City of Palm Desert
Wednesday, June 10	North Coast	TBD
Wednesday, June 24	Orange County	City of Stanton
Wednesday, July 22	San Diego County	City of San Diego
Wednesday, August 12	San Gabriel Valley	City of Monrovia
Wednesday, September 2	East Bay	City of El Cerrito

1,026 participants since 2006!

Intermediate Government Accounting

Date	Chapter	Host Organization
Tuesday, April 17	Orange County	Orange County Fire Authority
Wednesday, May 6	Channel Counties	City of Camarillo
Thursday, June 11	Sacramento County	City of Elk Grove
Thursday, July 16	East Bay	City of Concord
Tuesday, August 11	Peninsula	City of Sunnyvale
Tuesday, September 1	Coachella Valley	City of Palm Desert

Average rating 3.8 out of 4.0 in 2008!

Presentation Skills for Finance Professionals

Presented by Neil Kupchin

Date	Chapter	Host Organization
September TBD	TBD	TBD
Wednesday, November 18	Inland Empire	City of Chino

Telephone Coaching Panels, Webinars and Topical Bridge

Date/Time	Session
2-3:30 p.m., Thursday, April 19	Restructuring Local Government Finance and Delivery Best Practices (Webinar co-sponsored with Cal-ICMA)
3-4 p.m., Thursday, April 23	Winning Strategies to Recruit, Train and Retain Finance Talent
2-3:30 p.m., Wednesday, May 13	Using Your Management Style Effectively (Webinar co-sponsored with Cal-ICMA)
3-4 p.m., Wednesday, September 9	Critical Issues and Best Practices for Finance Directors
2-3 p.m., Wednesday, September 30	Building Awesome Talent – Talent Development Conversations, Growth Opportunities and Knowledge Transfer

Weekend Training

Tentatively scheduled for the weekend of November 13, but subject to change. Location TBD. Check the Web site for details:

<http://www.csmfo.org/index.cfm>

Look for 1-2 topical and timely bridge calls throughout the year

Go to “Live Audio & Archives” tab of www.csmfo.org/coaching and click on the Agenda for session details.

Professional Development program descriptions, continued**Putting the Pieces Together**

This one-day workshop is designed for either an individual with some accounting background who is just entering the governmental field or an individual with governmental experience but not in the finance/accounting area. Attendance is limited, so sign up for a course now! Cost is \$50 for workshop, materials and lunch. For more information, contact Christy Pinuelas, Director of Finance, City of Agoura Hills, 818-597-7319 or cpinuelas@ci.agoura-hills.ca.us.

Intermediate Government Accounting

This one-day workshop is appropriate for individuals with some accounting background, but may be new to the government sector, or for someone who has recently assumed responsibility for financial accounting and reporting. It is also appropriate for anyone interested in brushing up on basic government accounting skills. Each attendee will earn 8 CPE credits and will receive a certificate of completion. Attendance is limited, so sign up now! Cost is \$150 for workshop, materials and lunch. For more information, contact Aida Soto at Macias, Gini & O'Connell LLP, 949-221-0025 or asoto@mgocpa.com.

Presentation Skills for Finance Professionals

This one-day workshop presents techniques/strategies in the morning session, followed video-taped presentation delivery. Participants will receive constructive feedback from the consultant and participants. The opportunity to view your own presentation and receive positive suggestions is critical to your success in making financial presentations. This popular and well-received workshop is conducted by Neil Kupchin of Kupchin Training Associates; cost is \$250. For more information, contact Kim Nakamura, Finance Manager, City of Camarillo, 805-388-5322 or knakamura@ci.camarillo.ca.us.

Coaching Program

The Coaching Program continues to be one of the premier offerings of the Career Development Committee, offering informative conference calls with panels of master coaches (including Webinars co-sponsored with Cal-ICMA), timely and topical bridge calls, financial management skills inventory, one-to-one coaching and personal productivity tools. For more information, contact Don Maruska, Coaching Program Director, 805-772-4667, don@donmaruska.com, or Pete Gonda, Coaching Program Advisor, 408-730-7418, pgonda@ci.sunnyvale.ca.us.

Weekend Training

This professional educational training session is offered to finance officers and appropriate staff members, providing intensive weekend training in such topics as Financial Analysis, Long-Range Planning, Investments, Budget Development and Financial Ethics, to name a few. Attendance is limited to 40 participants to enhance the learning experience. The full rate cost is \$425; commuter rate is \$350. For more information, contact Mark Uribe, Assistant Director of Finance, City of Camarillo, 805-388-5358 or muribe@ci.camarillo.ca.us.

Visit www.csmfo.org/index.cfm for more information.

**** ADVERTISEMENT ****



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Stimulating Your Stimulus Dollars

By Richard Morales and Staff

Wedbush Morgan Securities Municipals

For the April edition of MiniNews, we have shifted focus from the market to provide you with the low-down on the Stimulus Bill. The length of this article is commensurate with the ARRA Bill itself – we have, however tried to be discriminating and only include material that is pertinent to cities.

