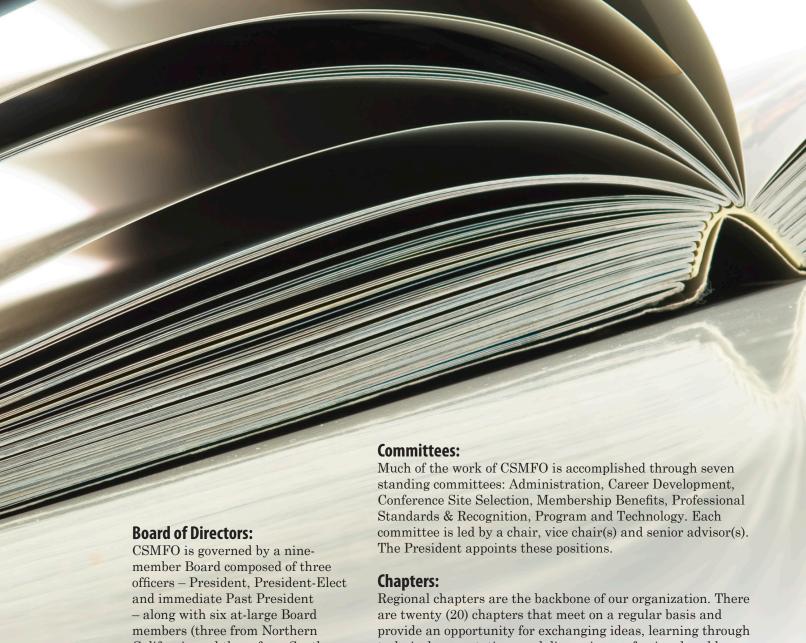




About CSMFO

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.



California and three from Southern California), who are elected by the 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. In recent years, this session 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.

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 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.

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2013 Board of Directors

PRESIDENT

Pauline Marx, City and County of San Francisco

PRESIDENT-ELECT

Pamela Arends-King, City of Tustin

PAST PRESIDENT

Laura M. Nomura, Riverside Public Utilities

DIRECTORS

John Adams, City of Thousand Oaks
Teri Albrecht, City of Merced
Drew Corbett, City of Menlo Park
Joan Michaels Aguilar, City of Dixon
Margaret Moggia, West Basin Municipal Water District
Terri Willoughby, City of Menifee

"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."

PAULINE MARX • City and County of San Francisco

For the past year, I have enjoyed the opportunity to serve as President of this great association of finance professionals. Managing our organization is a team effort and as your President I have relied upon the incredible support of the Executive Committee, the Board of Directors, Committee Chairs and Vice Chairs, Chapter Chairs, and our Executive Director and her staff at Smith Moore & Associates, and Meetings & Association Management Services (M&AMS). As a team we have led the organization through a positive and productive year. This Annual Report details the organization's accomplishments for 2013. I will highlight a few of them.

Our Annual Conference in Oakland was our largest ever in Northern California with 823 registrants. The Host Committee and the Program Committee worked to ensure that the conference met our expectations: education/training, networking and fun. In addition to the regular sessions, the conference included a new member orientation, a Chapter Chair's breakfast, and taking advantage of our location, a number of pre-conference tours and talks.

Our committees were active throughout the year. Their accomplishments are detailed later in this Annual Report, but a few are highlighted below.



The Administration Committee:

- Created a Weekend Training Handbook in conjunction with the Career Development Committee
- Worked with Smith Moore & Associates to revise the monthly financial statement format
- Conducted a review of the association's consulting contracts and negotiated extensions of several

The Career Development Committee:

- Offered a record 22 in-person one-day training courses to 675 participants, representing a 100% increase in sessions offered and a 181% increase in attendance versus the previous year
- Expanded the webinar program, offering eight webinars that were attended by over 3000 people. Webinars were archived on the CSMFO website for future access
- Initiated a new in-person training course on investment accounting in conjunction with CMTA

The Conference Site Selection Committee:

- Doubled its fun and selected sites for both the 2015 (Monterey) and 2017 (Sacramento; contract pending) conferences
- The 2016 Annual Conference will be at the Disneyland Hotel in Anaheim

The Membership Benefits Committee:

- Held a well-attended new member session at the Annual Conference
- · Established a new member welcome

The Professional Standards & Recognition Committee:

- Completed the transition of the CSMFO awards program to a fully on-line application process
- Saw a doubling of applications for the new CSMFO Innovation Award program

The Program Committee:

- Presented a conference with record-breaking Northern California attendance
- Offered two well-attended pre-conference sessions and 30 concurrent sessions over three days, along with keynote and general session speakers

The Technology Committee:

- Added webinar and training videos to the website
- Reorganized and restructured the Resource Room
- Took control of the "auto-generated" CSMFO Facebook page and continued to promote the CSMFO LinkedIn connection

As Past President Laura Nomura reports, 13 of our 20 chapters met during the year, holding a total of 47 chapter meetings. Chapter Chairs have provided activity summaries in the upcoming pages. In 2014, as Past President I will continue her work encouraging information exchange among the Chapters and providing support for Chapter success. Our League Policy Committee appointees have also reported on their work during the year.

In September and November, the CSMFO leadership met in person to update the organization's strategic plan. This effort was led by President-Elect Pamela Arends-King. The top strategic goals continue: organizational sustainability, membership engagement and

professional development. The Board agreed on priority actions and strategies for 2014 and future years. By following this plan we can ensure that our organization continues to thrive while serving our needs and the needs of future professionals.

Our financial results for the year were strong, with approximately \$977,000 in operating revenue and approximately \$827,000 in expenses. Revenues over expenses totaled \$150,000, with the Annual Conference netting approximately \$122,000. At year end, unrestricted net assets totaled approximately \$570,000.

In addition to all of this, we attracted new members from all over California, with membership growing from 1,781 (in 2012) to 1,814.

The Annual Report represents the cumulative efforts of your leadership team and the general membership of the past year. It is our volunteers that make CSMFO a great organization. Given that the majority of our work is due to volunteer efforts, we should be doubly proud of our accomplishments.

Our organization provides a forum for us to support one another and to share information critical to both the professional success of our members and the financial success of our communities. In closing, I encourage each of you to become a part of the leadership of CSMFO. There are many ways that you can become involved and the level of commitment is up to you. The experience is rewarding both professionally and personally. I thank you for the opportunity and privilege of serving as your President for 2013.

President-Elect Report

PAMELA ARENDS-KING • City of Tustin

2014 Annual Conference:

The planning for the 2014 Annual Conference started in March 2013. The Host Committee has met regularly, on a monthly basis either in person or via conference call.

The schedule of the conference was revised slightly. The Pre-conference session will be held on Tuesday, the day before the conference starts, to allow for a more in-depth session. It also provided the opportunity for CSMFO to offer another breakout session before the opening general session on Wednesday. This change was in response to comments made in the de-briefing meeting held after the 2013 Annual Conference in Oakland. The vendors will also have more time to present their products/services. During the breakout session before the general session guided tours are also offered.

The registration numbers for the conference are slightly higher than at this time last year. The Renaissance hotel and the Hilton Hotel are sold out and we have blocked rooms at a third hotel within walking distance of the Annual Conference.



2014 Strategic Plan:

The Strategic Planning session was held in September 2013. The format of the Strategic Planning session was different from prior years as a different facilitator was used. The primary goals within the Strategic Planning session did not change from prior years and the action plan to carry out the goals was similar to prior years, and enhanced. The concern for the viability of our Chapters continues to be a priority and specific actions were highlighted within the Action Plan for 2014. The draft Strategic Plan was thoroughly reviewed and discussed at a meeting held in person in November. Changes were made to the Strategic and Action Plans, which were formally adopted at the Board conference call in January.

Past President Report

LAURA M. NOMURA • Riverside Public Utilities

In order to carry out the priorities and goals of the Board, as Past President I was responsible for continuing the effort of boosting chapters as a focal point and delivery vehicle. My efforts this year centered on expanding information flow and exchange with Chapters; sharing best practices and programming ideas; and providing support for enhanced chapter success.

CSMFO has twenty Chapters in various regions of the state that meet on a regular basis to exchange ideas, discuss professional problems and participate in technical presentations on specific areas of the profession. CSMFO leadership understands it has an obligation to support each chapter in this effort. As Past President, with the assistance of Board Liaisons, it was our privilege to assist Chapter Chairs with the continued success of grassroots organizational growth through our Chapters and membership development. Being a Chapter Chair was where it all began for me on my leadership track with CSMFO, so this assignment was near and dear to my heart.

