

2012 ANNUAL REPORT

LAURA M. NOMURA, PRESIDENT



CALIFORNIA
SOCIETY of MUNICIPAL
FINANCE OFFICERS

Dedicated to Excellence in Municipal Financial Management

2012 Board of Directors

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Laura M. Nomura, Riverside Public Utilities

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“CSMFO promotes excellence in financial management through innovation, continuing education and the professional development of our members. CSMFO members are deeply involved in the key issues facing cities, counties, and special districts in the State of California. We value honesty and integrity, and adhere to the highest standards of ethical conduct.”

2012 Annual Report

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President's Message

Laura M. Nomura, Riverside Public Utilities

“The achievements of an organization are the results of the combined effort of each individual.” – Vince Lombardi

I had the pleasure of serving as the 2012 President of CSMFO in its 55th year of promoting excellence in financial management through innovation, continuing education and the professional development of our membership throughout California.

In the capacity as your President this past year, I have had the incredible experience of support and commitment from so many colleagues throughout the association. The work program and accomplishments outlined in the Annual Report could only be achieved with very competent and collaborative team efforts by an incredibly talented Executive Committee, Board of Directors, Committee Chairpersons, Committee Vice Chairs and Members, Chapter Representatives, and our Executive Director and her administrative staff at Smith Moore & Associates.

Following are just some of the major accomplishments for 2012:

- (February 2012) CSMFO produced one of its highest attended conferences at the Disneyland Resort Hotel, with over 880 government and commercial attendees. The annual conference provided vast array of educational and networking opportunities for our members and sponsors.

Among the education sessions offered were two pre-conference sessions: “Budget Development – Best Practices” and “Stepping Forward – The Role of the Finance Officers in Today’s Changing Market.” Dr. JP Pawliw-Fry opened the conference with his keynote address on “Being Your Best When It Matters Most”; and Michael Coleman provided the general membership with an update on statewide issues. The conference closed on Friday afternoon with a keynote address from Christopher Thornberg, of Beacon Economics, on “Recovering from the Recovery.”

As you will note on the financial portion of this report, the conference was well within budget and subsequently provided an economic return in the final net income of approximately \$102,000 which will go towards training programs and other services offered by CSMFO.

- (October 2012) Held a strategic planning workshop. In summary, the strategic objectives for 2012-2013 are as follows:
 - Training and Delivery
 - Training and development
 - Boosting chapters as a focal point and delivery vehicle
 - Membership and Participation
 - Marketing CSMFO membership to non-participating agencies
 - Expanding pool of CSMFO volunteers
 - Chapters as a local or regional point of connection
 - Financial Stewardship
 - Identifying and reviewing cost-saving efficiencies
 - Increasing revenues to support member benefits

CSMFO is entering year three of its Three-Year Strategic Plan. Being in the final year, we evaluated what might have changed since implementing our plan that we didn’t anticipate; what needs does this create for our members and what new hopes or vision do we have for CSMFO. Many issues were discussed including demands on our membership resulting from decisions made by the state; upcoming changes with GASB; the need for finance professionals to be multifaceted; concerns over our agencies future fiscal sustainability; more public inquiries, etc.

For the future, the leadership of CSMFO all agreed that we need to continue to address and deal with the critical needs where CSMFO can provide distinctive value. Our annual strategic goals and objectives should continue to include: continued evaluation and enhancement of our training programs; responsiveness to changes; expanding our understanding of CSMFO’s diverse membership and what’s of particular value to them; connect with our commercial members to get the best information out to local government finance professionals; and lastly, develop guidelines for best practices for the profession.

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President's Message *continued*

Other notable accomplishments during the year:

- (January 2012) CSMFO began helping to market CalCPA Education Foundation courses, and in exchange CSMFO receives 20 percent of the revenues from attendees that are members of CSMFO, but not also members of CalCPA.
- (April 2012) The Board received an unqualified (clean) opinion on the 2011 audit, and filed it appropriately. Additionally, the board appointed the Executive Committee to also act as the Audit Committee with the Administration Committee.
- (June 2012) CSMFO generated a new MiniNews format, effectively shorting the publication to directly link to entire articles, as well as linking to advertiser's websites.
- (June 2012) CSMFO streamlined the process for the Budget Award program to encourage electronic filing by our members. In addition, CSMFO replaced its current Innovation in Budgeting and Public Communication Awards, with a new, broader-based Innovation Award program.
- (December 2012) CSMFO renewed contracts with consultants Don Maruska and Michael Coleman, both three-year terms beginning January 1, 2013, and terminating December 31, 2015.
- (December 2012) CSMFO conducted a membership and conference recruitment drive to all of the non-members cities and special districts throughout California.

The Annual Report represents the cumulative efforts of your leadership team and the general membership's accomplishments of the past year. Please take a moment to review each section. In the Finance section, you will see the programs your resources enabled this organization to accomplish on an annual basis. Please review the varied activities of the regional chapters to see the wide range of training that takes place across this state on a monthly basis. Peruse the Committee and League Policy Committee sections to see what the appointed leadership of this organization is accomplishing throughout the year. You will be impressed, as I was, by the tremendous amount of work that is performed throughout the year, largely due to volunteer efforts.

I would like to conclude this message by again recognizing the leadership and all the many volunteers that assist in meeting the goals and objectives of CSMFO. The valuable contributions of our members and the excellence in our profession have helped this organization prosper. I encourage each of our members to consider getting involved either at a chapter, committee or board level. Each individual brings a unique perspective which makes us a diverse and well-rounded organization. It has been a privilege serving as your President and thank you for entrusting me with this amazing opportunity.



Laura M. Nomura
2012 CSMFO President

President-Elect Report

Pauline Marx, City and County of San Francisco

As President-Elect, my main responsibility was to spend the year learning and training to be the leader of the organization. However, there were also several major projects during the year. These included chairing the Host Committee for the 2013 Annual Conference in Oakland; coordinating the annual Planning Session, which brings together all of CSMFO's Board members, committee members and chapter chairs; developing the 2013 operating budget; and appointing the chair, vice chair, senior advisor and Board liaison positions for all standing committees.

Co-chair Scott Johnson and the rest of the committee, along with staffer Janet Salvetti, made the work of the Host Committee productive and fun. I want to thank all of those involved.

I enjoyed working with facilitator Don Maruska on the annual fall planning session. The team building event where the Board and committee members were coached by professional chefs to cook dinner was a great success.

I want to thank Executive Director, Melissa Dixon, for her expert assistance throughout.

Finally, I want to thank the membership of CSMFO for giving me the opportunity and honor to serve you as incoming President. I look forward to continuing our mission in promoting excellence in financial management through continuing education and professional development of our members, as well as getting to know more of you in the coming year.

Past President Report

Scott P. Johnson, City of Oakland

Annually, the leadership of CSMFO, (Officers, Directors, Committee Chairs, Vice Chairs, Senior Advisors and Chapter Representatives) participate in a Strategic Planning Session. In December 2010, as President-Elect, I convened the Planning Session which was facilitated by Don Muruska, Director of CSMFO's Coaching Program and contracted facilitator. During that Planning Session, the leadership team developed a three-year Strategic Plan for 2011 through 2013, which was subsequently adopted by the Board. The three-year strategic objectives identified were under three broad categories:

- (1) Training and Delivery, through (a) training and development programs and events, and (b) boosting chapters as a focal point and delivery vehicle;
- (2) Membership and Participation, by (a) marketing CSMFO membership to non-participating agencies, and (b) expanding the pool of CSMFO volunteers;
- (3) Financial Stewardship, by (a) identifying and reviewing cost-saving efficiencies, and (b) increasing revenues to support member benefits.

In October 2011, we held our Strategic Planning Session for 2012 through the leadership of President-Elect Laura Nomura, facilitated by Don Muruska. During the Planning Session we identified the results of our 2011 objectives as well as opportunities for continued results in 2012 to continue the efforts identified in the three-year plan.

Over this past year, as Past President of the Board for the 2012 year, I was assigned the task of working with the Chapter Chairs and continuing the work on boosting chapters as a focal point and delivery vehicle. During year two, conference calls were convened with the Chapter Chairs. It is clear that a number of chapters are very active while others have been challenged to have more frequent meetings. During the 2012 year we had a total of 42 chapter meetings from February 2012 through January 2013. Great job and kudos to our Chapter Chairs, this is an increase of over 31 percent (10 meetings) from last year! We are very fortunate as an organization to have such dedicated and committed volunteers. It should be noted that our members can access our CSMFO website under Events to see any upcoming chapter meetings. In addition, we have a listing of each chapter and the Chapter Chair contact information if anyone would like to reach out to their Chapter Chair, if they have suggestions on topics, or if they have any questions regarding their chapter. To the Chapter Chairs, please welcome Laura Nomura with open arms as she transitions in 2013 as Past President assigned as liaison to the chapters.

In an effort to expand our connection to the Chapter Chairs, the Board has recently approved reinstituting a Chapter Chair breakfast during CSMFO's Annual Conference. The Chapter Chairs have been invited by the Board to a Chapter Chair breakfast scheduled for February 21, 2013, during our conference in Oakland. This will provide a further opportunity for the Chapter Chairs to network, share experiences and brainstorm on ways to continue to engage our membership at the local chapter level.

In closing, I would like to thank the Executive Committee, Committee Chairs, Vice Chairs, 2013 Host Committee, and all members of CSMFO, for your participation in achieving the objectives of this goal and for all the support you have given me while I have been on the Board. As we move ahead in 2013, I also want to extend my support and appreciation to our President, Laura Nomura, our President-Elect, Pauline Marx, the Board, Committee Chairs and members, Chapter Chairs, and the membership for the opportunity you have given me to serve this great organization. I am confident that the leadership will continue with our 2013 President, Pauline Marx, President-Elect Pamela Arends-King, Past President Laura Nomura and our new and continuing board members.