Grants & Loans Under the Stimulus Bill

There are several types of grant, loan and loan guarantees under the Stimulus Infrastructure Programs in the American Recovery and Reinvestment Act of 2009 (ARRA). The process for applying for these programs varies, depending upon the type of project to be undertaken, and several deadlines are rapidly approaching. The League of California Cities has a link on its website www.cacities.org called the “City Funding Book” which is intended to guide cities on how to access and apply for federal funds available through the ARRA.

Changes to Traditional Bond Financings

ARRA made changes to traditional municipal bonds rules that are helpful to cities, which primarily impact tax-exempt bonds and tax credits.

As a general matter, in the municipal market the underwriter's goal is to create demand for bonds, thereby reducing the overall interest expense for the city. ARRA helps create demand during calendar years 2009 and 2010 in the following five ways. The first three changes are geared toward enticing financial institutions to buy more municipal bonds, thereby broadening the pool of investors. The fourth change expands the pool of investors for qualified 501(c)(3) borrowers. And the fifth change is an incentive for higher income individuals and corporations to buy municipal bonds.

(1) Increasing the limit on the amount of “bank qualified” (BQ) bonds that can be designated by an issuer from \$10 million per year to \$30 million per year. An issuer will be treated as a “small issuer” for BQ purposes if it issues no more than \$30 million in tax-exempt bonds (excluding most private activity bonds) during the calendar year.

(2) Allows financial institutions to exclude a portion of their investments in new money tax-exempt municipal bonds.

(3) Allows a pooled financing in which proceeds are loaned to more than one city to exceed a pooled size of \$30 million and still remain BQ if the participating cities qualify as BQ.

(4) Allows the “small issuer exception” to be applied to qualified 501(c)(3) bonds if the borrower would qualify as a small issuer for the year. This provision could permit smaller 501(c)(3) borrowers to borrow at BQ rates even if the bonds are issued through a large conduit issuer.

(5) Removes the alternative minimum tax (AMT) penalty rate paid by investors on all new money private activity bonds issued during 2009 and 2010 and refunding bonds issued during 2009 and 2010 to refund bonds issued after 2003 but before 2009, other than qualified 501(c)(3) bonds and tax-exempt housing bonds.

These new tools are only available during 2009 and 2010 without additional action from Congress.

ARRA provides support for industrial development in your cities by expanding the use of small issue bonds issued after the date of enactment of the legislation and through December 31, 2010 to finance manufacturing facilities. Specifically:

(1) The legislation expands the definition of “manufacturing facility” to include property used in the manufacturing, creation, or production of tangible or intangible property described in section 197(d)(1)(c)(iii) of the Internal Revenue Code of 1986, as amended. Intangible property is any patent, copyright, formula, process, design, pattern, know-how, format, or other similar item. In California, this can benefit high tech, biotechnology and health care research companies, among others.

(2) ARRA expands the availability of tax-exempt financing for facilities related to qualifying private manufacturing facilities. The legislation provides that the 25% limitation on financing “directly related and ancillary” facilities will not apply if those directly related and ancillary facilities are functionally related and subordinate to the manufacturing facility and are located on the same site as the manufacturing facility. Tax Credits. Four provisions were created or amended by ARRA that affect tax credit bonds that cities can issue. Tax credit bonds differ from tax-exempt bonds in that a portion of the interest paid takes the form of a credit for federal income tax. In most cases, the tax credit goes directly to the investor, but not always (see RZEDB and Build America Bonds below).

Tax Credits

Four provisions were created or amended by ARRA that af-

Stimulating Your Stimulus Dollars, continued

fect tax credit bonds that cities can issue. Tax credit bonds differ from tax-exempt bonds in that a portion of the interest paid takes the form of a credit for federal income tax. In most cases, the tax credit goes directly to the investor, but not always (see RZEDB and Build America Bonds below).

(1) ARRA increases the total authorization of Clean Renewable Energy Bonds (CREBS) from \$800 million to \$2.4 billion to finance facilities that generate electricity from wind, closed-loop biomass, open-loop biomass, geothermal, small irrigation, hydropower, landfill gas, marine renewables and trash combustion facilities.

(2) Qualified Energy Conservation Bonds (QECB) are tax credit bonds, the proceeds of which are used to finance state, municipal and tribal government programs and initiatives designed to reduce greenhouse gas emissions. ARRA increases the total authorization of QECBs from \$800 million to \$3.2 billion.

(3) ARRA authorizes \$10 billion in Recovery Zone Economic Development Bonds (RZEDB), a new category of tax credit bond for investment in economic recovery zones. RZEDBs are taxable, but include a tax credit equal to 45% of interest paid on the RZEDBs that is payable to the issuer (in other words, this tax credit would be payable to the city). Proceeds of the bonds may be used to invest in infrastructure, job training, education, and economic development in "recovery zones."