At the start of my year as Past President, I made a commitment that I would hold bi-monthly conference calls to facilitate discussions amongst the Chapter Chairs relating to speaker topics, boosting attendance, challenges they are facing, success stories – really whatever they wanted to discuss and share with the group. We had scheduled six conference calls for the year; the group decided to cancel a summer call due to vacations and one call fell on a holiday, so we had a total of four conference calls for the year. We doubled the number of conference calls from the prior year, so I consider four calls a success. Participation on the calls varied from call to call, but overall we had a dedicated group that called in to share information. I believe the Chapter Chairs found this exchange very helpful.

We also wanted the Chapters Chairs to get involved in the organization's Strategic Planning to provide input from a Chapter perspective, so I made a conscious effort to reach out to the Chapter Chairs to encourage them to attend our Board Strategic Planning session held in September in



Palm Springs. We had five chapters represented at the meeting. They offered valuable input and I am hoping these individuals and other Chapter Chairs grow into future Committee and Board Members!

In addition, in our effort to expand our connection with Chapter Chairs, we re-instituted the Chapter Chair Breakfast on February 21, 2013, during our Annual Conference in Oakland. We had approximately 20+ individuals in attendance and a majority of the Chapters were represented. This event turned out to be a great experience for all those involved, sharing information and brainstorming ideas to engage our membership at the local level. Another Chapter Chair Breakfast is planned in Palm Springs; I encourage all our Chapter Chairs to attend.

For the Chapters overall, 2013 was a busy and successful year! A total of 47 meetings were held throughout the state by 13 of our Chapters. We have some continued work ahead of us to find solutions for those remaining Chapters that are challenged with geographical and territorial issues, limiting their ability to have in-person meetings. Hopefully advances in technology can help with this dilemma.

All in all, I believe the Chapters felt supported this year by the CSMFO Board of Directors, as well as included as part of the organization's leadership. Thank you to all of the Chapter Chairs for stepping up and taking on this role – it's not always an easy one. You are vital to CSMFO's mission and it was a privilege to work with you in 2013!

In closing, I would like to thank the Executive Committee, Board, Committee members, Chapter Chairs, Smith Moore & Associates, and all members of CSMFO for all the support you have given me while I have been on the Board. I wish Pauline Marx, Pamela Arends-King and Jesse Takahashi the best as they transition into their new positions of Past President, President and President-Elect, respectively.

Results for 20 A. Training and	112; Targets for 2013 Delivery			
STRATEGIC OBJECTIVE	GOALS FOR 2012	RESULTS	TARGETS FOR 2013	
1. Training & professional development	onal 1. Determine appropriate content and delivery Completed SWOT analysis on Intro and		Consider new, more timely, relevant courses or delivery; possible development as units in webinars; view training is an investment Evaluate effectiveness of new web format in meeting needs of members Find ways to keep even seasoned professionals up to date on needed technical information	
1. Training & professional development	4. Increase outreach to educational institutions 5. Develop cost and revenue models for programs and examine opportunities to recover costs; consider seed funding, sponsorships, and use of reserves	In process Developed design of member benefit vs. for-fee services Created CalCPA relationship with revenue stream	Revise Resource Matrix Develop training on emerging issues (with) Program Development Committee Provide targeted training in content and delivery of local government finance information to public (with Exec. and Admin. Committees) Address CSMFO budget to support professional development; have larger discussion about sponsorships	
1. Training & professional development 2. Boosting Chapters	Professional Standards and Recognition Committee 1. Modify the Budget and CAFR Awards scoring to be more in line with GFOA 2. Evaluate the role of CSMFO Awards other than the CAFR and Budget Awards Past President and Board-Chapter Liaisons	In process, submitted ideas, plan to make some minor changes in 2013 (more consistent) Retired previous awards and created Innovation Award for 2013	Post links to best of the best for members to access on line and at resource table at conference Provide best practices for emerging issues with links and resources (also tie with Skills Matrix)	
as focal point and delivery vehicle	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 in-person and virtual	

Results for 20 B. Membership	112; Targets for 2013 and Participation		
STRATEGIC OBJECTIVE	GOALS FOR 2012	RESULTS	TARGETS FOR 2013
3. Marketing CSMFO membership to non-participating	Membership Committee 1) For smaller agencies make contact with the City's City Manager.	Completed letter for a mailing to 25 agencies	Build ongoing relationships with multiple touches to attract new members (e.g. notices for chapter
agencies	For larger agencies make contact with the Finance Director.	Created LinkedIn group with 400 people	meetings, etc.) Share list of non-members with chapter chairs
	Concentrate efforts within a 100 mile radius of Oakland in the upcoming year.	Updating list of retirees.	and others leaders to tap connections New member welcome: welcome email; Chapter
	Also, work with Chapters from a list of non- members, including special districts.	Article to encourage renewals and attract new members.	Chairs to follow up with new members; new member portal/page on website
	Promote membership through webinars and other programs and provide an easy link to join CSMFO.	Updating with Tech. Committee the vendor yellow pages for use with RFPs	
Enhance			Executive Committee (with Bob Biery)
engagement at chapters			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	Annual Conference Committee Complete the update to the Annual Conference Handbook	Proposed draft Handbook and approved (now with Admin. for revision with Program Committee)	Complete choice of 2015 site
	Identify venue candidates for the 2014 conference and potential future conferences	Contract signed for Palm Springs 2014; considering choices for 2015	
	Review bids procured by meeting planner and provide discussion points for meeting planner negotiations	In process	
	Present site selection and contract to Board for approval	Underway	
	Maintain communication with site city Finance Director on timing of conference and any local participation		
	Assist Host Committee		
Support CSMFO's	Technology Committee		
keystone annual conference	Develop conference website and marketing for Oakland	Up to date, ready for entry of content, consistent with rest of web site; added PDA features Completed (>400 members, largest State association)	Consider connections between CSMFO membership info and LinkedIn
Other Participation support	Create social networking site: LinkedIn Review website for user friendliness for non- members	Under review; considering new member page (coordinating with Membership Committee)	Consider CSMFO calendar and ways to provide automatic calendaring option for members (add widget to email notices), RSS feed Admin. Committee, Develop CSMFO signature for emails

Results for 20 B. Membership	12; Targets for 2013 and Participation		
STRATEGIC OBJECTIVE	GOALS FOR 2012	RESULTS	TARGETS FOR 2013
4. Expanding pool of CSMFO volunteers	Professional Standards and Recognition Committee		
	1. Add a check box on CSMFO membership renewals for those that would like to review one or more budgets and/or CAFRs.	Completed	Assess CAFR reviewer needs (pending Board action)
	2. Look for subject matter experts in budgeting and financial reporting that want to be reviewers.	Completed review of reviewers and addition of new ones	
4. Expanding pool of CSMFO volunteers	1. Reinvigorate the 1-1 Coaching Program to strengthen networking and build a cadre of future leaders in the profession and for the CSMFO	Underway; working to promote and build outreach through MiniNews	Further promote the availability and gain feedback on usage of 1-1 coaching
	organization.		
4. Expanding pool of CSMFO volunteers	Nominating Committee 1. Use opportunity to identify new potential leaders for Committee chairs and Chapter chairs.	Expanded mix of new and seasoned leaders on Nominating Committee	Continue to cultivate new leaders and provide pathways for leadership to sustain pipeline
	Technology Committee 1. Add Volunteer Opportunities section on website to highlight how people can get involved and increase pool of volunteers.		Develop connection and referral page
	Consider ways to enhance involvement of retirees.		Refer to committees to use as appropriate
4. Expanding pool of CSMFO volunteers			Membership Committee Create menu, checklist, ladders, or pathways for people to get involved in CSMFO; (connect with Career Development to) tap emerging leaders at Weekend Training
			Past Presidents still actively involved Be ambassadors to engage members and invite them to become more actively involved in leadership

Results for 2012; Targets for 2013 C. Financial Stewardship **RESULTS** STRATEGIC OBJECTIVE **GOALS FOR 2012 TARGETS FOR 2013** Professional Standards and Recognition 5. Identifying and Committee reviewing cost-1. Enhancing Budget and CAFR Awards Programs 90+% electronic, savings in paper and postage saving efficiencies while reducing costs — email accounts, online for members and CSMFO library, "best of the best" section Using Google spreadsheets to do the dissemination, evaluations, and tracking 5. Identifying and Technology Committee 1. Work with Professional Standards and Completed reviewing cost-Recognition Committee on electronic submittals saving efficiencies for award programs Completed 2. Review current MiniNews format and evaluate current trends and technology that could make the MiniNews development process more efficient. Administration Committee 6. Increasing 1. Evaluate revenue opportunities presented from Awaiting items to be submitted from other Review policies for education and professional revenues to support other committees Committees development support (subsidies, etc.) with Career member benefits Development 2. Determine appropriate level of reserves and Completed in conjunction with Policies and Analyze budget and allocations to various use of reserves (including use of proceeds from Procedures activities and relationship to member benefits conferences and other sources) Develop agreement on revenues and which expenses are benefits overall vs. fee recovery Develop policies about sponsorships and uses **Balancing benefits** Executive Committee or Task Force (e.g. Administration Committee and other Committee Chairs) and expenses Determine what membership covers. Develop revenue model for CSMFO going forward (membership fees, sponsorships, conference contribution, etc.) Professional Standards and Recognition 6. Increasing revenues to support 1. Expand the CAFR awards program to include Pending with Board member benefits 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

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.

submit to GFOA as well.