About CSMFO

While CSMFO is largely a volunteer organization, we also contract for administrative and other services as needed. We could not, however, be as successful as we are without the dedication and assistance of finance professionals like you who volunteer your time to strengthen municipal financial management throughout the state.

The following is a summary of how CSMFO is organized and how the delivery of high quality, affordable services is accomplished.

Board of Directors:

CSMFO is governed by a nine-member Board composed of three officers – President, President-Elect and immediate Past President – along with six at-large Board members (three from Northern California and three from Southern California), who are elected by active membership. The role of the Board of Directors is to set the course and direction for the organization. Since 1989, this has been accomplished at the Board's annual Planning Session or Goal-Setting Workshop. In recent years, this workshop has resulted in the adoption of goals and formal objectives with detailed work programs that clearly identify what we are going to do, who is going to do it, and when it will be accomplished.

Committees:

Much of the work of CSMFO is accomplished through seven standing committees: Administration; Career Development; Conference Site Selection; Membership Benefits; Professional Standards & Recognition; Program; and Technology. Each committee is led by a chair, senior advisor and at least one vice-chair. The President appoints these positions.

Chapters:

Regional chapters are the backbone of our organization. There are 20 chapters that meet on a regular basis and provide an opportunity for exchanging ideas, learning through technical presentations and discussing professional problems with colleagues. Each chapter elects their Chapter Chair who plans, coordinates and presides over meetings.

Contractual Services:

Although CSMFO is primarily a volunteer organization, we contract for services when we need specialized help or expertise. Smith Moore & Associates, Inc. was hired in 2009 to provide association management services. Meetings & Association Management Services, Inc., now under our management contract with Smith Moore & Associates, Inc., provides conference planning services. Don Maruska is contracted to manage our coaching program, and Michael Coleman is contracted as a local government consultant.

Goal Results for 2012; Targets for 2013

Results of Strategic Planning Session on October 15, 2012

A. Training and Delivery

Strategic Objective	Goals for 2012	Results	Targets for 2013
1. Training & professional development	<p><i>Career Development Committee</i></p> <ol style="list-style-type: none"> Determine appropriate content and delivery approaches for sustainable, quality programs Develop Training Page presenting portfolio of services offered, ties to resource matrix, and links with training partners (CMTA, CDIAC, GFOA) with Technology Committee implementation Increase focus on growth of leadership skills Increase outreach to educational institutions Develop cost and revenue models for programs and examine opportunities to recover costs; consider seed funding, sponsorships, and use of reserves 	<p>Completed SWOT analysis on Intro and Intermediate Acctg., continue courses; exceeded b/e but not full budget</p> <p>Completed the design and content and working with Tech Committee to implement</p> <p>Completed "So You Want to Be a Finance Director" with video Expanded 1-1 coaching & resources</p> <p>In process</p> <p>Developed design of member benefit vs. for-fee services</p> <p>Created CalCPA relationship with revenue stream</p>	<p>Consider new, more timely, relevant courses or delivery; possible development as units in webinars; view training is an investment</p> <p>Evaluate effectiveness of new web format in meeting needs of members</p> <p>Find ways to keep even seasoned professionals up to date on needed technical information</p> <p>(with Executive. and Administrative Committees) Address CSMFO budget to support professional development; have larger discussion about sponsorships</p>
1. Training & professional development	<p><i>Professional Standards and Recognition Committee</i></p> <ol style="list-style-type: none"> Modify the Budget and CAFR Awards scoring to be more in line with GFOA Evaluate the role of CSMFO Awards other than the CAFR and Budget Awards 	<p>In process, submitted ideas, plan to make some minor changes in 2013 (more consistent)</p> <p>Retired previous awards and created Innovation Award for 2013</p>	<p>Post links to best of the best for members to access online and at resource table at conference</p> <p>Provide best practices for emerging issues with links and resources (also tie with Skills Matrix)</p>

Goal Results for 2012; Targets for 2013

Results of Strategic Planning Session on October 15, 2012

B. Membership and Participation

Strategic Objective	Goals for 2012	Results	Targets for 2013
2. Boosting Chapters as focal point and delivery vehicle	<i>Past President and Board-Chapter Liaisons</i> 1. Experiment with alternative delivery, for example, virtual chapter meeting	Completed virtual chapter meeting with webcast for other chapters and agencies	Every chapter has a meeting with help from online resources, as needed, to support outreach Create mix of inperson and virtual
3. Marketing CSMFO membership to non-participating agencies	<i>Membership Committee</i> 1) For smaller agencies make contact with the City's City Manager. 2) For larger agencies make contact with the Finance Director. Concentrate efforts within a 100 mile radius of Oakland in the upcoming year. Also, work with Chapters from a list of non-members, including special districts. Promote membership through webinars and other programs and provide an easy link to join CSMFO.	Completed letter for a mailing to 25 agencies Created LinkedIn group with 400 people Updating list of retirees. Article to encourage renewals and attract new members. Updating with Technology Committee the vendor yellow pages for use with RFPs	Build ongoing relationships with multiple touches to attract new members (e.g. notices for chapter meetings, etc.) Share list of nonmembers with chapter chairs and others leaders to tap connections New member welcome: welcome email; Chapter Chairs to follow up with new members; new member portal/page on website
Enhance engagement at chapters			<i>Executive Committee (with Bob Biery)</i> Consider size of some chapters to reduce travel distance and boost participation Target board support on those chapters needing attention
Support CSMFO's keystone annual conference	<i>Annual Conference Committee</i> Complete the update to the Annual Conference Handbook Identify venue candidates for the 2014 conference and potential future conferences Review bids procured by meeting planner and provide discussion points for meeting planner negotiations Present site selection and contract to Board for approval Maintain communication with site city Finance Director on timing of conference and any local participation Assist Host Committee	Proposed draft Handbook and approved (now with Administration for revision with Program Committee) Contract signed for Palm Springs 2014; considering choices for 2015 In process underway	Complete choice of 2015 site

Goal Results for 2012; Targets for 2013

Results of Strategic Planning Session on October 15, 2012

B. Membership and Participation

Strategic Objective	Goals for 2012	Results	Targets for 2013
Support CSMFO's keystone annual conference Other Participation support	<i>Technology Committee</i> 1. Develop conference website and marketing for Oakland 1. Create social networking site: LinkedIn 2. Review website for user friendliness for nonmembers	Up to date, ready for entry of content, consistent with rest of web site; added PDA features Completed (>400 members, largest State association) Under review; considering new member page (coordinating with Membership Committee)	Consider connections between CSMFO membership info and LinkedIn Consider CSMFO calendar and ways to provide automatic calendaring option for members (add widget to email notices), RSS feed <i>Administration Committee</i> Develop CSMFO signature for emails
4. Expanding pool of CSMFO volunteers	<i>Professional Standards and Recognition Committee</i> 1. Add a check box on CSMFO membership renewals for those that would like to review one or more budgets and/or CAFRs. 2. Look for subject matter experts in budgeting and financial reporting that want to be reviewers.	Completed Completed review of reviewers and addition of new ones	Assess CAFR reviewer needs (pending Board action)
4. Expanding pool of CSMFO volunteers	<i>Career Development Committee</i> 1. Reinvigorate the 1-1 Coaching Program to strengthen networking and build a cadre of future leaders in the profession and for the CSMFO organization.	Underway; working to promote and build outreach through MiniNews	Further promote the availability and gain feedback on usage of 1-1 coaching
4. Expanding pool of CSMFO volunteers	<i>Nominating Committee</i> 1. Use opportunity to identify new potential leaders for Committee chairs and Chapter chairs. <i>Technology Committee</i> 1. Add Volunteer Opportunities section on website to highlight how people can get involved and increase pool of volunteers. Consider ways to enhance involvement of retirees.	Expanded mix of new and seasoned leaders on Nominating Committee	Continue to cultivate new leaders and provide pathways for leadership to sustain pipeline Develop connection and referral page Refer to committees to use as appropriate

Goal Results for 2012; Targets for 2013

Results of Strategic Planning Session on October 15, 2012

B. Membership and Participation

Strategic Objective	Goals for 2012	Results	Targets for 2013
4. Expanding pool of CSMFO volunteers			<p><i>Membership Committee</i></p> <p>Create menu, checklist, ladders, or pathways for people to get involved in CSMFO; (connect with Career Development to) tap emerging leaders at Weekend Training</p> <p><i>Past Presidents still actively involved</i></p> <p>Be ambassadors to engage members and invite them to become more actively involved in leadership</p>

C. Financial Stewardship

Strategic Objective	Goals for 2012	Results	Targets for 2013
5. Identifying and reviewing cost-saving efficiencies	<p><i>Professional Standards and Recognition Committee</i></p> <p>1. Enhancing Budget and CAFR Awards Programs while reducing costs – email accounts, online library, “best of the best” section</p>	<p>90+% electronic, savings in paper and postage for members and CSMFO</p> <p>Using Google spreadsheets to do the dissemination, evaluations, and tracking</p>	
5. Identifying and reviewing cost-saving efficiencies	<p><i>Technology Committee</i></p> <p>1. Work with Professional Standards and Recognition Committee on electronic submittals for award programs</p> <p>2. Review current MiniNews format and evaluate current trends and technology that could make the MiniNews development process more efficient.</p>	<p>Completed</p> <p>Completed</p>	