(4) The new "Build America Bonds" are taxable bonds for which a portion of the interest paid provides a federal tax credit for either the investor or the issuer (that's you, the city). Issuers that issue otherwise tax-exempt governmental bonds (not private activity bonds) during 2009 and 2010 may elect to issue such bonds as taxable bonds and permit bondholders to receive a tax credit equal to 35% of the interest paid on the bonds.

For capital project bonds issued during 2009 or 2010 (as

opposed to bonds issued to finance working capital needs), issuers may elect to receive a direct payment from the Federal government equal to the subsidy that would have otherwise been delivered to the bondholders through the Federal tax credit for the Build America Bonds.

ARRA created a new form of exempt facility private activity bonds, the Tax-Exempt Recovery Zone Facility Bonds (RZFB), the proceeds of which must be used for "recovery zone property," including depreciable property that (i) was constructed, reconstructed, renovated, or acquired by purchase after the date of designation of the recovery zone; (ii) the original use of which commences with the taxpayer; and (iii) substantially all of the use

of which is in a recovery zone and in the active conduct of a trade or qualified business of the taxpayer. There is a national limitation of \$15 billion of RZFBs to be issued in 2009 and 2010. This limitation will be allocated among the states and municipalities on the same basis as for the RZEDBs described above.

ARRA increased the total amount of New Market Tax Credits (NMTCs)

available in 2008 and 2009 from \$3.5 billion to \$5 billion for each year. NMTCs are available for any qualified community development entity to make qualified low income community (a population census tract with either a 20% or greater poverty rate or a median family income that does not exceed 80% of the greater of the metropolitan area median family income or statewide median family income) investments. The additional credits for 2008 will be allocated to community development entities that submitted an allocation application with respect to the 2008 calendar year and either did not receive an allocation, or received an amount less than the amount applied for.

The current deadline for applying for a NMTC allocation is April 8, 2009.



Job Postings April 2009

City of Riverside, Utilities Assistant General Manager, Up to \$123,828 Annually

THE CITY OF RIVERSIDE

A Great Place to Live, Work and Play

UTILITIES ASSISTANT GENERAL MANAGER

Finance/Administrative Services

\$11,611 - \$14,113/month + Excellent Benefits

The City of Riverside seeks a professional for the Administration Division of the Public Utilities Department. The successful candidate will sit as the Chief Financial Officer of the Utility and will be under general direction to plan, direct, and review the utility financial, budget and rate structuring activities; and the utility field service and customer service activities including collections; 311 "citizen assist" phone services; human relations, information technology and central store operations; to provide professional and technical staff assistance; and to do related work as required. This position is designated as an "At-Will" appointment.

DUTIES:

May include, but are not limited to, the following:

Direct and participate in the financial planning of the Department, including revenue bond financing and rate level determinations.

Develop and implement financial plans and systems, including risk management measures to ensure effective and economic use of Department's assets.

Supervise the preparation of short-and-long term financial forecasts, including sales, costs and fund balance.

Direct and participate in the development and implementation of goals, standards, objectives, policies and procedures.

Direct activities of the City's 311 - phone information citizen assistance system.

Plan, direct, and review activities related to the utility customer service activities including, customer service, call centers and payment stations, collections, and meter reading.

Administer Central Stores operations and related purchasing activities.

Provide cost benefit analytical support for conservation and efficiency programs.

Develop performance measures and monitor costs of operations.

Direct and review the development of supporting data and preparation of recommendations on electric and water rates including individual rate contracts.

Direct and participate in the preparation and control of operating and capital improvement budgets.

Participate in the administration of the operating budget and the capital improvement plan and budget.

Serve as department representative or alternate on, and to, City committees, project committees, power agencies and industry organizations.

Coordinate Division activities with other City departments, divisions and with outside agencies and organizations.

Supervise the preparation of data for submission to regulatory agencies; serve as expert witness and represent City interests as required.

Coordinate the Departments internal and external auditing activities.

Supervise the survey, research and analysis of departmental fiscal, administrative, personnel and operational activities.

Direct the preparation of technical and administrative reports, presenting reports and recommendations to the Public Utilities General Manager, City Manager, Board of Public Utilities, City Council and other agencies and organizations.

Select, supervise, train, and evaluate professional, technical and administrative support subordinates.

Supervise the selection, and activities, of professional consultants, advisors and contractors.

Serve as Acting Public Utilities General Manager as assigned.

Review relevant legislative activities and participate in meetings with local, state and federal elected officials to ensure the Utility is not negatively impacted by proposed or existing legislation.

Job Postings April 2009, continued

Participate in economic development activities of the City by proposing and implementing ideas and proposals where the Utility could be of benefit.

Supervise the preparation of short-and-long term financial forecasts, including sales, costs and fund balance.

Direct the human resources operations for the department in coordination with the City's Human Resources Department.

Direct and provide administrative services support to the Department.

Coordinate all information technologies for the department with the City's Information Technology Department.