Goal Results/Targets

Results for 2012; Targets for 2013

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			President and CSMFO liaisons to policy committees
issues			Gain timely reports with agendas and recaps from liaisons
			Include updates and potential action opportunities for CSMFO or its members at CSMFO Board meetings

Committee Reports

Administration Committee

Chair: Steve Heide, Chino Valley Independent Fire District

Senior Advisor: Bob Biery, City of Westlake Village

Board Liaison: Terri Willoughby

The Administration Committee had another busy and productive year. For those of you who are not aware, the Administration Committee is charged with administering CSMFO's contract agreements, issuing Requests for Proposals or Requests for Bids, as necessary, maintaining CSMFO's various policy and procedure documents and manuals, reviewing monthly financial statements and other projects and analysis as directed by the CSMFO Board.

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:

The Committee worked with the Career Development Committee to create a Weekend Training Handbook during 2013. The Committee worked with Smith Moore & Associates to implement a revised monthly financial statement presentation format, which is more relevant and meaningful to the CSMFO Board. The new format has resulted in time savings for finance staff during the monthly financial statement preparation process as well.

The Committee also conducted its annual review of consultant contracts for 2013, including for Michael Coleman - local government finance training and consultation; Don Maruska coaching and professional development services; and the combined Smith Moore & Associates (SMA) - management services/Meeting & Association Management Service (MAMS) conference and meeting planning contract. The review included the completion of a consultant satisfaction survey with the CSMFO Board and Committee officers and Chapter Chairs, as well as the solicitation and review of contract status reports from each consultant. The results of the review were presented to the CSMFO Board in October.

And speaking of consultant contracts, under the Board's direction, the Committee amended and/ or extended a number of CSMFO's contracts this past year, including contract extensions for continuing member education services provided by Susan Mayer and Bill Statler, as well as contract amendments to agreements with Michael Coleman and Don Maruska.

Additionally, for succession planning purposes, this past year the Committee also established a standing calendar of the Committee's significant ongoing responsibilities. For continuity purposes, this document is intended to serve as an annual guide to new incoming Committee leaders and members, as well as to continuing Committee volunteers, regarding some of the important ongoing responsibilities, assignments and areas of responsibility.

On behalf of the Administration Committee, a special thanks to Executive Director Melissa Dixon for her active participation in and support of our Committee. Melissa is a true professional! Thank you as well to the rest of the SMA staff for their support during this past year.

Finally, the accomplishments outlined in this report would not be possible without the ongoing dedication and commitment of our volunteer leaders and members. Many thanks to the CSMFO Administration Committee team for a successful, busy and productive 2013; including Terri Willoughby, Bob Biery, Ernie Reyna and Herb Pike. These folks dedicated a significant number of volunteer hours over this past year in support of this Committee and CSMFO.

Career Development

Chair: Scott Catlett, City of Riverside

Vice Chairs: Carrie Corder, Cucamonga Valley Water District

Mark Uribe, City of Camarillo

Senior Advisors: Mary Bradley, City of Fremont

Jesse Takahashi, City of Campbell

Board Liaison: Margaret Moggia, West Basin Municipal Water District

ONGOING ACTIVITIES

In 2013 the Career Development Committee continued in its primary mission to provide inperson training courses throughout the State, the Weekend Training program and numerous webinars, all of which provide a variety of ways for our members to enhance their knowledge of government finance. Additionally, several new efforts were undertaken, including a new inperson training course on investment accounting, an expansion of the webinar program and creation of a video library of webinars that have a long-lived benefit to our members.

In calendar year 2013 CSMFO offered a record 22 in-person, one-day training courses to 675 participants, representing a 100% increase in sessions offered and a 181% increase in attendance versus 2012. These numbers exclude the new investment accounting training discussed below and represent CSMFO's core courses: Introduction to Government Accounting, Intermediate Government Accounting and Power of Fiscal Policies/Long Term Financial Planning, which are led by three very knowledgeable and well-reviewed instructors:

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

New for 2013 the Committee implemented an anonymous survey of course attendees, which has validated that our instructors are delivering quality courses valued by attendees. One hundred percent (100%) of attendees rate our instructors 4 or 5 out of 5 and 98% of attendees rate the course content 4 or 5 out of 5.

With the Board's approval in mid-2013, the Committee undertook an expansion of the webinar program, which will continue in 2014. A total of eight webinars were offered, which were attended by a record 3,081 attendees, representing a 7% increase in attendees versus 2012. Additionally, with the introduction of the new video library available on the CSMFO website, five of these webinars were archived for future viewing and reached an additional 236 viewers in the last three months of the year. The 2013 webinars were as follows:

- · Managing Employee Compensation
- Communicating Your Budget Effectively
- How the 2010 Healthcare Bills Will Affect Your Agency
- Debt Management: An Issuer's and an Investor's Point of View
- · California Municipal Health Diagnostic
- Economic Development: New Strategies and Best Practices
- Forecasting Sales & Use Taxes
- · Interpreting Actuarial Information

The Annual Weekend Training takes place in mid-November and alternates annually between locations in Northern and Southern California. In 2013, the training was held in Los Angeles with class size limited to 40 attendees. This year 35 people attended, marking the highest attendance in several years. The group is intentionally kept small to enhance the learning experience and ensure a more interactive session. Session titles include Legislative Update, Investing in Public Funds. Communicating with the Public. Revenue Enhancements, Ethics and the Finance Professional, Bond Financing, Financial Analysis and Reporting, Long-term Financial Planning and Developing an Operating Budget. The course evaluations were overwhelmingly positive and all attendees were complimentary of the experience.

Committee Reports

CAREER DEVELOPMENT CONTINUED

2013 BOARD STRATEGIC GOALS

The Board meets annually to develop strategic goals to deliver value to its membership. For 2013, the Career Development Committee worked to accomplish the following committee goals in support of the CSMFO strategic goals.

EVALUATE CURRENT TRAINING FOR OPPORTUNITIES TO EXPAND OR REFOCUS OFFERINGS

The Committee reviewed the current core course offerings and surveyed course attendees to evaluate content and attendee satisfaction. We determined that the three core courses are meeting their intended goals and are well received by attendees. The Committee also evaluated a partnership with CMTA to provide investment accounting training, and moved forward with offering a joint course with the first training held in December. The course was received very positively by the 74 people in attendance and the Committee will be evaluating making this course our fourth core course in 2014. Lastly, the Committee has worked with the Program Committee to bring popular conference content to the broader membership through webinars. In 2013 the Best Practices in Communicating Your Budget Effectively session from the conference was presented as a webinar, and in 2014 we anticipate offering 2-3 popular conference sessions as webinars later in the year.

EVALUATE PARTNERSHIPS WITH CSMFO CHAPTERS

The Committee surveyed chapter chairs and worked to evaluate whether the Committee could provide content to chapters that would be beneficial to their activities. Ultimately the Committee did not identify any meaningful way that the committee could provide content to chapters that they are not already receiving through webinars and core course offerings.

REVISE THE RESOURCE MATRIX

The Committee is in the process of revising the resource matrix, which has proved to be a challenging task due to the sizable scope of content found in the matrix. We anticipate concluding this project in 2014.

EVALUATE PARTNERSHIPS WITH EDUCATIONAL INSTITUTIONS

The Committee has determined that concentrating on delivering content to our members is a better focus for our efforts than working on partnerships with educational institutions. That being said, we do plan to work in 2014 toward developing a program to benefit members as they work to advance their career and broaden their knowledge of government finance

EVALUATE CURRENT STRUCTURE OF CAREER DEVELOPMENT COMMITTEE BUDGET

The Committee brought forward a proposal to the Board midway through the year to increase funding for the Committee by \$15,000 in order to broaden webinar offerings, deliver core course content to underserved areas of the state and create the video library. A comparable annual funding level to what was provided in the second half of 2013 has been approved for inclusion in the 2014 budget. Fortunately, due to strong attendance at core courses during 2013 nearly all of the \$15,000 allocation has been returned to reserves. The Committee is optimistic that in 2014 we will again be able to return a sizable portion of our budget to reserves thanks to strong participation in our core courses by CSMFO members.