Goal Results for 2012; Targets for 2013

Results of Strategic Planning Session on October 15, 2012

C. Financial Stewardship

Strategic Objective	Goals for 2012	Results	Targets for 2013
6. Increasing revenues to support member benefits	<p><i>Administration Committee</i></p> <ol style="list-style-type: none"> 1. Evaluate revenue opportunities presented from other committees 2. Determine appropriate level of reserves and use of reserves (including use of proceeds from conferences and other sources) 	<p>Awaiting items to be submitted from other Committees</p> <p>Completed in conjunction with Policies and Procedures</p>	<p>Review policies for education and professional development support (subsidies, etc.) with Career Development</p> <p>Analyze budget and allocations to various activities and relationship to member benefits</p> <p>Develop agreement on revenues and which expenses are benefits overall vs. fee recovery</p> <p>Develop policies about sponsorships and uses</p>
Balancing benefits and expenses			<p><i>Executive Committee or Task Force (e.g. Administration Committee and other Committee Chairs)</i></p> <p>Determine what membership covers.</p> <p>Develop revenue model for CSMFO going forward (membership fees, sponsorships, conference contribution, etc.)</p>
6. Increasing revenues to support member benefits	<p><i>Professional Standards and Recognition Committee</i></p> <ol style="list-style-type: none"> 1. Expand the CAFR awards program to include those cities that would like to apply for two awards (GFOA and CSMFO). 2. Create a two-tiered CAFR awards program (comparable to the budget awards program) that allows less experienced agencies to continue to submit their CAFR only to CSMFO while offering more experienced agencies an opportunity to submit to GFOA as well. 3. Consider shifting the due date for CAFR awards submittals to later in the year to facilitate additional applicants making the deadline; or, tier the fees charged to incentivize early submittals. 	<p>Pending with Board</p>	

Goal Results for 2012; Targets for 2013

Results of Strategic Planning Session on October 15, 2012

D. Impacting Implementation of Key Policies Affecting Local Government Finance (*new*)

Strategic Objective	Goals for 2012	Results	Targets for 2013
Provide a voice for members on key issues			<i>President and CSMFO liaisons to policy committees</i> Gain timely reports with agendas and recaps from liaisons Include updates and potential action opportunities for CSMFO or its members at CSMFO Board meetings

Membership and Financial Information

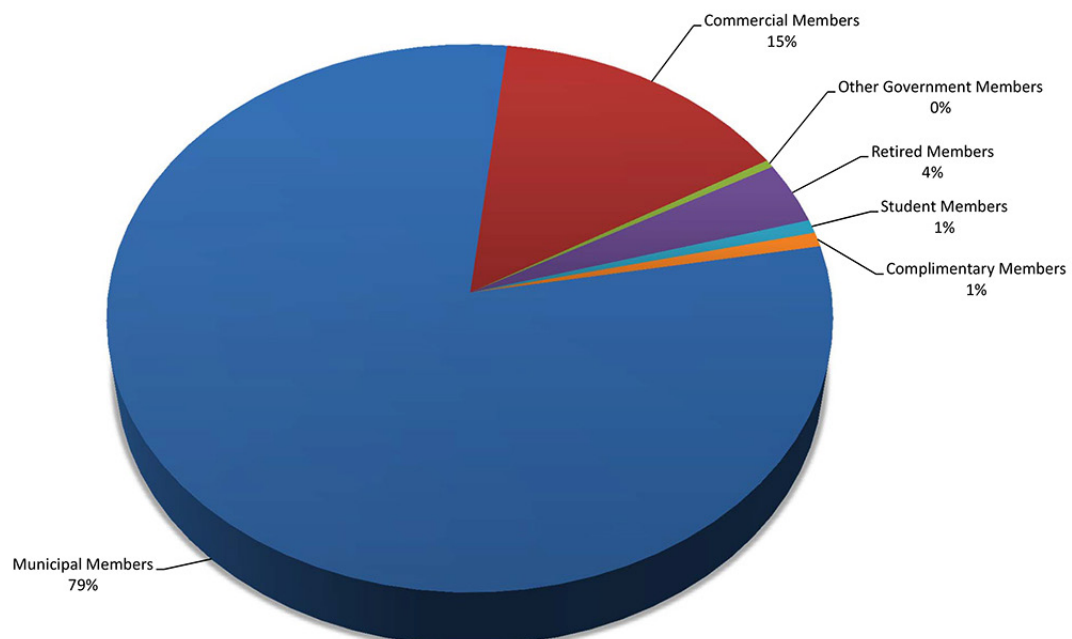
CSMFO Annual Membership

Year	Municipal Member	Commercial Member	Other Gov't Member	Retired	Student	Complimentary	Total
2012	1,417	262	8	65	14	15	1,781
2011	1,299	232	60	60	15	21	1,687
2010	1,264	248	55	58	17	21	1,663
2009	1,288	255	45	45	14	18	1,665
2008	1,362	268	40	41	9	17	1,737
2007	1,158	204	21	28	1	14	1,426
2006	986	204	4	17	1	22	1,234

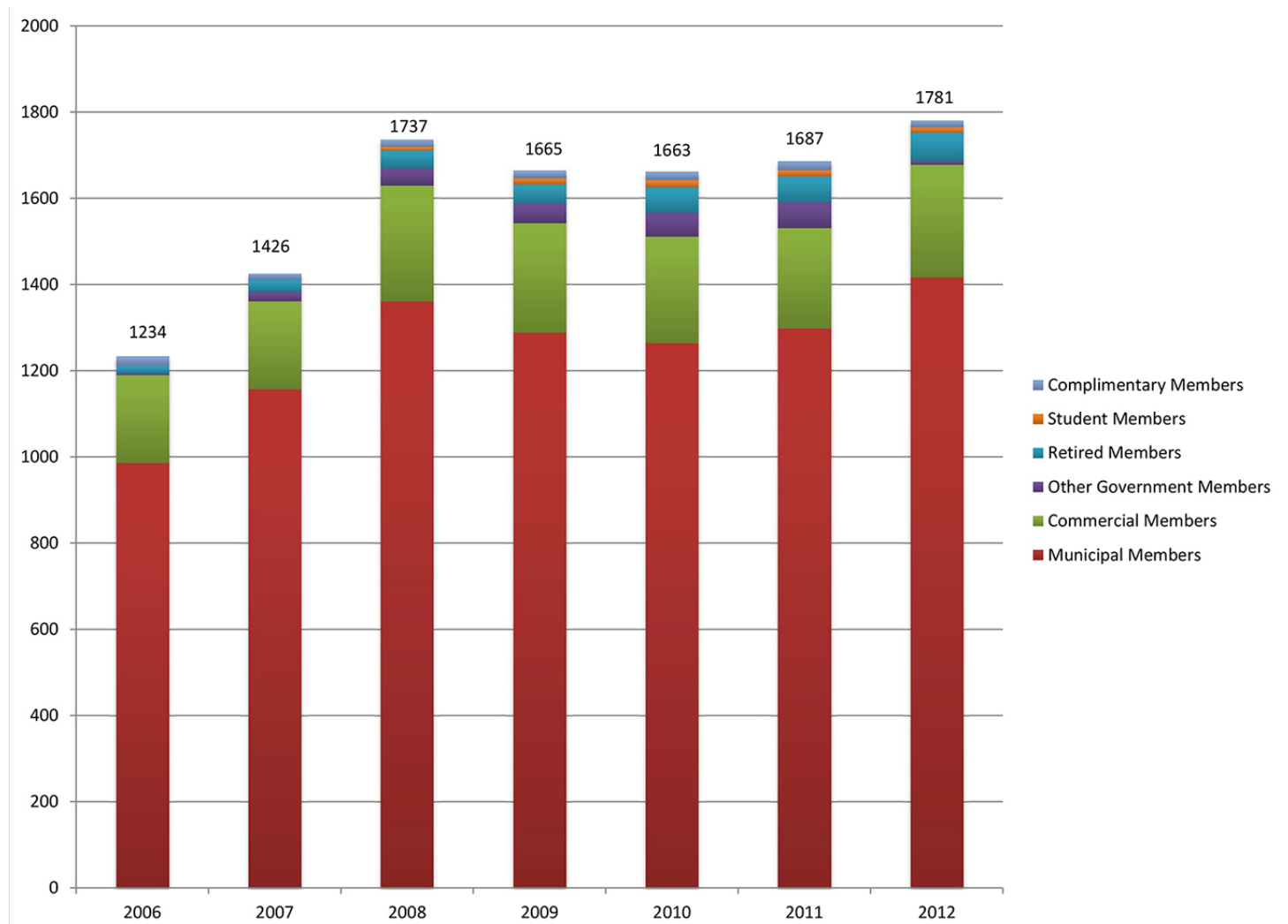
Year	Active	Special District	Commercial	Gov't City	Gov't Other	Retired	Student	Total
2005	580	106	185	182	66	18	1	1,138
2004	595	111	206	137	68	17	2	1,117
2003	569	101	203	127	71	16	2	1,089
2002	576	92	203	141	159	16	1	1,188
2001	617	*	207	*	262	19	2	1,107
2000	635	*	226	*	209	21	1	1,092
1999	614	*	210	*	190	20	2	1,036
1998	572	*	178	*	178	27	3	958

Since 2006, membership information is separated into different categories. This was because of the bylaws change in August of 2006, which amended the CSMFO membership structure.