MINIMUM QUALIFICATIONS:

Education: Equivalent to a Bachelor's Degree from an accredited college or university with major course work in business or public administration, marketing, or a closely related field. A Master's Degree in a related field is highly desirable. Designation as a Certified Public Accountant is highly beneficial.

Experience: At least seven years of progressively responsible managerial and supervisory experience in utility field service and customer service activities including information services, customer service, field services, legislative affairs, economic development and central stores operations.

Requirement: Possession of an appropriate, valid, Class "C" California Motor Vehicle Operator's License.

Applications will be screened and qualified candidates may be invited to compete in a structured interview; after which qualified candidates will be placed on an eligibility list which will remain in effect for six months. The eligibility list may be terminated or extended dependent upon the needs of the department.

Appointed candidates are required to successfully pass a medical evaluation, a criminal background check and submit an official copy of educational transcripts verifying obtained degrees or certificates as indicated on the employment application.

The City of Riverside does not reimburse candidates for any expenses incurred as a result of this recruitment.

For a complete job description and to fill out a required on-line application, please visit: www.riversideca.gov/human

An Equal Opportunity Employer

City of San Diego, Director of Information Technology, DOE

Under supervision of Asst. Chief Operating Officer, the Information Technology Dir. will be responsible for approval of the City's IT architecture and infrastructure; implementing the City's IT Strategic Plan; development of the IT tactical plan, and working in collaboration with the City's IT governance group to identify, prioritize, and implement IT principles, business application needs and IT investments.

Bachelor's Degree in information systems tech, business admin., public admin. or a related field and min. 7 yrs. senior mgmt. exp. in information technology development, administration or operations are required. A Master's Degree or advanced educ. in information tech. is highly desirable. Extensive exp. in managing large scale budgets, communicating in a decentralized environment and developing policies with user groups and technical staff is essential.

County of Marin, Director of Finance, \$150,488 to \$165,922 Annually, DOQ

Located in the North Bay Area across from the Golden Gate Bridge, Marin County is a dynamic community of 250,000 residents and enjoys a mild year-round Mediterranean climate.

The Director of Finance is a new position based on the Fiscal Management Act approved by voters in November 2008 that consolidates the elected Auditor-Controller and Treasurer-Tax Collector positions. The Director of Finance reports to the County Administrator and will lead a new Department of Finance and oversee financial operations and accounting, payroll, audits, treasury and tax collection. The need for greater levels of integration with financial systems, programs and operational transactions will be a key focus.

The ideal candidate will have strong management and administration skills, a proven track record of public sector leadership, experience as a Public Sector Finance Director/CFO, Auditor/Chief Assistant Auditor or Treasurer, and CPA certification. Experience with the implementation of a Tier 1 ERP system is strongly desired, and experience with tax code, pension fund administration, treasury and investments are preferred. To apply, submit cover letter, resume with current salary, and five work related references to Avery Associates by April 17, 2009. Salary range for this position is \$150,488 - \$165,922 annually, DOQ. View formal job announcement at <http://www.averyassoc.net/jobs>.

Job Postings April 2009, continued**City of Sausalito, Finance Director,
Up to \$125,000 Annually**

The Sausalito Finance Director position offers an exciting career opportunity for an individual who enjoys a high level of interaction with senior management staff and elected officials in a supportive and innovative working environment. The Director also serves as the City Treasurer.

Duties include: administration of daily Finance Division operations; budget preparation; issuance of CAFR; preparation of quarterly Treasurer's Report and other reports as requested; debt issuance and disclosure; administration of purchasing policy; coordination with Public Works Director on City's CIP budget; development of policies and procedures to improve efficiency and effectiveness of City's financial processes; administer Finance software programs; supervise, evaluate and mentor Finance staff; provide support to City's parking programs and operations; share administration and coordination of employee benefits and risk management programs with other Administration Department staff; oversee compliance by all departments with policies and control measures; monitor state legislation concerning municipal financing and take appropriate action to implement for the City.

Job Requirements:

- Applicants must have graduated from an accredited college/university with major course work in accounting, finance or business administration.
- A CPA is desirable.
- Progressive experience in the municipal government sector is essential.

Additionally, the successful candidate must have an in-depth knowledge of administrative principles and methods, including goal setting, program development and implementation, as well as solid knowledge of local, state and federal laws applicable to all finance operations. Other vital qualities include: awareness of social and political issues influencing program administration; ability to communicate openly and clearly with peers, subordinates and the public; proven leadership characteristics with the ability to make tough choices and to ensure that department and Citywide projects remain on schedule; ability to plan, develop and implement effective programs based on community needs, available resources and City priorities and policies; and willingness to be responsive to community inquiries while earning the respect of community leaders, elected officials, peers and subordinates.