PROMOTE THE ONE-ON-ONE COACHING PROGRAM AND SURVEY PARTICIPANTS

The Committee intends to make enhancing the one-on-one Coaching Program a focus for 2014. We have therefore deferred work on this goal until it can be integrated into a comprehensive plan to provide value to our members through the one-on-one Coaching Program and other activities designed to assist members with taking their career to the next level.

Conference Site Selection Committee

Chair: Josh Betta, City of Bell

Vice Chairs: Terrence Beaman, City of Gardena Laura M. Nomura, Riverside Public Utilities

Senior Advisor: David Cain, City of San Bernardino Board Liaison: John Adams, City of Thousand Oaks

If you want to uncrack the conference code, know this: Northern California in odd-numbered years, Southern California in even-numbered years.

The fun-loving group listed above was tasked with selection of the 2015 and 2017 conference sites. (The 2016 destination, Disneyland in Anaheim, had been selected by a prior committee). Under consideration were Sacramento, Monterey, Santa Clara, Oakland and San Jose.

After a few conference calls, it became apparent that the San Jose Convention Center was not available due to reconstruction activities, so this site was eliminated from consideration.

We met in Sacramento in March 2013. Sacramento is quite motivated to host the CSMFO Annual Conference. Hotel room rates were the best, and airport arrangements are simple. The Convention Center lies immediately across the street from the Hyatt, so the transition is relatively seamless. Neighborhood amenities are increasingly generous for extracurricular activities.

SACRAMENTO

The drawback for Sacramento in 2015 was found in the unavailability of contiguous Convention Center exhibit hall space for our professional members. (The success and well-being of our commercial members is a critical decision-making component.) In its current configuration, a Convention Center foyer would be necessary for vendor locations and business displays. This would exclude commercial members from much of the conference activity.

MONTEREY

Divided between two cars, we took to the road. Monterey was the first stop. The Portola Plaza Hotel and Monterey Convention Center emerged as an emotional favorite of the Committee. The transition between indoor and outdoor is highly attractive. The transition between hotel and Convention Center is seamless. Room rates, at \$179, are less than Oakland and Palm Springs. And prices at the Monterey Airport are no longer prohibitive.

It may be that this is the last opportunity for the CSMFO to enjoy the Monterey site. If our membership numbers increase, we will soon become too large a group to be hosted in Monterey.

Last, an attribute of high importance: the Monterey site is regarded as the best for our vendors and their business displays. There is space at the Convention Center to have all exhibitors in one contiguous room. Again, happy vendors are good for the Conference.

SANTA CLARA

In Santa Clara, our last stop, the City's Director of Finance, Gary Ameling, led a sophisticated presentation team. The Santa Clara proposal, despite Gary's warm welcome, was hamstrung by hotel availability. The proposal called for lodging participants in four different hotels, two of which would require shuttle service to the Convention Center. In order to secure all sleeping rooms within the Santa Clara Hyatt, CSMFO would be required to abandon the Tuesday to Friday format in favor of a Sunday to Wednesday format. This was a deal breaker in the context of the Board's current vision.

It was, however, a unanimous opinion of the Committee that Santa Clara offers a prime venue for future conferences if a common hotel can be confirmed within the current Tuesday to Friday conference format. The location will likely generate a high level of day commuters. On the flip side, however, Silicon Valley economics are such that room rates hover at an expensive over-\$200 a night (based on the Sundaythrough-Wednesday proposal).

THE CHOICES?

2015: Monterev

2017: Sacramento (pending further negotiations to be undertaken by Meeting Planner Teri Anticevich).

Committee Reports

Membership Benefits Committee

Chair: Christy Pinuelas, City of Agoura Hills Vice Chairs: Brent Mason, City of Riverside Jennifer Wakeman, City of Walnut Creek

Senior Advisor: Jesus Nava, Santa Clara Valley Water District

Board Liaison: Drew Corbett, City of Menlo Park

The Membership Benefits Committee worked on the following Board established goal in 2013:

- Marketing CSMFO membership to nonparticipating agencies
- What does a membership fee pay for/what does membership include?

The targets for 2013 were to:

- Build ongoing relationships with multiple touches to attract new members
- Share the list of non-members with chapter chairs and other leaders to tap connections
- Establish a new member welcome; welcome email; Chapter Chairs to follow up with new members; new member portal/page on website.

Each of the targets was met.

In addition the committee held a New Member breakout session at the 2013 conference in Oakland. This session was 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 session was well attended and the committee is planning to host an additional session at the 2014 conference in Palm Springs.

Additionally the committee prepared an analysis of the membership fee and what it includes. This analysis will be brought to the Board at a later date.

Professional Standards & Recognition Committee

Chair: Ken Brown, City of Irvine

Vice Chairs: Craig Boyer, Transbay Joint Powers Authority

Mike Gomez, Moulton Niguel Water District

Marc Puckett, City of Apple Valley

Senior Advisor: Scott Catlett, City of Riverside Board Liaison: Teri Albrecht, City of Merced

The Professional Standards & Recognition Committee had a transitional year in 2013, as the Committee had a new Chair, two new Vice Chairs and also a change in membership from prior years. The focus of the Committee has been on training its new members and developing new leaders while maintaining the high-quality services and programs for which it is charged responsibility. Former Committee Chair Scott Catlett served as a valuable technical resource to the Committee this year and provided muchneeded continuity and expertise.

Despite a significant turnover in leadership and members this year, the Committee continued to pursue additional refinements to the transition of the CSMFO awards programs to a fully online application process. First, the Committee introduced Dropbox to store completed budget scoring applications. The purpose of this improvement is to maintain accessibility to processed applications and to provide centralized access to these documents so that they can be easily shared and preserved. Second, the Committee continued to investigate new opportunities to enhance the efficiency and effectiveness of administering the budget award program. For example, the Committee evaluated a product demonstration of a company in the business of managing online budget award applications. The Committee also began working with the CSMFO Technology Committee and CSMFO technical staff to identify opportunities to further streamline existing award application management. The Committee also continued to evaluate the envisioned shift to a new points system for the budget award program. A report was presented to the Board in early 2013 on this subject. Subsequent to this, the Committee

discussed options for developing a new online scoring application in HTML language for the Internet with the Technology Committee.

The Committee continues to publicize the new CSMFO Innovation Awards program and has seen a doubling in award applications from the prior year. This new award replaces the prior Public Communications and Innovation in Budgeting awards. The second annual Innovation awards (up to three may be granted each year) will be announced at the upcoming 2014 Conference in Palm Springs.

Committee Goals for 2014

For 2014, the Committee's foremost goal is to recruit new members and develop expertise and talent. A gradual transition in leadership for the Committee is further planned as the existing Chair seeks to return to an advisory capacity given a recent change in work responsibilities. Fortunately two excellent Vice Chairs provide the Committee with continuity in 2014. They are both eager to advance Committee's initiatives.

Now that the Vice Chair overseeing the CAFR awards program has been in place for several months, he is positioned to foster thoughtful changes to this program next year. The Committee will also work to transition the budget awards program to the new scoring methodology introduced in early 2013. This transition is expected to include a technical component allowing online scoring of budget applications. The Professional Standards & Recognition Committee will work with the Technology Committee to advance this cause in 2014.

Committee Reports

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: John Adams, City of Thousand Oaks

The CSMFO 53rd Annual Conference, "California Finance...and All That Jazz," was held February 20-22, 2013, at the Oakland Marriott in Oakland, California. Registration for the conference exceeded expectations of the Host Committee at over 800, and set a record for a Northern California CSMFO Conference.

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

How to Get to "You're Hired," with coaching tips from Bobbi Peckham and Phil McKenney of Peckham & McKenney.

Revenue Remedies – An Interactive Session on Enhancing Your Revenue Health, presented by Nicole Kissan and Greg Clumpner of NBS, and Michael Colantuono of Colantuono & Levin.

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 Michael Gold and his group, Jazz Impact, presenting a lively session aimed at improving collaboration, trust risk management and collaborative learning.

The Thursday lunch included News from the Front: Update from the CalPERS Chief Actuary, with Alan Milligan from CalPERS providing valuable information about pension reform and initiatives underway at CalPERS to ensure adequate funding of the system.

Breakfast on Friday morning was served with The Coleman Report, an update on State fiscal matters from Michael Coleman, Principal Fiscal Policy Advisor to 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: Rick Teichert, City of Moreno Valley

Vice Chairs: Steve Groom, Beach Cities Health District

Chu Thai, City of Monterey Park

Senior Advisor: Barbara Boswell, City of Lancaster Board Liaison: Joan Michaels Aguilar, City of Dixon

During the past year the Technology Committee focused on working with the various committees to address needs related to the website to improve the usability and value to the membership. The Committee worked with Scott Catlett, Senior Advisor of the Career Development Committee, to create a website section to make webinar and training videos available to the members, similar to the Resource Room. This adds incredible value to CSMFO members, who can now access these materials via the website in an efficient and organized manner. Many thanks to Justin Lewis, our technology liaison with Smith Moore & Associates, Inc., for his work on this project and overall support of our committee efforts.