2011 Membership Composition



2012 Membership Totals



CSMFO Balance Sheet

Statements of Financial Position (December 31, 2012 and 2011)

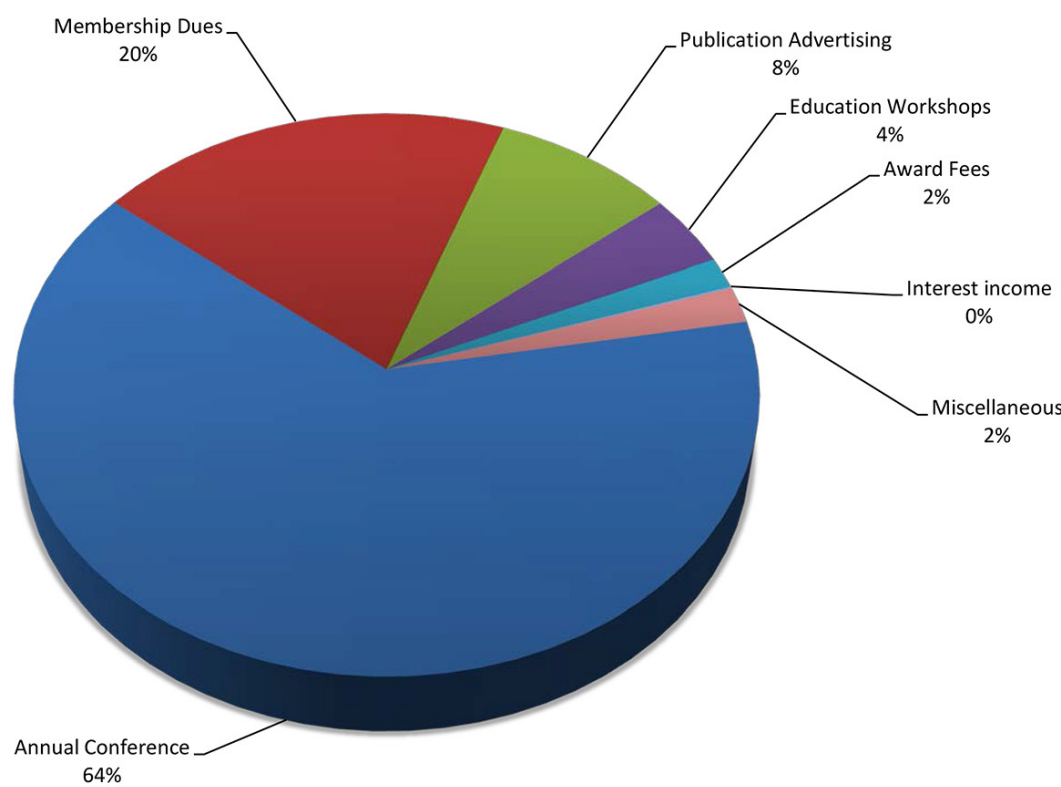
	<u>2012</u>	<u>2011</u>
Assets		
Current Assets		
Cash and Investments	\$717,505.56	\$636,057.05
Accounts Receivable	2,640.00	14,437.00
Other Current Assets	62,600.94	19,810.30
Total Assets	\$782,746.50	\$670,304.35
Liabilities and Net Assets		
Liabilities		
Accounts Payable	\$15,871.50	\$21,219.98
Other Current Liabilities	332,364.43	340,435.43
Total Liabilities	\$348,235.93	\$361,655.41
Net Assets		
Restricted	\$0.00	\$0.00
Unrestricted	434,510.57	308,648.94
Total Liabilities and Net Assets	\$782,746.50	\$670,304.35

Finance Officers' Statement of Activities

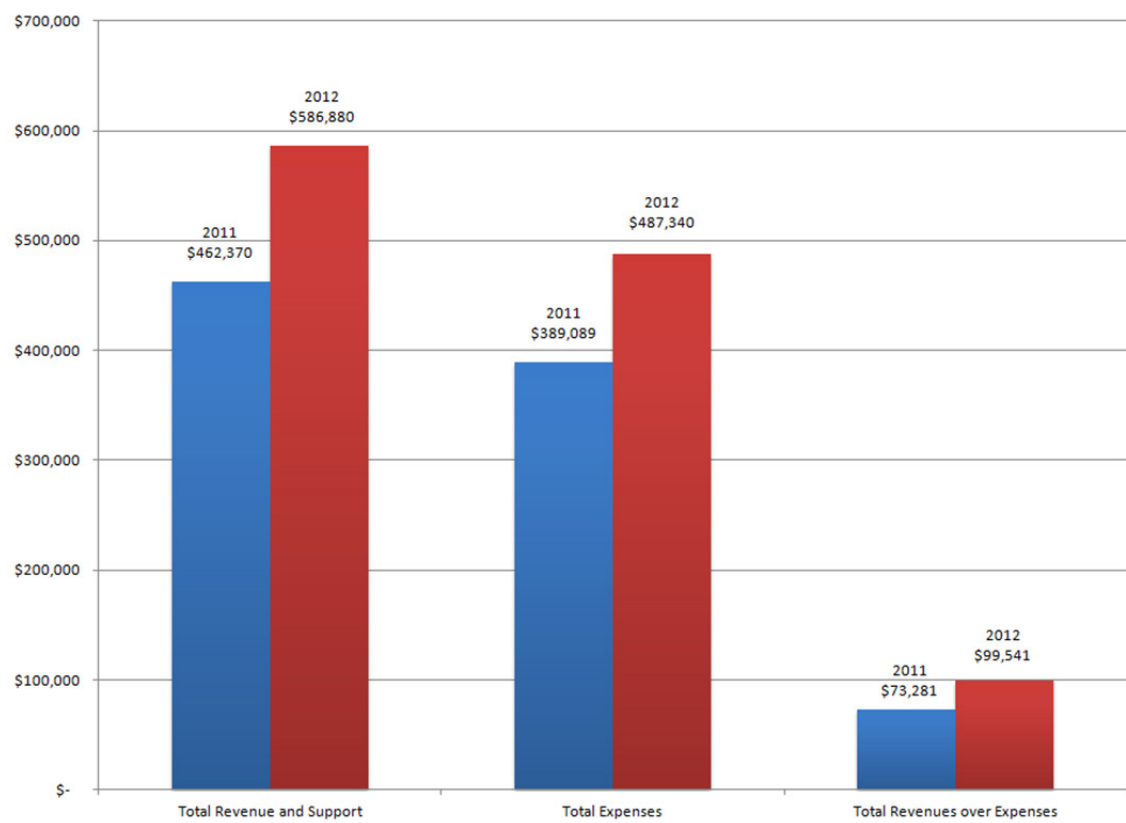
Statements of Financial Position (December 31, 2012 and 2011)

		<u>2012</u>	<u>2011</u>
Revenue & Support			
	Annual Conference	\$586,880.21	\$462,370.00
	Membership Dues	181,335.00	177,225.00
	Publication Advertising	79,798.75	57,090.00
	Education Workshops	37,935.00	35,345.00
	Award Fees	16,005.00	19,900.00
	Legislative Seminar	0.00	8,029.00
	Interest Income	974.20	1,196.59
	Miscellaneous	18,926.80	12,608.40
	Total Revenue & Support	\$921,854.96	\$773,763.99
Expenses			
Program Services			
	Annual Conference	\$487,339.58	\$389,088.88
	Education Workshops	76,937.56	73,311.46
	Legislative Seminar	0.00	4,281.51
	Total Program Services	\$564,277.14	\$466,681.85
Operating Services			
	Management Services	\$131,716.07	\$129,674.06
	President's Expenses	4,858.19	3,312.31
	Board & Committee Meetings	26,400.16	27,976.94
	Office Supplies & Telephone	2,513.73	2,322.58
	Printing	9,891.31	9,813.92
	Postage & Shipping	5,113.33	6,917.96
	Web & Technology Initiatives	14,267.46	12,147.46
	Audit	9,470.00	8,490.00
	Insurance	2,260.00	2,400.00
	Miscellaneous	25,025.94	24,564.74
	Donations	0.00	63.29
	Bad Debt	200.00	0.00
	Website Redesign	0.00	0.00
	Total Operating Services	\$231,716.19	\$227,683.26
	Total Expenses	\$795,993.33	\$694,365.11
	Total Revenues Over Expenses	\$125,861.63	\$79,398.88