For additional information:

E-mail request for a detailed brochure and letter from City Manager: dvaughn@ci.sausalito.ca.us

Alternately, visit the Job Opportunities section of the City website at www.ci.sausalito.ca.us

**City of Mountain View, Revenue Manager,
\$6,315 to \$7,894 Monthly**

Salary: \$6,315 to \$7,894 Monthly. Salary includes employee's 8 percent PERS contribution for the 2.7% at 55 PERS retirement formula.

The City of Mountain View's Finance and Administrative Services Department is seeking candidates to fill a challenging and rewarding position. This dynamic position is for a person with superb managerial, customer service, problem-solving, analytical, interpersonal and communications skills to fill an opportunity as a Revenue Manager. This position is responsible for managing the City's Revenue Collection section which includes utility billing and miscellaneous receivables, business licenses and cashing.

REQUIREMENTS: The Revenue Manager position requires education equivalent to a bachelor's degree from an accredited college or university with major course work in finance or a related field and three years of increasingly responsible administrative and analytical experience. A master's degree in business or public administration is highly desirable.

APPLY BY: Applications and resumes will be accepted in the Employee Services Department on a continuous basis until the position has been filled. The first round of application review is scheduled for Friday, February 27, 2009. Applicants are invited to complete a City application and submit a resume outlining qualifications online at www.calopps.org or submit the materials to the Employee Services Department, City of Mountain View, 500 Castro Street, Mountain View, CA 94041, (650) 903-6310. EOE

**City of Oakland , Controller,
\$11,813-\$14,504/month**

The City of Oakland is currently recruiting to fill a Controller vacancy with the Finance & Management Agency. Under the direction of the Finance Director, this highly responsible manager will plan, organize, manage and direct programs and activities related to the City's financial management, payroll, purchasing, accounting, and accounting systems, including those of the Oakland Redevelopment Agency.

Job Postings April 2009, continued

You will also be expected to direct grants management and reporting and train and supervise your assigned staff. The Controller position is unclassified and not governed by the Personnel Rules of the Civil Service Board. It is exempt under the Fair Labor Standards Act.

Minimum qualifications include a Bachelor's degree in Accounting, Finance, Business Administration, Economics, Public Administration or a related field (Master's degree highly desirable), and 3+ years of responsible supervisory experience in the management of governmental accounting operations. Seven years of experience in a large or complex organization, including financial reporting, budget preparation, financing and/or financial analysis with five years of responsible supervisory, management and administration is desirable. A CPA certificate is highly desirable.

To apply, submit a City of Oakland employment application and required supplemental materials as stated in the Job Announcement to: Office of Personnel, 150 Frank H. Ogawa Plaza, 2nd Floor, Oakland, CA 94612-2019. City of Oakland application materials may be obtained in person or by sending a self-addressed stamped envelope and request to the Office of Personnel, 150 Frank H. Ogawa Plaza, 2nd Floor, Oakland, CA 94612-2019. You may also call (510) 238-3111 for information or access a copy of the City's announcement and employment application at www.oaklandnet.com. Click on "City Jobs" to view current openings. EOE

Ventura Regional Sanitation District, Fiscal Manager
\$81,889 - \$99,756 annually

The Ventura Regional Sanitation District (VRSD) is seeking an energetic, innovative, and talented finance and accounting professional to join its management team. We provide a full range of accounting services to multiple agencies in a dynamic, entrepreneurial environment. We're looking for a skilled manager to help maintain our reputation for quality service and contribute to our growing business. If you're seeking a leadership opportunity, are interested in focusing on the future, and enjoy change, this position may be for you.

The Fiscal Manager plans, manages, and participates in the operations and activities of the District's finance and accounting programs and functions, including payroll, accounts payable, accounts receivable, utility billing, investments, internal auditing, purchasing, and financial processing, reporting and recordkeeping. The incumbent will also be responsible for administering short and long term planning activities including the budget process. The Fiscal Manager is accountable for managing the effective use of resources to improve organizational productivity.

This position requires education and experience equivalent to graduation from an accredited four-year college or university with major coursework in accounting, finance, business or public administration, or related field and five (5) years of professional accounting and financial operations experience, including two (2) years of supervisory or management experience, preferably in a government or public agency setting.

APPLY BY: Applicants interested in this position must submit a completed District application and supplemental questionnaire to the Human Resources Office no later than 12 Noon on April 16, 2009. To receive an application packet, call (805) 658-4663 (recording) or visit our website at www.vrsd.com to download application material.

City of Visalia, Financial Analyst
\$5,158-\$6,484 monthly

Functions as the City's Purchasing Agent; performs special financial studies/analyses; assists in maintaining City's accounting system by auditing and reviewing financial records. Requires 3 yrs exp in financial mgmt; degree in business admin, accounting, economics or related field; valid CA driver's license. Application Deadline: 4/6/09 by 5pm.