Steve Groom took the lead on a project to reorganize and restructure the Resource Room. The work that he completed with Justin's technical assistance makes the resources that are archived in this section of the website much more user-friendly and logical to find and use. Again, this project has added more value to our members since this is a much-used resource by finance professionals.

The Committee has continued to improve and develop the use of social media to connect with members and potential members. Justin Lewis took ownership of the CSMFO Facebook page, which had been an auto-generated page from Wikipedia information. CSMFO now controls its Facebook page and provides a forum for active

dialogue and connection with its members. The CSMFO LinkedIn site was established over a year ago and remains active with over 740 group members. The group provides a forum to alert both members and future members about training and conference activities. It is also a forum for a wide range of discussion topics, including issues such as municipal bankruptcy, credit card security standards, priority based budgeting and numerous other timely and topical issues.

The Committee continues to coordinate the update of the Annual Conference website and other technology-related issues, such as use of the Guidebook App at the conference. The Committee reviewed the survey responses from members' use of the Guidebook App at the previous conference and confirmed its value to use this app again at the 2014 conference.

The Technology Committee has plans to work with more committees in 2014 to continue to improve areas of the website. Focusing on furthering our reach through social media will also remain a priority for the new year. I thank the Committee members and its leaders for making 2013 a very successful year for the Technology Committee.

Chapter Chair Reports

Central Coast Chapter

Chair: Brad Wilkie, City of Lompoc

The Chapter Chair since at least 2009, Jennifer Sorenson of the City of Paso Robles retired in September 2013 after serving both the City of Paso Robles and the Central Coast Chapter of CSMFO. Jennifer guided the Chapter through the year. Following is a summary of the activities of the Chapter:

The Chapter holds meetings every other month, hosted by Pismo Beach, centrally located for Chapter members from as far north as Paso Robles and Cambria and as far south as Solvang and Buellton. The Chapter held four luncheon meetings during 2013.

On March 8, 2013, Barbara Goodwin, the Property Tax Manager for the County of San Luis Obispo, was the guest speaker. Barbara spoke about the projections for property tax revenues in San Luis Obispo for 2013. The meeting was very well attended with 16 members and guests in attendance.

On July 11, 2013, the Chapter was honored with a presentation by one of the founders of the HdL Companies, Lloyd deLlamas. The Chapter had one of its largest groups in attendance with 22 members and invited guests. Lloyd discussed the generational changes in buying habits and the effect on governmental revenues due to the continuing shift away from "bricks and mortar" purchases to the internet, e-bay and other online methods.

On September 11, 2013, Mike McCann of OpenGov presented "Improving Transparency with Data Visualization Sofware." Mike's presentation showed how OpenGov provides a platform for providing tools to users of governmental data in common, easy-to-read formats. This meeting was well attended for both the presentation as well as the farewell meeting for Jennifer Sorenson. Retired CSMFO member and Central Coast Chapter member Bill Statler was instrumental in scheduling Mike for the meeting.

On November 14, 2013, Laura Franke of the PFM Group presented "Investing in Energy Infrastructure, Financing Options." Laura provided information for investment opportunities in energy efficiency for both governmental operations as well as programs available to the general public. Property Assessed Clean Energy (PACE) programs were introduced, which are available in both Santa Barbara County and San Luis Obispo County.

On January 9, 2014, the Central Coast Chapter opened the new year with a program by Jim Erb, the Auditor-Controller and Treasurer-Tax Collector for the County of San Luis Obispo. Jim's program was very informative regarding the transition from separate directors for the two departments to the consolidation of the two. Jim also spoke about the County's successful transition to a new integrated software platform. The meeting also included a healthy and robust roundtable discussion regarding program opportunities for the rest of 2014. Topics of interest include property taxes, software conversions, public finance, regulatory changes for audits and CSMFO training opportunities.

Through the year, the Chapter enjoyed the participation of commercial members of CSMFO who bring their perspective to our meetings. I would like to thank Jennifer Sorenson for her support to the Central Coast Chapter through the years and during the transition, Nadia Feeser for being the Chapter host and Bill Statler who assisted both Jennifer and I with program ideas. Thanks go out to all the members of the Central Coast Chapter for making this a successful year.

Central Valley Chapter

Chair: Suzanne Dean, City of Ceres

The Central Valley Chapter held four meetings during 2013:

March 21, 2013 hosted by the City of Ceres. This was a joint meeting of the CSMFO members and the City Managers in our Chapter. Our speaker was Zane Johnston, retired Finance and Administrative Services Director for the City of Tracy. Zane presented the results of his survey, "The Top 10 Budget Cutting Challenges Cities and Districts Can Pursue." This is the same presentation he gave at the 2013 Annual Conference. Very well received.

May 16, 2013 hosted by the City of Oakdale. Our speaker was Stephen Qualls, Central Valley Regional Public Affairs Manager for the League of California Cities. He presented a legislative update on topics that directly affect cities and the financial aspects of that legislation. An appropriate discussion during budget preparation season.

July 18, 2014 hosted by the City of Modesto. Our speaker was Donald Raught, CTP, AAP, Vice President Sr Relationship Manager, Union Bank. He spoke to our Chapter regarding current fraud trends and solutions. This meeting proved to be very timely and the information received was very valuable.

November 21, 2013 hosted by the City of Merced. Our speaker was Ahmed Badawi of Badawi & Associates, Certified Public Accountants. His presentation was on GASB 68, Accounting and Financial Reporting for Pensions. His explanation of GASB 68 was complete and informative.

The Central Valley Chapter continues searching for ways to increase participation. We made great strides in 2013 with varying the host cities and encouraging members to attend. Attendance has averaged 20 per meeting. It was decided that Suzanne Dean would continue as Chapter Chair for 2014.

Channel Counties Chapter

Chairs:

- Joseph Lillio, Las Virgenes Municipal Water District
- Licette Maldonado, City of Camarillo

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 and a special holiday meeting in December at the Ronald Reagan Presidential Library. Meetings in 2013 featured the following topics and speakers:

- "It is All About the Economy," Chris Thornberg, Beacon Economics
- "New Pensions Standards GASB 68,"
 Gary M. Caporicci, CPA, CGFM, CFF, Partner,
 Pun & McGeady, LLP and Kenneth H. Pun,
 CPA, CGMA, Managing Partner, Pun &
 McGeady, LLP
- "Coleman Update,"
 Michael Coleman, Principal Fiscal Policy
 Advisor to the League of California Cities
- "Legal Happenings in Government Finance," Michael G. Colantuono, Colantuono & Levin
- "Organizational Effectiveness and Efficiency, Bill Statler
- "The Latest on the California Economy,"
 The Honorable State Treasurer Bill Lockyer

Our Chapter participation continued to be consistent and range from 35 to 75 per meeting in 2013.

Chapter Chair Reports

East Bay Chapter

Chairs:

- Erick Cheung, City of Piedmont
- Jennifer Wakeman, City of Walnut Creek

The East Bay Chapter in Northern California includes Alameda County, Contra Costa County and western cities of Solano County. The Chapter continues to hold joint meetings with CMTA Division V, which is co-chaired by Richard Loomis, Finance Director of Pinole. We have had good turnouts for our events from the county, cities, special districts and commercial members.

Our regular meetings were held in the City of Pleasant Hill at Back Forty. This site is the approximate center of our Chapter area and helps to maximize attendance.

Following are highlights of the meetings held in 2013:

- JANUARY 11, 2013. John Bartel of Bartel Associates, LLC did a presentation on AB 340 Public Employees Pension Reform Act (PEPRA) and impacts to local agencies and employees with facts known at that time. Justin William of Mann, Urrutia, Nelson, LLP covered GASB 67 & GASB 68 Pension Accounting and how the new GASBs will impact local agencies.
- MAY 10, 2013. Paul Jarvis and Peter Becker of Time Value Investments gave a presentation on "Bonds 101: Public Funds Investing." The real-world examples they provided and knowledge shared were good reminders of bond basics.
- AUGUST 9, 2013. Finance and human resource professionals were invited to this meeting, the presentation for which was on the Affordable Care Act and the unique challenges and financial implications for municipalities. Steve Gedestad and Howell Southmayd of Keenan and Associates presented information on the approach, analysis and strategic planning needed to comply with this complex legislation. Attendees benefited from the knowledge of the well-experienced presenters and were able to receive feedback on questions related to their specific agency.

In 2014, our goal for the East Bay Chapter is to provide consistent meetings on relevant topics that are developed through greater engagement of chapter members. We would like to thank everyone that helped us to put on these events, especially all of the people who volunteered their time to speak at our meetings and the agencies for which we work.