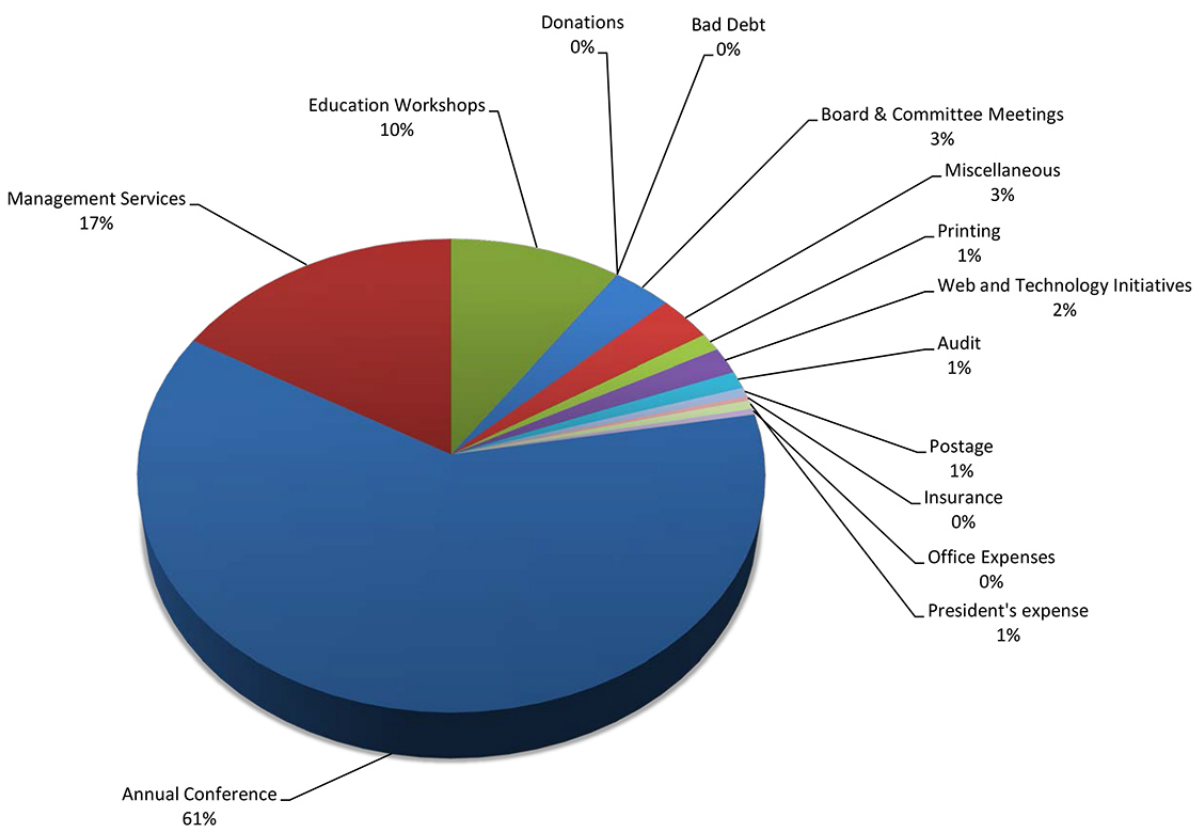
2012 Revenue



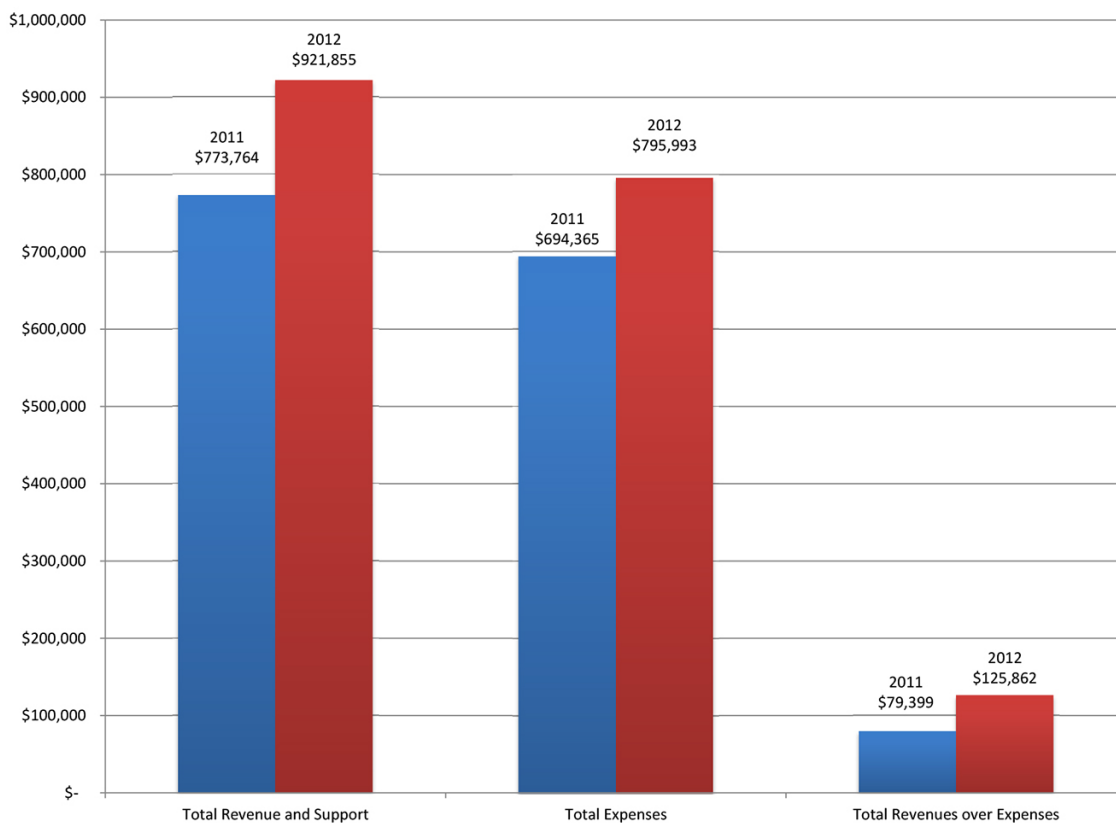
Annual Conference



2012 Expense



Fiscal Year



Chapter Activities

Central Coast

Jennifer Sorenson, City of Paso Robles

2012 Chapter Chair

The Chapter held four luncheon meetings last year which hosted speakers from various walks of municipal finance life.

- Gere Sibbach, the San Luis Obispo County Auditor-Controller and his staff discussed property tax revenue projections and redevelopment issues.
- Ken Hampian, retired City Manager, City of San Luis Obispo, gave a presentation of his experience as interim City Manager at the City of Bell – unbelievable !!
- Linda Saddlemire, Partner-in-Charge of VLS Fraud Solutions with Vicenti, Lloyd & Stutzman, presented “Fraud Awareness and Prevention Tips”.

The one luncheon meeting without a scheduled speaker had an active roundtable discussion on various topics affecting our agencies.

2013 promises to be another challenging year for municipal finance officers.

Central Los Angeles/South Bay

Eleanor Manzano, City of Redondo Beach

Joy Getz, City of Signal Hill

& Agnes Walker, South Bay Regional Public Communications Authority

2012 Chapter Co-Chairs

The South Bay and Central LA Chapters, along with CMTA Division II continued to host joint meetings. Eleanor, Joy, and Agnes continued to work together to produce chapter meetings that were beneficial to the attendees. Eleanor has now served two years and Joy served her first year. Both did an excellent job in coordinating the registration process and making sure that the fees were collected from all participants, while Agnes secured the speakers and arranged the meeting venues as well as procuring gifts for the raffles.

The first meeting was held on April 26, 2012, at the Torrance Marriott Hotel with three deputies from the Los Angeles County Assessor's office. The deputies updated the attendees on the housing market and property tax revenues. A total of 52 members, both municipal and commercial, attended the event.

The second meeting was held on June 28, 2012, at the Torrance Marriott Hotel. Ms. Katrina Johantgen, the Executive Director of the California School Financing Authority, an agency under the State Treasurer's Office, discussed the funding and policies of the charter schools in the state. There were 72 registered attendees for this event.

On July 26, 2012, another meeting was held at the Torrance Marriott Hotel with Marcus Wu, Partner of the law firm, Hanson Bridgett in San Francisco. He discussed the recent developments in PERS and how they affect member agencies. He especially talked about the impacts of AB 1028 - Employment After Retirement, on both the PERS annuitants and agencies that rehire them. A total of 78 attendees registered for this event.

Michael Busch, President of Urban Futures, Inc. and Mark Huebsch, Shareholder of Stradling Yocca Carlson & Rauth, were the speakers at the September 13, 2012, meeting held at the Long Beach Airport Marriott. Both discussed the RDA Trailer Bill AB 1484. This bill has created a lot of confusion among redevelopment agencies, and attendees were able to obtain some useful information from the speakers. A total of 64 members registered for this event.

"Newcomers" to CSMFO events were introduced at the October 25, 2012, meeting, which was held at the Long Beach Airport Marriott. The Chairs made a conscious effort to change the meeting venue to encourage Central LA Chapter members to attend. The speakers were Rich Eisenberg, Farmer MAC Assistant Treasurer, and Rob Owens, Farmer MAC Capital Markets Manager. Both discussed "Farmer MAC, the Hidden Gem Alternative to Housing GSE Debt." The Chairs could only assume that Farmer MAC was not well-known or that members were too busy with CAFR preparation; less than 30 people signed up for the event. However, we were glad to welcome Castle Oak and Time Value Investments as new CSMFO participants.

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Central Los Angeles/South Bay *continued*

The final meeting was the holiday luncheon/election held at the Redondo Beach Chart House on December 6, 2012. Over 90 people registered for the event. The featured speaker was Doug Jensen, Senior Vice President of MuniServices. He spoke about "What Lies Ahead for Sales Tax". Agnes tried to convince other South Bay members to volunteer as Chair for 2013 but to no avail. Thankfully, she was able to convince Eleanor to serve one more year and Joy agreed to serve a second year as well. Hopefully, next year, other members will step up to the plate!

In all these meetings, vendors have been very generous in providing gifts (in addition to the ones provided by the Chapter Chairs from "leftover funds") to be raffled at each meeting. Thank you to the following: Bank of America; Bank of the West; BLX Group; BNY Mellon; Castle Oak; Cabrera Capital Markets; Chandler Asset Management; Feldman Rolapp; Fulbright & Jaworski; IntelliBridge Partners; John Downs Sytems; JPMorgan Chase Bank; MuniServices; New World Systems; Piper Jaffray; RAMS CPA; Time Value Investment; Union Bank; and Wells Fargo Bank.

Last but not least, thank you to the following for their assistance during the registration process at the meetings: Sue Churchman and Elise McCaleb from the City of Signal Hill; Evelyn Schmidt from the City of Redondo Beach; Valerie Mohler from the South Bay Regional Public Communications Authority; and Vilma Warner from the City of Hermosa Beach.