Apply online at www.ci.visalia.ca.us or in person at the City of Visalia 's Human Resources Dept., 707 W. Acequia, Visalia , CA 93291 . Job Hotline (559) 713-4007. EOE

City of Stanton, Administrative Services Director
\$116,256-\$141,312 annually

The City of Stanton is recruiting for a dynamic, technically proficient, adaptable and team-oriented professional with a proven record of achievement in planning and directing the activities of the Finance Department. The ideal candidate must be a hands-on manager with three years of administrative, municipal and financial experience and possess excellent communication and leadership skills. As a key member of the City's executive management team, he/she must be able to elicit the trust and work effectively with the City Council, City Manager and staff. Requirements for this position are three (3) years of administrative and financial management experience preferably in local government and a Bachelor's degree in Accounting, Finance or related field (MBA/MPA or CPA is highly desirable). To the successful candidate, the City offers a generous benefits and highly competitive compensation package. If interested and qualified for this outstanding career opportunity, please submit a completed City application, cover letter with your resume and the names and telephone numbers of three (3) work-related references to: Personnel, City of Stanton, 7800 Katella Avenue, Stanton, CA 90680. Complete job announcement and application form available at Stanton

Job Postings April 2009, continued

City Hall, Monday through Thursday, 7:00 AM to 12 Noon and 1:00 PM to 6:00 PM, or online at www.ci.stanton.ca.us. The final filing date is Thursday, April 23, 2009. Applications will be reviewed carefully and only those who appear to have the best qualifications will be invited to continue in the selection process. References will not be contacted without prior approval of candidates. For questions regarding this recruitment, please contact Brenda Green at (714) 379-9222 ext. 240 or via e-mail at bgreen@ci.stanton.ca.us.

City of San Buenaventura, Controller **\$81,255 - \$108,883 annually**

A unique opportunity exists for a creative individual with a strong municipal accounting background, and an interest in making a difference in local government. If you are currently a Certified Public Accountant with strong management and supervisory skills, and are interested in a challenge, this could be the career move for you!

The ideal candidate has broad professional accounting experience in a California local government agency, including the completion of CAFR reports.

Is a Certified Public Accountant (CPA). Is an experienced supervisor, with proven ability to effectively hire, train, schedule and evaluate staff.

Apply online today at www.cityofventura.jobs for further consideration.

City of Santa Monica, Risk Manager **\$107,928 - \$133,248 annually**

\$107,928 - \$133,248 annually, plus management incentive pay and excellent benefits. The position is eligible for an annual performance bonus (up to 10% of base salary) based on the employee's performance as determined by the appointing authority.

The City pays employees contribution to CalPERS and currently offers a 2.7% @ 55 retirement formula. City employees have voted to reimburse the City for the additional cost of the CalPERS formula change with the reimbursement being phased in, starting as of FY 2006-2007 with a 2.5 employee reimbursement and being capped as of FY 2008-2009, with an on-going employee reimbursement of 6.7%. The City participates in the Medicare portion of FICA only, and therefore there is no deduction made for social security.
 Job Specification Pending Personnel Board Approval.

The City of Santa Monica is seeking a Risk Manager to direct, plan and manage the staff and operations of the City's Risk Management Division. The new Risk Manager will be responsible for the City's comprehensive risk management/loss prevention program which provides services and

activities relating to safety, health and environmental loss programs, workers' compensation, public liability, property loss, risk identification and other associated programs.

Graduation from an accredited college or university with a Bachelor's degree in Business or Public Administration, Finance, Economics, Risk Management or a closely related field. A Master's degree in Business or Public Administration, Finance, Risk Management or closely related field is highly desirable.

The successful candidate will have experience planning, implementing and monitoring a comprehensive risk management program. This includes five years of recent, paid and progressively responsible, work experience in risk management, loss control, industrial safety, workers' compensation and commercial insurance. At least two years of the recent, paid work experience must have included supervisory and management responsibilities. Experience in and/or working with a public agency is desirable. Professional designation by the Insurance Institute of America as an Associate in Risk Management (ARM) or Associate in Risk Management for Public Entities (ARM-P) is desirable.

Filing period begins March 23, 2009. APPLY BY: 5:30 p.m., Thursday, April 9, 2009. APPLY AT: City of Santa Monica Human Resources Dept., 1685 Main St., P.O. Box 2200, Santa Monica, CA 90407. Phone: (310) 458-8697 or visit www.smgov.net/hr

Riverside County EDA, Fiscal Manager **\$72,997 - \$100,317 annually**

Are you a seasoned governmental accountant looking for a challenging position with great potential for advancement? The Riverside County Economic Development Agency (EDA) has the opportunity for you as the Agency's Redevelopment Fiscal Manager. EDA manages the Redevelopment Agency for the County of Riverside, the ninth largest redevelopment agency in the State with over \$91 million in annual tax increment and an annual budget of over \$265 million.

The Redevelopment Fiscal Manager is a key player managing a large and complex redevelopment agency, with primary responsibility for all redevelopment financial functions including budgeting, accounting, auditing and financial reporting. This position will supervise professional and technical accounting staff, will report to an EDA Deputy Director, and will work closely with the Executive Management team.