Inland Empire Chapter

Chair: Ernie Reyna, Western Riverside Council of Governments

Summary of 2013 Chapter Events During the 2013 year the Inland Empire Chapter held six events at Dave & Buster's in Ontario. Four of the six meetings had at least 50 members in attendance while the January meeting had 107 and the March meeting topped out at 120.

Chapter meeting topics for 2013 were as follows:

- JANUARY 17, 2013. 2013 Inland Empire Economic Outlook (4th Annual Event) with local economist Dr. John Husing. Attendance: 107.
- MARCH 21, 2013. California's Fiscal Condition with The Honorable John Chiang, California State Controller. Attendance: 120.
- MAY 23, 2013. Environmental Finance with Laura Franke of PFM. Attendance: 50.
- JULY 18, 2013. What Public Agencies Should Know About the Affordable Health Care Act with Isabel Safie and Allison De Tal of Best Best & Krieger LLP. Attendance: 88.
- SEPTEMBER 19, 2013. Special District Delinquent Property Tax Sales – How to Get Your Money Faster with Brent Mason, City of Riverside and Robert A. Owen of the Law Offices of Robert A. Owen. Attendance: 65.
- NOVEMBER 21, 2013. Year-End GASB Updates with Terry Shea of Rogers, Anderson, Malody & Scott. Attendance: 80.

Chapter Goals for 2014

The Chapter will continue to hold, at a minimum, six events for the year and will begin the year by having the 5th Annual Inland Empire Economic Outlook. The Chapter will also look to bring in even more members to the meetings and expand as much as possible.

Monterey Bay Chapter

Chair: Marcus Pimentel, City of Santa Cruz

The Monterey Bay Chapter is honored to congratulate and welcome Tori Hannah (City of Capitola) and Lauren Lai (City of Marina) as our new Monterey Bay Chapter Chairs in 2014. They are long-time supporters and will bring a strong combination of exceptional financial leadership and skills mixed with enthusiasm and passion for our profession.

Our Chapter strives to provide interesting topics and great food, along with the opportunity to meet and discuss common issues and challenges. We hold casual, quarterly luncheon events with attendance of 25-60 from over 20 cities and over 15 districts and counties, in addition to strong private sector support.

We finished 2012 very strong with one of our largest events (66 attendees), To Bell & Back. This session covered topics from lessons learned in the City of Bell to CalPERS pension reform and residential lending trends. Many thanks to Bill Statler and John Bartel (Bartel & Associates) for their entertaining and enlightening presentations, as well as Zachery Adam (Chase Bank). We carried that momentum into 2013 with the following informative and engaging sessions:

- Funding Other Post Employment Benefits (OPEB) Liability by John Swedensky, CERBT Program Manager, CalPERS (CalPERS Retiree Benefit Trust Program)
- Get Paid by Paying Your Vendors by Leslie Massey, APSC, Vice President, Account Executive, Commerce Bank (Automating vendor payments)
- The Changing Landscape of Negotiations by William Kay, Partner, Burke, Williams & Sorensen, LLP (Key strategies following concession bargaining and CalPERS rate increases)
- A State and Federal Fiscal Update for Local Agencies by Michael Coleman, Principal Fiscal Policy Advisor to the League of California Cities (Update on state and federal fiscal conditions, policies and proposals)

- Analyzing Fiscal Condition Fiscal Warning Signs by Michael Coleman, Principal Fiscal Policy Advisor to the League of California Cities (Identify the potential for financial crises)
- Future of Sales Tax by Lloyd deLlamas, Partner, HdL Companies (Demographic, per capita sales tax and e-commerce impacts on our revenue streams)
- STARS Retirement Plan Option by Richard Averett, Executive Director/CFO, Regional Government Services Authority; Ed Wagner, Managing Director, SageView Advisory Group (Maximizing employee benefits within existing financial restraints)
- Management Reporting, Open Government, Transparency and Community Engagement by Mike McCann, Delphi Solutions (New paradigm for social media and community demand for quick financial views and information)

We are thankful for having had such an incredible group of industry-leading presenters bring their knowledge, insights and excitement to help us add value to our respective agencies. But most importantly, we thank our friends (fellow CSMFO members and event attendees) for supporting our Chapter and bringing your vast depth of government finance knowledge along with optimism for the future.

With our new 2014 Chapter Chairs, we are very excited about the year ahead and have some great sessions already lined up. We extend an open invitation to anyone to come to the warm, tasty and scenic Monterey Bay and spend the weekend exploring our beautiful home. If you would like to be added to our local mailing list or have any questions about our Chapter, please don't hesitate to contact Tori Hannah (thannah@ci.capitola. ca.us) or Lauren Lai (llai@ci.marina.ca.us).

It has been my honor and pleasure to have served our Monterey Chapter for these past 11 years. Thank you.

Chapter Chair Reports

Orange County Chapter

Chairs:

- Pamela Arends-King, City of Tustin
- Stephen Parker, City of Stanton

The CSMFO Orange County Chapter held four luncheon meetings in conjunction with CMTA Division IX for 2013. The average attendance of the meetings was 52 people. The meetings held were:

- MAY 1, 2013. "Sales & Property Tax Outlook for 2013," conducted by Paula Cone and Andy Nickerson of Hinderliter, De Llamas & Associates (HDL).
- SEPTEMBER 12, 2013. "What do GASB 63 and 65 Mean to Me?" conducted by Ken Al-Imam of Mayer Hoffman McCann.
- NOVEMBER 18, 2013. "Be Prepared Business Continuity," conducted by Kathryne Daniels of Bank of America Merrill Lynch.
- DECEMBER 18, 2013. "Lessons Learned in Bankruptcy," conducted by Michael Busch of Urban Futures Inc.

At each meeting, our generous vendors have provided gift cards or other gifts to be raffled off. We would like to offer our appreciation to those vendors.

Peninsula Chapter

Chair: Stuart Schillinger, City of Brisbane

The Peninsula Chapter in Northern California includes San Mateo, Santa Clara and San Francisco Counties.

The San Mateo County Finance Officers and the Santa Clara County Finance Officers hold meetings on a regular basis within their respective counties. This allows for more direct interaction between the finance officers and their peers.

Once a year in December, a joint meeting between CMTA and CSMFO is held to celebrate the holiday season.

The major topic of conversation in the San Mateo County group has been the dissolution of the Redevelopment Agency and Successor Agency funding.

Sacramento Valley Chapter

Chair: Robin Bertagna, City of Yuba City

The Sacramento Valley Chapter is holding quarterly meetings. The reinvigorated Chapter meetings have been well attended as follows:

- APRIL 17, 2013. The Elimination of Redevelopment including war stories, lessons learned and experiences. Our guest speaker was Don Fraser, Principal of Fraser & Associates, and the meeting was hosted at the City of Yuba City.
- JULY 17, 2013. Year End Audit Procedures
 Checklist information exchange to generate
 ideas for streamlining or enhancing existing
 procedures. The meeting included roundtable
 discussions in groups of 8 to 10 and was hosted
 at the City of Lincoln.
- OCTOBER 16, 2013. Forecasting Sales Tax
 Revenues including the Do's and the Don'ts.
 Our guest speaker was Lloyd deLlamas,
 Chairman of the Board and Partner with HDL
 Companies and was hosted at the Sacramento
 Regional Fire/EMS Training Center.
- FEBRUARY 6, 2014. We are scheduled to have two guest speakers: Placer County Assessor Kristen Spears to discuss trends in property values and property tax revenues; and Nate Levine from OpenGov.com to provide us with a brief presentation showing how the City of Rocklin is improving budget and financial transparency through improved data presentation and availability to citizens. The meeting will be hosted at the City of Rocklin.

San Diego County Chapter

Chair: Irina Kumits, City of San Diego

The San Diego Chapter held three luncheon meetings in 2013, which hosted speakers from different municipalities. The Chapter holds luncheon meetings on a quarterly basis by rotating them among the cities in San Diego County. The cities that hosted the meetings in 2013 did an excellent job organizing them and arranging the meeting venues. The meetings were well attended ranging from 38 to 67 attendees per meeting.

The first meeting was held on March 5, 2013 in the City of Chula Vista. The guest speaker for this meeting was Ed Chew, Administrative Services Manager for the City of Chula Vista, who made a presentation on the City of Chula Vista Continuous Improvement program.

The second meeting was held on June 27, 2013 in the City of Coronado. The guest speaker for this meeting was Ernest J. Dronenburg, San Diego County Assessor, who made his annual presentation on the San Diego County Property Valuation.

The third meeting was held on October, 2013 in the City of Del Mar. The guest speaker for this meeting was Ken Al-Imam from Mayer Hoffman McCann P.C. who presented GASB 68, 'Pension Reporting.'