Central Valley

Sonya Williams, City of Los Banos
2012 Chapter Chair

Channel Counties

Licette Maldonado, City of Camarillo
2012 Chapter Chair

The Channel Counties Chapter encompasses the County of Ventura, the northern area of Los Angeles County and the southern area of Santa Barbara County. We have a large number of attendees from the County of Ventura, various local cities, several special districts, and commercial members. Members from other Chapters are also welcome.

Our bi-monthly meetings were held at the Los Robles Greens Golf Course banquet facility in Thousand Oaks on the second Thursday in odd months and included a buffet lunch catered by the golf course restaurant. Meetings in 2012 featured the following speakers and topics:

- "ABX1 26, The Dissolution of Redevelopment Agencies," Marty C. Coren, Partner, HdL Companies
- "Discussion on the Dissolution of Redevelopment – Come Find Out What is going On With Successor Agencies," Tara Howard, RSG Consulting, Inc., Eric Xin, Brown Armstrong, Marty Coren, HdL Companies, Inc.
- "Regulators Have Changed The Game," Stephen E. Heaney, Stone & Youngberg, Tom Johnsen, Fieldman Rolapp & Associates.
- "Planning and Managing Change Effectively," Neil Kupchin, Management & Training Consultant
- "The California Public Employees' Pension Reform Act of 2013," Oliver Yee, Lievert Cassidy Whitmore

Our Chapter participation continued to be consistent and range from 34 to 52 per meeting in 2012.

City of Camarillo Accounting Manager, Licette Maldonado, served as Chair, effective January 1, 2012.

Coachella Valley

Kay Godbey, Coachella Water District
2012 Chapter Chair

Desert Mountain

Marc Puckett, Town of Apple Valley
2012 Chapter Chair

The Desert-Mountain Chapter had four outstanding chapter meetings. The first chapter meeting started out with a presentation by Ernie Cooper, a retired FBI Special Agent. He is currently employed by Vicenti, Lloyd and Stutzman, LLP (VLS). His presentation entitled, "Fraud Can Happen to You – Can It Be Prevented," focused on fraud solutions for local government and methods that can be applied to prevent occupational fraud. The meeting was held in Adelanto at the High Desert Mavericks minor league baseball stadium in the conference facilities overlooking the field. It was a great venue and a great topic for discussion at the chapter meeting.

At the Chapter's next meeting, John Chiang, State Controller, spoke to our group about current issues facing the State of California. This meeting drew the highest attendance of the year with 110 members and guests in attendance. The meeting (and the remainder of the meetings this past year) was held at the Town of Apple Valley's new conference center.

Next the Chapter heard from Brett Harmon from Muni Services. Brett provided an economic forecast for the High Desert Region. Brett specializes in sales tax analysis, trending, and forecasting, and provided good insight.

Finally, the Chapter's last meeting of the year was a presentation from Jordan Levine, Director of Economic Research at Beacon Economics. His presentation entitled, "California Battling Back: A State & Local Economic Outlook," overviewed factors affecting the economic recovery and provided projections of what can be expected in the future in terms of economic performance for the state, southern California and high desert communities.

The Desert-Mountain Chapter provides Continuing Professional Education (CPE) credits for its members and guests attending the chapter meetings. One hour of CPE credit may be issued if the meetings exceed 50 minutes of instruction. The Chapter Chair provides a letter to those attendees requesting CPE credit as documentation of their attendance at the session.

Effective as of the 2013 CSMFO Annual Conference, Cindy Prothro, Director of Finance for the City of Barstow, will become the Desert-Mountain Chapter's next Chapter Chair. It has been a pleasure serving CSMFO and the Desert-Mountain Chapter for the past two years.

East Bay

Erick Cheung, Contra Costa Transportation Authority
2012 Chapter Chair

Imperial County

Rosa Ramirez, City of Holtville
2012 Chapter Chair

Inland Empire

Ernie Reyna, Western Riverside Council of Governments

2012 Chapter Chair

Summary of 2011 Chapter Events

During the 2012 year the Inland Empire Chapter held six events at Dave & Buster's in Ontario. These events were attended by a minimum of 50 members, and in January, 111 members were in attendance for the Chapter's largest event.

Chapter meeting topics for 2012 were as follows:

1. January 19, 2012
2012 Inland Empire Economic Outlook (Third annual event)
Dr. John Husing
2. March 15, 2012
2012 GASB Update
Ken Al-Imam, CPA from Mayer, Hoffman, McCann
3. May 17, 2012
Alternatives to Traditional Bond Issuances
Ray Juman & Nikolai Sklaroff from Wells Fargo Bank
4. July 19, 2012
The RDA Trailer Bill: How will it impact cities and what do you need to know?
Greg Priamos, City Attorney for the City of Riverside
5. September 20, 2012
GASB Quick Hits – Pensions, Combinations, and Sustainability
Eric Berman, CPA from Brown Armstrong
6. November 15, 2012
Current and Future Trends in Sales Tax and Property Tax Revenue
Lloyd del Llamas and Paula Cone from HdL Companies

Chapter Goals for 2013

For 2013, the Chapter intends to hold a minimum of six events addressing timely topics for municipal finance professionals.

Monterey Bay

Marc Pimentel, City of Watsonville

2012 Chapter Chair

North Coast

Bill Mushallo, City of Calistoga

2012 Chapter Chair

Northeast Counties

Steve Strong, City of Redding

2012 Chapter Chair

Northwest Counties

Stephanie Beauchaine, City of Rio Dell
2012 Chapter Chair

Orange County

Pamela Arends-King, City of Tustin
2012 Chapter Chair

The CSMFO Orange County Chapter held six luncheon meetings in conjunction with CMTA Division IX for 2012. The average attendance of the meetings was 55 people. The meetings held were:

- March 14, 2012: Sales & Property Tax Outlook for 2012 conducted by Paula Cone and Andy Nickerson of Hinderliter, De Llamas & Associates (HDL).
- July 17, 2012: CCMA White Paper on the Financial Statement Implications of RDA Dissolutions conducted by Ken Al-Imam of Mayer Hoffman McCann.
- August 16, 2012: RDA Trailer Bill AB 1484 – Now What? Conducted by Mark Huebsch of Stradling Yocca Carlson & Rauth, Attorneys at Law and Michael P. Busch of Urban Futures, Inc.
- September 12, 2012: Regulators Have Changed the Game: The G-Men & Their Rules, conducted by Thomas G. Johnsen of Fieldman Rolapp & Associates and Stephen E. Heaney of Stone & Youngberg.
- November 8, 2012: LAFCO'S Fiscal Trend Analysis Program – Working Group's Findings/Recommendations, conducted by Benjamin Legbandt, Policy Analyst II with Orange County LAFCO.
- December 3, 2012: We held a holiday luncheon at the Aliso Viejo Conference Center. The speaker was Jeffrey A. Pierce, MDA, Vice President/Investments at Stifel Nicolaus and his topic was "the Writings of Warren Buffett". We had a great turn out and we raffled off gifts contributed by vendors, CMTA Division IX and CSMFO Orange County Chapter.

Peninsula

Stuart Schillinger, City of Brisbane
2012 Chapter Chair

San Diego County

Irina Kumits, City of San Diego
2012 Chapter Chair

San Gabriel Valley

Josh Betta, City of Glendora
2012 Chapter Chair

South San Joaquin

Ronney Wong, City of Fowler
2012 Chapter Chair

Committee Activities

Administration Committee

Chair: Steve Heide, Chino Valley Independent Fire District

Vice Chairs: Carrie Corder, Cucamonga Valley Water District

Alexander Smith, California Joint Powers Insurance Authority

Senior Advisor: Bob Biery, City of Westlake Village

Board Liaison: Jesse Takahashi, City of Campbell

The Administration Committee was very active during 2012. In addition to our regular standing monthly review of CSMFO's financials, the Committee was very active in a number of projects and initiatives this past year.

At the direction of the Board, the Administration Committee embarked on the initial development of a Request for Proposal for Coaching Program and Professional Development Services. Although the Board ultimately opted not to go out to bid for Coaching and Professional Development Services, the process of developing the draft RFP and engaging in related discussion at both the Committee and Board levels, provided a nice opportunity for clarifying discussions regarding CSMFO's professional services contracts and consultant services procurement processes.

The Administration Committee also conducted an annual review of current consultant contracts for 2012, including Michael Coleman – local government finance training and consultation, Don Maruska – coaching and professional development services, and the combined Smith Moore & Associates (SMA) – management services, and Meeting and Association Management Service (MAMS) – conference and meeting planning contract. The review included the completion of a consultant satisfaction survey with the CSMFO Board, Committee and Chapter and Vice Chairs, as well as the solicitation of contract status reports from each consultant. The results of the review were favorable and were reported to the Board in October. The Committee also initiated new three-year professional service agreements for Michael Coleman and Don Maruska, covering calendar years 2013 through 2015. The new agreements were approved by the Board in December.

The Committee finalized a review of the Policy & Procedure Manual, also known as the Administrative Handbook, which was approved by the Board in June. The last update prior to this year was in 2009, so there were many changes and amendments to the previous version. For anyone interested in learning more about how CSMFO functions, the Policy & Procedure Manual contains a wealth of information and may be found on the CSMFO website, under the "About CSMFO" tab.

The Administration Committee also interfaced in 2012 with CSMFO's independent auditors, Richardson & Company out of Sacramento, in receiving the results of the annual audit for 2011, and culminating in a presentation to the Board in April. Of course, CSMFO received an unqualified audit opinion.