The ideal candidate must possess strong technical skills in government accounting, financial reporting, and budgeting along with experience in debt issuance and bond accounting.

Job Postings April 2009, continued

Experience with redevelopment and tax increment is highly desired. Of utmost importance is the ability to provide useful, accurate and timely financial reports. This position requires a leader who has the ability to communicate effectively, foster teamwork and embrace EDA's values of excellence, innovation, service, integrity and respect.

This position requires a Bachelor's degree with a specialization in Accounting, and/or possession of a valid certificate as a Certified Public Accountant (CPA) or Certified Internal Auditor (CIA). Five years of direct experience as a professional accountant in accounting and reporting for a local government agency including at least one year in a supervisory or lead capacity over other professional accountants is also required. A Master's Degree in Business or Public Administration is highly desirable.

To apply: Submit a detailed resume indicating education, licenses, experience, and any additional information relevant to the position with a cover letter referencing "Fiscal Manager" to: jwight@rc-hr.com or via our Resume Builder at www.RC-HR.com. For specific questions regarding this position, contact Jennifer Wight at 951/955-1925. All employment offers are contingent upon successful completion of a pre-employment physical exam, including a drug/alcohol test, and a criminal background investigation, including fingerprinting. (A felony or misdemeanor conviction may disqualify the applicant from County employment).

BHI Management Consulting, Manager of Finance and Administrative Services
\$105,014-\$125,231 annually

WCWD Manager of Finances and Administrative Services

As the West County Wastewater District, we are known for our stability and progressive style. We have an exciting position for the right financial professional. Located on the eastern shores of the beautiful San Francisco Bay, we enjoy a reputation of stable annual revenue and taking calculated risks when it is simply "the right thing to do". We are one of few public agencies that have successfully installed a solar energy facility to help defray energy cost, generate electricity for sale and conserve valuable energy for us all.

The position is Manager of Finances and Administrative Services. The successful individual will be responsible to our General Manager for a \$10M annual operation and maintenance budget and \$20M five-year capital budget plan. The successful candidate will possess demonstrated experience in budget development and financial management for a company or public agency with progressively more complex assignments and authorities. The management of administrative services and the supervision of our group of administrative professionals is also required, CPA license desired.

We have a generous benefits package and the salary will range from \$105,014-\$125,231 depending on your qualifications. Send resume with three references and a cover letter by email to the contacts below. The WCWD is an equal opportunity employer. Filing date is April 24, 2009.

The Golden Gate Bridge, Highway & Transportation, PRINCIPAL CAPITAL & GRANT PROGRAMS ANALYST
\$90,168.00 to \$108,946.50 annually

PRINCIPAL CAPITAL & GRANT PROGRAMS ANALYST

The Golden Gate Bridge, Highway & Transportation District

\$90,168.00 to \$108,946.50/annually + excellent benefits (37.50 Hour Workweek)

(Employee pays 8% of salary/wage toward CalPERS retirement plan)

Close Date: Open Until Filled – Review of applications will begin on Monday, April 6, 2009

THE POSITION:

The Golden Gate Bridge, Highway & Transportation District is seeking an energetic, experienced and skilled Principal Capital & Grant Programs Analyst. This position assists the Director of Capital and Grant Programs in administering capital and grant programs management oversight functions, including capital program planning and scheduling, grant development and reporting, budget development and management, capital project finance and business development opportunities, and policy development for the Bridge, Bus, Ferry and District Divisions capital programs. The Principal Capital and Grant Programs Analyst would have a role in planning, programming, organizing and implementing the District's grant program and grant contract administration activities, legislative monitoring, and analysis and reporting. This position collaborates with all levels of District personnel and outside agencies in order to meet program goals and objectives.

TRAINING:

Completion of a four-year degree in Public Administration, Business Administration, Planning, Finance, Accounting or related field. (Additional qualifying experience on a year per year basis may be substituted in lieu of degree.)

EXPERIENCE:

Requires a minimum of five (5) years recent full-time position related professional experience in capital or transportation planning or grants administration work that has included working with high level executives, members of governing boards, commissions or associated committees.

Job Postings April 2009, continued

A Master's degree may be substituted for one year of the above experience. San Francisco Bay Area grant management and monitoring experience is desirable.

OTHER REQUIREMENTS AND LICENSE(S):

Must possess and maintain a valid California Driver's License and satisfactory driving record.

Drives a District vehicle on a regular basis.

SELECTION PROCEDURE:

Candidates must submit a completed Golden Gate Bridge, Highway & Transportation District application form which should clearly and completely describe the nature of their experience and qualifications for this position. A resume, cover letter, and supplemental questionnaire must also be submitted at time of application.

Applications will be screened by the assigned Human Resources Analyst and candidates that are considered most qualified will be invited to participate in the oral examination process. Those achieving passing scores in the oral panel interview will result in ranking on an eligibility list to be submitted to the department for hiring consideration.