Thank you to the following for organizing these meetings: Maria Kachadoorian from the City of Chula Vista, Leslie Suelter from the City of Coronado and Teresa McBroom from the City of Del Mar.

San Gabriel Valley Chapter

Chairs:

- Andrew Green, City of Pasadena
- Tracey Hause, City of Temple City

The San Gabriel Valley Chapter held four meetings between February 2013 and February 2014, all at the Courtyard Marriott in Monrovia, California.

May 15, 2013. Speakers: Kurt Shadle, Tower Capital Management; William Dahms, Meridian; Robert A. Owen, Attorney. Topic: Monetizing Your City's Share of the Secured Defaulted Tax Roll for Immediate Extra General Fund Cash

July 17, 2013. Speakers: Mike Haney, Marketing Director and Steve Arnold, Principal, Capital Research + Consulting. Topic: Plan Administration Fees: "Are You Paying Too Much"

November 20, 2013. Speaker: Mary Elizabeth Redding, Bartel & Associates. Topic: Potential Changes in CalPERS Rates and Other Actuarial Pearls of Wisdom

January 22, 2014. Speaker: Connie Perez, CPA Brown Armstrong Accountancy Corporation. Topic: Importance of having an Independent Audit Committee



League Policy Committee Reports

Community Services

Appointee: Rick Teichert, City of Moreno Valley

The League's Community Services Policy Committee met three times during 2013. The Committee meetings continued to include briefings on issues related to the State Budget and other State-related developments, including key issues impacting Successor Agencies to former redevelopment agencies.

The Committee received an extensive presentation on Historic Preservation at the April meeting in Pasadena. The Mayor of Pasadena was the key presenter on a panel of four, providing a thorough background on the benefits of successful historic preservation, from economic and tourism to promoting business growth and economic benefits and providing a center of civic pride and quality of life in the community. The panel provided an overview of tools to advance preservation, which included funding sources, engagement of the development community alignment of City goals and policies to ensure historic preservation is a priority.

The focus at the June meeting was presentation and discussion of the City's role in diverting juveniles from the justice system. This was a panel discussion of three cities that are actively engaged in funding and implementing programs that engage at-risk youth in creative ways. Programs range from internship opportunities, operating teen centers to engage middle school youth, partnering with schools to offer after school programs and school-based lawenforcement-officer-based curriculum. Funding options included concepts from ½ cent sales tax to several grant opportunities.

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 was briefed on various cities' progress toward implementing the program. Information is available at www. HealCitiesCampaign.org.

Each meeting, the Committee was briefed on legislation impacting community services. The Committee spent a great deal of time discussing the merits of legislation requiring criminal background checks for those involved with youth sports. The major concern was the ability of those overseeing youth sports to secure the confidential information that they would be provided. The Committee also monitored seven bills that related to lowering voter thresholds on specific issues, such as library parcel taxes, school parcel fees, community and economic development and others.

I appreciate the opportunity to represent CSMFO on this Committee during 2013. I highly recommend involvement with a League Policy Committee; check out the committee opportunities on the League's website and discuss your interest with a CSMFO Board member. Bringing the financial perspective of cities to the policy and program discussions is important and an enjoyable way to be active with both CSMFO and the League.

Employee Relations

Appointee: Robert Harmon, City of Tracy

The League's Employee Relations Policy Committee reviews issues related to the field of labor relations and human resource management. In 2013, public pensions were the primary focus of the Employee Relations Committee. Besides several special presentations, the Committee keeps up-to-date on current and potential legislation that affects local governments in the labor relations arena. These are some of the topics discussed and activities of the Committee:

- Labor Negotiations Strategies in the Era of Pension Reform
- Impact of CalPERS Proposal to Change Asset Smoothing and Amortization Policy
- OPEB Liabilities: Cities' Obligations to Report and Fund them and Strategies for
- Funding
- · Pension Reform Update from CalPERS
- League of California Cities Partner Program: Cities for Workforce Health Initiative
- Request for CalPERS to provide annual financial reports that outline unfunded liabilities
- Discussion on local governments opting-out of CalPERS

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

Environmental Quality

Appointee: Thom Venegoni, San Francisco State University

The League's Environmental Quality Policy Committee met three times in 2013: January 19, April 5, June 14.

JANUARY 19: The 2013 work program was introduced. Priority issues were: Cap and Trade policy, and SB 275 – CEQA modernization. The 2013 work program was adopted by the Committee.

APRIL 5: The legislative agenda contained two bills for consideration:

- AB 823 (Eggman) California Farmland Protection Act. Mitigates loss of agricultural lands converted to another use.
- AB 719 (Hernandez) Energy Efficiency. Promotes local control of utility-owned street light poles.

The Committee voted to support AB 823 if amended to include provision that land swaps for lost agricultural land is of equal or greater quality for agricultural use and that certain legacy orchards could be ineligible for displacement.

The Committee unanimously voted to support AB 719, as introduced.

JUNE 14: the legislative agenda contained two bills for consideration

- · AB 719 (Hernandez) Energy Efficiency
- AB 691 (Muratsuchi) Sea level rise mitigation plan for coastal parcels under control of a local trustee.

AB 719 (Hernandez) – Energy Efficiency. The bill was significantly amended after the April 5 meeting. The amendments included a funding mechanism to exchange high electricity-using lighting with low electricity-using LED light bulbs. The new version of the bill required the Public Utilities Commission to order electrical corporations to submit a tariff to fund energy efficient street light poles. The Committee voted to reaffirm support for AB 719 as amended.

AB 691 (Muratsuchi) – Sea level rise mitigation plan for coastal parcels under control of a local trustee. The Committee voted 21-5 to oppose AB 691 unless amended. The Committee decided that the assessment should be funded by the State Lands Commission and not the local trustee. Further, sea level rise should be assessed at the statewide level. Local trustee plans may be redundant because of other regional, city or county assessments.

League Policy Committee Reports

Housing, Community & Economic Development

Appointee: Stuart Schillinger, City of Brisbane

The Committee met three times. Two major issues discussed were Federal Immigration Reform and changes to CEQA law.

Recommendations of League Federal Immigration Reform Task Force

- The HCED committee had three members on the Task Force.
- There was a desire to support the Task Force recommendations.
- · Issues over border control were raised as well as children of undocumented immigrants. A question was also asked about the recommendation (#8) to provide a legal path to citizenship because there are many more applicants than available spots. The Task Force vetted over 30 issues and the nine issues brought before the Committee were the items wherein there was Task Force agreement. The Task Force focused on building a coalition and reaching a consensus. With regards to #8, the Task Force did not get into the details, but those that would have an opportunity to obtain legal status would go to the end of the line and probably have to wait through a 13-year-long process.
- • There was a motion and second to adopt the nine Task Force recommendations. All were in favor, with one abstention.

CEQA

- The League put together a CEQA Task
 Force made up of members from four Policy
 Committees: HCED, TCPW, EQ and Rev &
 Tax.
- The Task Force had two conference calls. On the first conference call each provision in SB 731 (Steinberg) was discussed and a recommendation was made. On the last conference call, an overall recommendation was made, which was to seek permission to send a letter to Senator Steinberg and the Legislature outlining the League's priorities in SB 731.
- The Policy Committee moved and seconded to support the Task Force recommendation. It was a unanimous vote to support.

Revenue & Taxation

Appointee: Bob Biery, 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.

2013 League Strategic Goals

- Build lasting partnerships
- Expand community and economic development tools and funding options for city services
- Continue pension and other post-employment benefits (OPEB) reform
- · Implement an effective League branding strategy

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

- · Next generation of economic development tools
- Infrastructure Financing Districts
- · Enterprise Zones
- · Lower vote threshold measures
- · LOA background on tax expenditures
- Reassessing commercial property
- Local fiscal issues and bankruptcy
- · Measures expanding State Controller's authority
- · New incorporations and inhabited annexations

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 & litigation
- · State budget 2013-14
- · Immigration reform task force

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.

Transportation, Communications & Public Works

Appointee: Michael Matsumoto, City of Pico Rivera

The League's Transportation, Communications & Public Works Policy Committee held three meetings in 2013. Several difficult issues were discussed during the year.

The 2013 League Strategic Goals were approved along with the work plan.

Street Light Energy Efficiency AB 719
The conversion of street lights to more energyefficient lighting is very cost effective, and many
cities have done this with their own poles (convert
the circuits to parallel instead of series circuits,
meter the lights and move away from high-pressure
sodium vapor bulbs). The problem is that for poles
owned by public utilities, the electricity is paid for
by the cities. The utilities have no incentive to do
the upgrades, and if cities have to buy the poles
before doing the improvements, the cost savings are
not there.

The original proposal was to require public utilities to upgrade their poles as quickly as the city upgrades their poles. This was approved by our Committee (support).