The Committee also embarked on a review of the Annual Conference Handbook. The review is now complete and a first reading of proposed changes were shared with the Board in January. We anticipate approval of the revised document by the Board in February.

Finally, for those of you who have either seen or are now using the CSMFO electronic signature promoting the 2013 Annual Conference in Oakland, working in conjunction with CSMFO staff, the Administration Committee was responsible for its creation this past year. Stay tuned for a second electronic signature for CSMFO business use between conferences, to be introduced after our Annual Conference in Oakland.

Many thanks to the dedicated volunteer members of the CSMFO Administration Committee for a successful, busy and productive 2012. Thanks as well to our Executive Director, Melissa Dixon, for her active participation in and support of our Committee!

Career Development Committee

Chair: Margaret Moggia, West Basin Municipal Water District

Vice Chairs: Brenda Charles, City of San Jose

Mark Uribe, City of Camarillo

Chu Thai, City of South Pasadena

Senior Advisors: Mary Bradley, City of Fremont

Ronnie Campbell, City of Camarillo

Board Liaison: Drew Corbett, City of Sunnyvale

Members: Irene de Jong, City of Fremont

Pete Gonda, City of Sunnyvale

Debbie Malicoat, City of San Luis Obispo

Lorena Quijano, City of West Hollywood

Ongoing Activities

To achieve CSMFO's mission statement of promoting excellence in financial management through innovation, continuing education and the professional development of our members, the Career Development Committee continue to offer one-day training, weekend training seminars, along with coaching webinars and hot topic calls to assist municipal staff and officers enhance their knowledge base. In addition, the Coaching Program continues to add value through one-on-one coaching and offering targeted topics through telephone panels and webinars.

For Calendar Year 2012, CSMFO was able to offer 11 one-day courses to over 240 participants across its three course offerings: Introduction to Government Accounting, Intermediate Government Accounting and Power of Fiscal Policies/Long Term Financial Planning. We appreciate the leadership and the knowledge of our instructors to provide this excellent training.

- Introduction to Government Accounting - Ahmed Badawi
- Intermediate Governmental Accounting – Kathryn Beseau
- Power of Fiscal Policies/Long Term Financing Planning – Bill Statler

With guidance and strong support from the Career Development Committee, Don Maruska (Master Certified Coach) led the webinar/hot topic program to record participation of nearly 2,900 members through live presentations and web recordings both in hot topic calls and webinar format; a continued increase from last year. The 2012 program presented the following topics:

- Better Budget Models (webinar cosponsored with Cal-ICMA)
- Productive Labor Relations (webinar co-sponsored with Cal-ICMA)
- How to Avoid and Survive Tax Audits
- Accounting for Dissolution of RDAs and Successor Agencies
- Economic Development Beyond Redevelopment
- How to Effectively Forecast Property Tax Revenues
- Answering Your Questions About Pension Reform.

Through the leadership of CSMFO and Don Maruska, the Career Development Committee supported the first virtual chapter meeting. As a result, we were able to reach a larger audience on the event day to disseminate critical information to agencies that resulted from the elimination of RDAs.

In addition, CSMFO and Don Maruska supported the efforts of capturing live video from the Annual Conference to rebroadcast on its website for a subject area that is important to anyone interested on advancing their career. The subject was "So You Want to Be a Finance Director: Keys to Successful Interviewing."

The Annual Weekend Training, which alternates annually between locations in Northern and Southern California, took place in November 2012, in Pleasanton. The group is intentionally kept small to enhance the learning experience and ensure a more interactive session, and this year we had 30 participants. This year's session titles include Legislative Update, Investing in Public Funds, Ethics and the Finance Professional, Bond Financing, Financial Analysis and Reporting, Long-term Financial Planning, and Developing an Operating Budget.

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Career Development Committee *continued*

2012 Board Strategic Goals

The Board meets annually to develop strategic goals to deliver value to its membership. For 2012, Career Development Committee was assigned the following goals.

Determine appropriate content delivery approaches for sustainable, quality programs

Committee members developed a SWOT analysis for the introduction and intermediate courses that show the courses are appropriate, and the course evaluations reflect positive comments from the participants. In addition, a summary of revenues and expense was prepared to show that generally these programs along with Fiscal Policy do provide net income to the organization. From this review it was determined to be sustainable; CSMFO must maintain minimum class size and cancel if they are not met.

Develop Training Page presenting a portfolio of services offered, ties to resource matrix, and links with training partners (CMTA, CDIAC, GFOA)

The Training Page outline has been developed and incorporates comments by Committee members. Committee members have developed content and seek to update the 2007 Resource Matrix. This information has been shared with the Technology Committee to work on the update.

Increase focus on growth of leadership skills

The growth of leadership skills has a two-prong approach: sessions at the Annual Conference and re-invigorating the Coaching Program. Program Committee continues to build sessions into the Annual Conference that focus on development skills for finance professionals from “So you want to be a finance director” to new sessions that will perhaps focus on more interview/resume skills. For the Coaching Program, Committee members have worked on developing the coaches list, and sharing information and resources to the coaches.

Increase outreach to educational institutions

Committee members are reviewing this goal to determine the next steps to achieve this stated goal.

Develop cost and revenue models for programs and examine opportunities to recover costs, consider seed funding and sponsorships

Committee members discussed considerations on a revenue model and how certain programs should be considered as part of the membership fee (webinars, hot topic calls) and other direct programs (intro, intermediate, fiscal policy) should be charged a separate fee. To ensure that current programs do recover costs, class size minimums have been established. In addition, a couple of commercial members expressed interest in sponsoring webinars. Several Committee members met to discuss this goal and discuss the potential for these sponsorships and the impact to the overall organization.

CSMFO has also benefitted from our new relationship with CalCPA and has earned approximately \$3,000.

Expanding pool of CSMFO Volunteers: Reinvigorate the 1-1 Coaching Program to strengthen networking and build a cadre of future leaders in the profession and for the CSMFO organization

Committee members have outreached to each chapter to have at least one volunteer to add to the Coaches gallery. Through this effort, we have added to our list of volunteer coaches and have 27 confirmations. An email was sent to each coach reminding them of the available resources on the website. Committee members have also discussed ways to engage current volunteer coaches by developing emails and future mini-news articles to introduce them to the CSMFO organization.

Conference Site Selection Committee

Chair: Mary Dodge, City of El Cerrito

Vice Chairs: David Cain, Retired

Jesus Nava, Santa Clara Valley Water District

Senior Advisor: Viki Copeland, City of Hermosa Beach

Board Liaison: Pamela Arends-King, City of Tustin

The Conference Site Selection Committee went to Southern California in February 2012, in search of the best location for the 2014 Annual Conference. Melissa Dixon, CSMFO Executive Director, and Teri Anticevich, the CSMFO Event Coordinator, were in attendance. The two-night, three-day trip included visiting hotels in Long Beach, Pasadena, Palm Springs and Indian Wells.

By mutual consensus of the group the site proposed to the Board in April 2012, was Palm Springs. The Board approved the recommendation and contacts have been made with the local Finance Department and the event coordinator has executed the contract to secure the site for the approved dates. We are on for Palm Springs in 2014!!

Membership Benefits Committee

Chair: Christy Pinuelas, City of Agoura Hills

Vice Chair: Brent Mason, City of Riverside

Senior Advisor: Stuart Schillinger, City of Brisbane

Board Liaison: Teri Albrecht, City of Merced

Members: Brenda Charles, City of San Jose

Steve Groom, Beach Cities Health District

Kalesha Kennedy, City of Irvine

The Membership Benefits Committee worked on the following Board established goal in 2012: Marketing CSMFO membership to non-participating agencies. The Committee contacted agencies without members to determine interests in joining with the specific interest of targeting Northern California agencies, since the upcoming conference is being held in Oakland. As current members, we know how valuable attending the CSMFO Annual Conference is and would like to bring that experience to more of our peers.

In addition, the Committee completed the task of forming a group on LinkedIn; contacted members who submitted incorrect membership areas, and wrote a MiniNews article to encourage members to join under the current promotional rate membership. Members of the Committee also assisted the Technology Committee with the website.

A task which will be completed at the 2013 Annual Conference is a new member breakout session. This session is intended to explain the resources on the CSMFO website, as well as to put a face to some of the leaders within the organization.

The upcoming 2013 work plan for the Committee includes the following goal: What does a membership fee pay for/what does membership include?

Professional Standards & Recognition Committee

Chair: Scott Catlett, City of Riverside

Vice Chairs: Ken Brown, City of Irvine

Stephen Parker, Yorba Linda Water District

Board Liaison: Terri Willoughby, City of Menifee

Members: Joy Escalante, City of Burbank

Mike Gomez, Moulton Niguel Water District

Tori Hannah, City of Capitola

During the 2012 year the Professional Standards & Recognition Committee focused on completing the transition of the CSMFO awards programs to a fully online application process. In July a fully online application system was deployed that has almost completely eliminated the need for paper budget documents to be mailed and substantially reduced the costs associated with the program. Those that still wish to submit paper budget documents can continue to do so for a slightly higher fee.

Following the successful implementation of the online application system, the Committee focused its attention on a redesign of the budget awards scoring system, which will be presented to the Board in February with the intention of implementing the changes for the 2013 or 2014 awards program. These changes should make the review results more meaningful for the applicants and decrease the scoring variability that has been a challenge for consistency in the past.