APPLICATIONS:

To obtain a Golden Gate Bridge, Highway & Transportation District application, and a complete position description and instructions on how to apply:

Please visit: www.goldengate.org

Completed application materials should be emailed to: jobs@goldengate.org

Or visit the Human Resources Department located at 1011 Andersen Drive San Rafael, CA 94901 or call the Application Request Line at (415) 257-4526. Office hours are Monday through Friday, 8:30 a.m. to 4:30 p.m.

SHRA, Finance Manager

\$6,284 to \$8,422 monthly

Finance Manager: Posting #989- Sacramento Housing & Redevelopment Agency, great benefits package. The Finance Manager oversees the Finance Department such as accounting, accounts payable, payroll, insurance, and audit and budget preparation and to provide hands on oversight of the general ledger accounting, debt management and financial reporting in the department. The Finance Manager is responsible for the preparation and coordination of Agency's Comprehensive Annual Financial Report and other

financial reporting requirements of various federal and State Agencies. Preferred candidates must demonstrate experience in some of the following: Comprehensive Annual Financial Reporting (CAFR) for local governments and/or Joint Powers Authorities, Budget preparation for local governments and/or joint powers authorities, California redevelopment law and tax increment accounting and report requirements, HUD community development block grant program (CDBG), HUD Home Investment Partnership Program (HOME), Implementation of the HUD Asset Management Model for Public Housing, Housing Authority financial reporting requirements, Public debt management and continuing disclosure requirements, Housing Choice Voucher program reporting requirements. Education/ Experience: Bachelor's degree plus 4 years experience or 8 years of increasingly responsible experience in some or all of the essential areas of responsibility and as outlined in the job description including supervision or lead experience. Salary: \$6,284.67 - \$8,422.08 monthly plus excellent benefits. Filing Deadline: 5:00 p.m., Thursday, April 13, 2009. To view job announcement and apply online, visit our website www.shra.org and complete an online application by filing deadline. EOE.

City of Garden Grove, Senior Accountant

\$5,475 - \$7,336 monthly

Position Description: Seeking an experienced professional to perform general accounting and finance activities. The ideal candidate will possess equivalent to a Bachelor's degree in accounting or business administration and two years of progressively responsible experience with accounting, finance and/or auditing. Municipal and Utility experience, and Certified Public Accountant certification are desirable.

Application information: For application & supplemental questionnaire, please visit our website at www.ci.garden-grove.ca.us or call (714) 741-5027.

Deadline: Apply by 5:00pm Thursday, April 16, 2009.

City of Santa Clara, ACCOUNTING DIVISION MANAGER

Starting up to \$133,356 annually

The City of Santa Clara (pop. 115,503) is a full-service municipality located in the center of California's Silicon Valley. The City is supported by a total budget of \$556 million (FY 2008-09). The Finance Department is organized in five divisions: Administration, Accounting, Budget and Treasury, Municipal Services and Purchasing. The Accounting Division is currently supported by three (3) accountants along with the Manager.

Job Postings April 2009, continued

The candidate selected will be a highly organized professional with an impressive history of overseeing people and multiple priorities effectively. In addition to having extensive technical depth in accounting, he/she will also possess outstanding interpersonal and communication skills. A demonstrated history of producing quality work will be expected. Minimum qualifications include five (5) years of increasingly responsible administrative experience in accounting and auditing, two of which must be in a management capacity. Experience and education equivalent to a Bachelor's degree are required. A CPA license and/or governmental experience preferred but not essential.

The starting salary for this position goes up to \$133,356 DOQE and is supplemented by a benefits package that includes 2.7% @ 55 CalPERS. Visit www.tbcrecruiting.com for detailed brochure and to apply online. This recruitment will close on Friday, May 1, 2009.

City of Napa, Revenue Supervisor**\$68,220 - \$82,416 Annually**

In these challenging economic times there is no more key position in a City than the one that is responsible for revenue projections and revenue monitoring. The City is now offering an excellent opportunity for the right person who is a seasoned accountant to join the Finance Team and perform these duties. The person selected will oversee a staff of seven involved in a variety of revenue related activities including analyzing, managing and monitoring revenues, reporting on revenue status (accounts payable, taxes, business license fees, utility billing, parking citations, fines and grants). A highly qualified candidate will have experience in revenue forecasting and a full understanding of governmental accounting procedures. Requires: the equivalent of a bachelor's degree from an accredited college or university with major coursework in accounting, business or public administration or a closely related field and two years of experience in accounting and/or revenue collection. Lead or supervisory experience is desirable.

Applications are accepted on-line through the City of Napa website (www.cityofnapajobs.org) or by following the appropriate link from L.B. Hayhurst & Associates (www.human-resource.com). A completed City of Napa job application is required. For information contact: Mr. Lonnie B. Hayhurst, L.B. HAYHURST & ASSOCIATES, 1014 Hopper Ave #506, Santa Rosa, California 95403, Phone 415.884.0544 - Fax 415.884.0533. Application deadline is April 24, 2009. EOE.

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