The bill was amended to require the utilities to establish a tariff, and the money could be used to make the street lights more energy efficient. This was also approved by the Committee (support). This bill passed.

HIGHWAY USERS TAX

The revenues for HUTA have fluctuated due to a number of mistakes and miscalculations due to the 2010 Gas Tax Swap, so there have been several corrections and true-ups. The Committee was considering asking for an audit to make sure all of the fixes have been done. For stability of revenues, the staff is working on some ideas that could include using historical numbers based on what would have been collected under Prop 42 (TCRP), but this would mean the revenues would be based on actual receipts two years earlier. This will likely be on the agenda in January 2014.

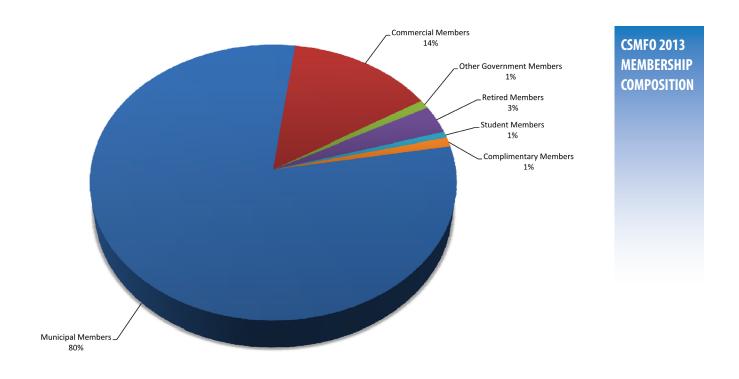


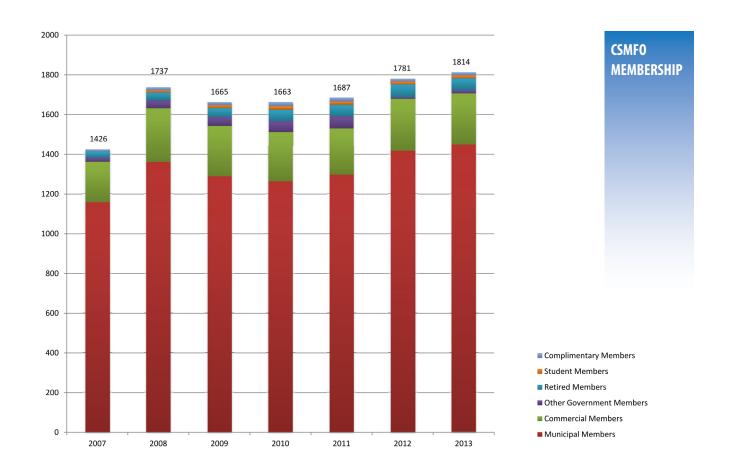
Membership and Financial Information

Year	Municipal Member	Commercial Member	Other Government Member	Retired	Student	Complimentary	Total
2013	1,449	256	18	59	13	19	1,814
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	Governament City	Government 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

A bylaws change in August of 2006 amended the CSMFO membership structure.





BALANCE SHEET

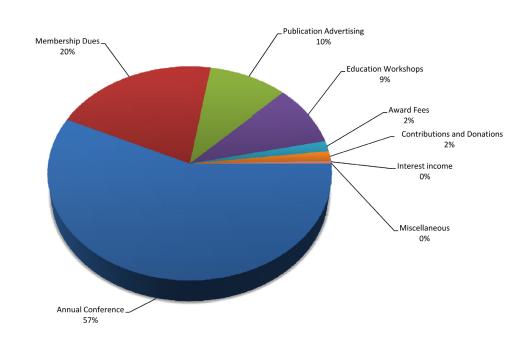
ASSETS	2013	2012
CURRENT ASSETS		
Cash and Investments	851,212	714,825
Accounts Receivable	14,982	2,865
Other Current Assets	58,411	43,983
TOTAL CURRENT ASSETS	924,605	761,674
TOTAL ASSETS	924,605	761,674
LIABILITIES AND NET ASSESTS		
LIABILITIES		
Current Liabilities		
Accounts Payable	28,235	15,872
Other Current Liabilities	325,805	325,552
Total Current Liabilities	354,040	341,424
TOTAL LIABILITIES	354,040	341,424
NET ASSETS		
Restricted	0	0
Unrestricted	570,565	420,250
TOTAL LIABILITIES & NET ASSETS	924,605	761,674

REVENUE AND SUPPORT	2013	2012
Annual Conference	\$558,440	\$586,880
Membership Dues	\$199,875	\$181,335
Publication Advertising	\$95,821	\$78,063
Education Workshops	\$88,900	\$36,260
Award Fees	\$15,600	\$16,205
Contributions and Donations	\$15,101	\$12,561
Interest income	\$718	\$974
Miscellaneous	\$2,850	\$1,200
Subtotal Operating Revenues	\$977,306	\$913,478
Expenses		
PROGRAM SERVICES		
Annual Conference	\$435,802	\$487,340
Education Workshops	\$134,941	\$76,938
Legislative seminar	\$0	\$0
Subtotal Program Services	\$570,743	\$564,277
OPERATING SERVICES		
Management Services	\$135,903	\$131,716
President's expense	\$3,735	\$4,858
Board & Committee Meetings	\$29,941	\$26,400
Office Supplies and Telephone	\$3,237	\$2,564
Printing	\$11,413	\$9,905
Postage	\$3,213	\$4,576
Web and technology expenses	\$13,383	\$11,455
Audit	\$7,522	\$9,470
Insurance	\$2,094	\$2,260
Miscellaneous	\$44,997	\$34,195
Donations	\$0	\$0
Bad Debt	\$810	\$200
Website Redesign	\$0	\$0
_		ć227.600
Subtotal Operating Services	\$256,248	\$237,600
Subtotal Operating Services TOTAL EXPENSES	\$256,248	\$237,600

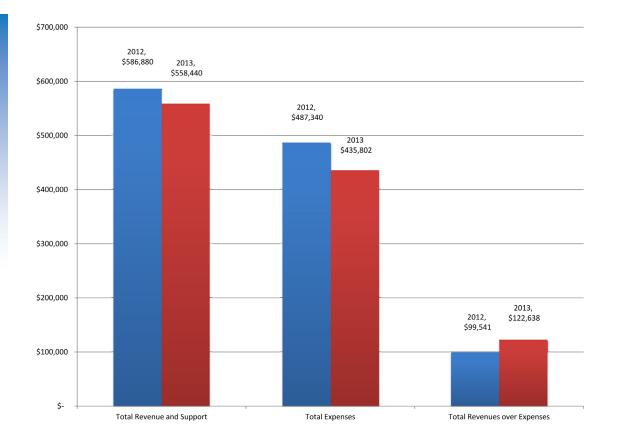
STATEMENT OF ACTIVITIES

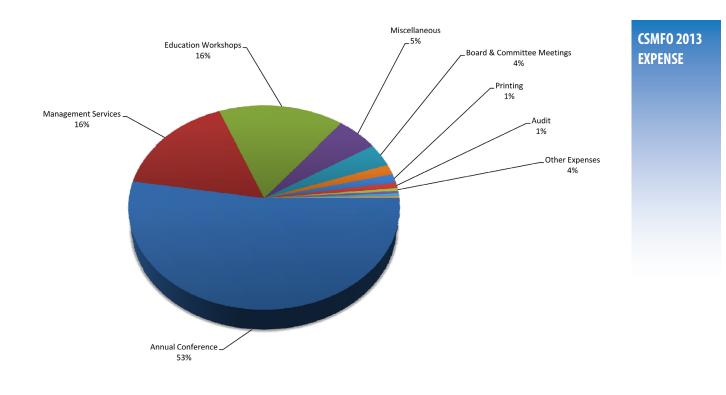
2013 Financials

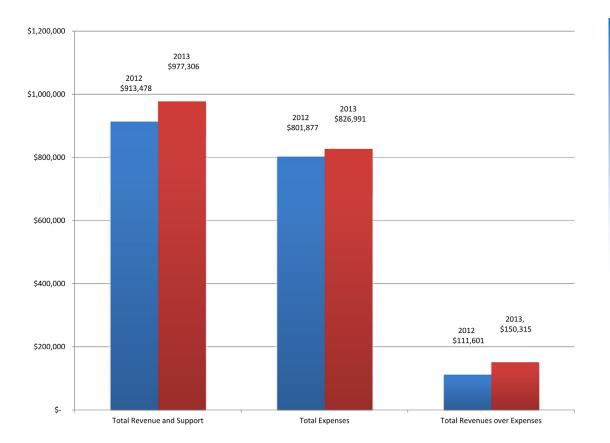
CSMFO 2013 REVENUE



CSMFO ANNUAL CONFERENCE BAR CHART







CSMFO FISCAL YEAR BAR CHART

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