Lastly, the Committee critically evaluated the existing awards program and made the decision with the Board's concurrence to retire the Public Communications and Innovation in Budgeting Awards. Both awards had seen a decline in applications and had suffered from a lack of strong purpose and focus. The Committee then rolled out the first annual CSMFO Innovation Awards program for 2012 to provide a more meaningful and broadly applicable award opportunity for the membership. The Innovation Award can be awarded to a member agency for any program they believe to be innovative. A Committee of five reviewers will review each application and reach a consensus to grant the award to one to three applicants each year. The first Innovation Awards will be granted at the 2013 Annual Conference in Oakland following a strong showing in the first year's applications.

Committee Goals for 2013

For 2013, the Committee intends to continue its efforts to implement thoughtful changes to the system utilized to score the awards program. Efforts will also continue to bring new energy to the CAFR awards program and to identify how this program may be of greater benefit to the CSMFO membership. Lastly, the Committee will work towards implementing the strategic goals identified at the recent Board planning retreat, which for this Committee primarily focus on providing an online vehicle for the uploading, dissemination, and discussion of helpful information for the membership such as report and agreement templates, best practice concepts and survey data.

Program Committee

Chair: Viki Copeland, City of Hermosa Beach

Vice Chair: Ronnie Campbell, City of Camarillo

Senior Advisor: Mary Bradley, City of Fremont

Board Liaison: Pamela Arends-King, City of Tustin

Members: Terrence Beaman, City of Desert Hot Springs
Harriet Commons, City of Fremont

The 52nd Annual CSMFO Conference, Soarin' Over California, was held February 29-March 2, 2012, at the Disneyland Hotel in Anaheim, California. Registration for the conference was 922, which exceeded expectations of the Host Committee.

Two pre-conference sessions were offered and were well attended:

- *CDIAC, CSMFO and CMTA Presents, Stepping Forward: The Role of the Finance Officer in Today's Changing Market* – This session was comprised of three sessions with different speakers for each session addressing topics of – *Fiscal Stress and Personal Liability for Local Government Officials, The Economics of Good Decision Making and Transparency and an Issuer's Commitment to Reporting and Disclosure.*
- *Budget Development* – Best Practices presented by Mike Mucha from GFOA.

The conference format, as usual, offered 30 concurrent sessions over the three days, with a variety of topics and speakers from which to choose.

The conference opened on Wednesday with keynote speaker, Dr. J.P. Pawliw-Fry, talking about *Being Your Best When It Matters Most.*

The Thursday lunch included an *Update on Statewide Issues* by Michael Coleman from the League of California Cities, and breakfast on Friday morning was served with an *Update on Pension Reform* from Girard Miller from PFM and Natasha Karl from the League of California Cities.

The conference closed with the always well-received Chris Thornberg of Beacon Economics talking about *Recovering from the Recovery.*

Technology Committee

Chair: Barbara Boswell, City of Lancaster

Vice Chair: Rick Teichert, City of Moreno Valley

Senior Advisor: Josh Betta, City of Bell

Board Liaison: John Adams, City of Thousand Oaks

Member: Dan Smith, Calleguas Municipal Water District

During the past year the Technology Committee focused on working with the various committees to update and improve their sections of the website to better meet the needs of our members. We have also expanded our outreach to finance professionals through social networking.

The CSMFO LinkedIn site has been established and been met with great success, with over 500 members. A LinkedIn area has been added to the CSMFO membership profile so members can enter the link to their individual profile for other members use. This provides the ability for members to share their professional information without having to duplicate it in the CSMFO membership database.

The Annual Conference section of the website has been updated to ensure continuity with the format of the other sections of the website, while allowing the theme of the conference to be highlighted.

The training section of the website has been updated based on input from the Career Development Committee. The menu has been streamlined to improve ease of finding information with more changes to come.

The MiniNews format has been updated to take advantage of current technology. The update results in a more streamlined production and efficient publishing, while still providing the ability to print out the newsletter, for those that prefer the hard copy!

League Policy Committee Appointee Reports

Administrative Services Policy Committee

Chu Thai, Finance Director, City of South Pasadena

The Administrative Services Policy Committee reviews election law and administration, insurance and tort reform, open meeting law (the Brown Act), the Public Records Act, the Political Reform Act and other conflict of interest laws, and regulation of smoking and tobacco products. In 2012, the Administrative Services Policy Committee discussed and/or voted on the following issues:

- Proposition 31. California Forward initiative, “The Government Performance and Accountability Act”
- FPPC Update by the City Attorney’s Department on issues of simultaneous meetings, city disincorporation, ethics training disclosure, posting of agendas as defined by the Brown Act, open meetings, financial interest of public officers, etc.
- Legislative proposal to clarify effective date of citizen initiatives
- Review of Administrative Services Committee Work Program
- Discussion on Potential Legislation

Details about these issues are available on the League’s website, www.cacities.org.

Community Services Policy Committee

Rick Teichert, Financial and Administrative Services Director, City of Moreno Valley

The League’s Community Services Policy Committee had a very active year. During 2012, much of the focus of each committee meeting was briefings on issues related to the demise of Redevelopment, legislation proposing “clean-up” language to ABX1 26, start-up of Successor Agencies and monitoring the State budget process.

The Committee was briefed on State budget cuts to funding for local library services. A representative of the California Library Association detailed the loss of \$30.4 million in library funding, impacting the funding for the transfer of library materials between libraries statewide, reductions in funding for adult literacy programs and elimination of Public Library Foundation funds that directly support local libraries.

The Healthy Eating Active Living (HEAL) campaign sponsored by the California Center for Public Health Advocacy remains a major focus of the Committee. The Committee voted to recommend that all Community Services Policy Committee members pursue participation in the HEAL campaign by the cities that they represent. The HEAL program promotes adoption of policies that have been crafted to improve and promote their communities’ physical activity and retail food environments. Supporting healthy choices is essential to address the obesity epidemic among California’s children and adults. Information is available at www.HealCitiesCampaign.org.

The January meeting included a presentation by the Mayor Pro Tem from the City of Irvine discussing the City’s focus on their program promoting “Healthy City Healthy Planet.” The City has created a concept for the integration of multiple practices into all aspects of City planning and the delivery of municipal services. Irvine is actively supporting the health of the City, their citizens and the planet on a daily basis. The Healthy City Healthy Planet initiative is an affirmation of Irvine’s long-held commitment to health, fitness, well-being and the sustainability of our community. The webpage (www.cityofirvine.org/healthycity) integrates 100 relevant categories, descriptions and links that support Irvine’s Healthy City Healthy Planet initiative. A well-balanced community is a successful community!

The Committee developed a two-year work program that addresses a wide range of Community Services issues. This work program is detailed on the League’s website, www.cacities.org. This work program resulted in a very active year for the Community Services Policy Committee. I appreciate the opportunity to represent CSMFO on this Committee during 2012, bringing the financial perspective of cities to the policy and program discussions.

Employee Relations Policy Committee

Thomas Bachman, Assistant City Manager, City of West Covina

Environmental Quality Policy Committee

Joe Lillio, Finance Manager, Las Virgenes Municipal Water District

Housing, Community & Economic Development Policy Committee

Bob Torrez, Assistant City Manager, City of Lynwood

Public Safety Policy Committee

Kelly Sessions, Assistant to City Manager, City of San Pablo

Revenue & Taxation Policy Committee

Bob Biery, City Treasurer/Finance Officer, City of Westlake Village

This Committee is charged with reviewing and recommending policy to the League of California Cities Board of Directors on issues related to revenue and taxation. There is a summary of Existing Policy and Guiding Principles that outlines standing policy direction for the Committee.

2012 League Strategic Goals

1. Support Sustainable and Secure Public Employee Pensions and Benefits
2. Promote Local Control for Strong Cities
3. Build Strong Partnerships for a Stronger Golden State

The League's Revenue & Taxation Committee met four times during the year and received presentations and addressed issues such as:

- Pension reform (Governor's 12 point plan) AB 340
- Next generation of economic development tools
- Streamlined sales and use tax agreement (SSUTA)
- The Government Performance & Accountability Act (Prop 31)
- Cap and Trade auction proceeds
- Local sales tax agreements
- League Resolution No. 1 – Distribution of court fines, fees & assessments

The Revenue & Taxation Committee, along with the other League policy committees, received three special briefings prior to their regular meeting related to these topics:

- Redevelopment dissolution
- State budget 2012-13 (Prop 30)
- VLF litigation

At the time of each of these presentations and/or following, questions, discussion, and proposed positions were generated. Recommended actions were developed and approved to be submitted to the League's Board of Directors for their consideration. The Committee has also reviewed and made recommendations on numerous legislative bills relating to fiscal issues during the year.

A significant amount of staff time and effort was needed to monitor actions by the Department of Finance relating to redevelopment dissolution.

Transportation, Communications & Public Works Policy Committee

Michael Matsumoto, Assistant City Manager/Director of Finance, Pico Rivera

The Transportation, Communications, & Public Works Policy Committee held three meetings in 2012 without a meeting at the annual conference. Several difficult issues were discussed during the year.

The 2012 League Strategic Goals were approved along with the work plan. High Speed Rail was added to the work plan in 2012. For High Speed Rail, the committee rejected a proposal that the High Speed Rail project be exempt from CEQA. The committee considered a proposal to exempt all transportation projects from CEQA, and the Committee agreed unanimously to oppose the exemption. The Committee also supported the visionary efforts of High Speed Rail, but we also support placing High Speed Rail and bond back on the ballot for voter reconsideration.

The committee discussed transit bus weight limits extensively. Currently, buses exceed weight limits, and buses cause considerable damage to streets. The transit operators pointed out that the weights have increased as new regulations (such as handicapped lifts) were adopted by the legislature. The committee supported AB 1706 which exempts buses from the weight limit until December 31, 2015, while the issue is studied.



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