



ANNUAL REPORT 2016



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 to our members 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 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.

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, vice chair(s) and senior advisor(s). The President appoints these leadership positions.

Chapters:

Regional chapters are the backbone of our organization. There are twenty (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 a Chapter Chair who, along with a Vice Chair, 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. Other consultants are contracted at the direction of the Career Development Committee for CSMFO’s educational programming.

2016 BOARD OF DIRECTORS | 05

PRESIDENT REPORT | 06

PRESIDENT-ELECT REPORT | 08

PAST PRESIDENT REPORT | 10

CSMFO STRATEGIC AND ACTION PLANS: 2014-2016 | 12

COMMITTEE REPORTS | 22

CHAPTER REPORTS | 29

LEAGUE POLICY COMMITTEE REPORTS | 39

MEMBERSHIP INFORMATION | 45

BALANCE SHEET | 46



President
John Adams, City of Thousand Oaks

President-Elect
Drew Corbett, City of San Mateo

Past President
Jesse Takahashi, City of Campbell

Directors
Barbara Boswell, City of Lancaster/ David Cain, City of Fountain Valley
Brent Mason, City of Riverside
Chu Thai, City of Monterey Park
Jimmy Forbis, City of Gilroy
Marcus Pimentel, City of Santa Cruz
Karan Reid, City of Concord





As we complete our 59th year as a professional association, and I end my run as the 58th President of CSMFO, I'm left with a feeling of absolute privilege. The honor in being president of CSMFO is knowing the

tremendous support you have in leading it. Not many have the opportunity to be embarking on their 60th Anniversary like CSMFO, and that success is based on the dedication of all members to promote excellence in financial management.

The 2016 Annual Report provides all stakeholders with the accomplishments of CSMFO over the past year. These accomplishments would not be possible without the significant dedication and commitment of our volunteers, together with our professional management staff and team of consultants. Our focus has always been professional development and continuing education. We have been successful organizationally through a combination of our standing committees, whose many accomplishments and ongoing work are highlighted in this report; through our network of many chapters throughout the state that have promoted networking and opportunities to share information to our members at the local level; through the membership listserv that connects all of us in the state with each other as a collective resource of knowledge; and through our annual conference and trainings that provide an opportunity for improving our knowledge base and a venue for exchanging experiences with our fellow finance professionals.

As for professional development, one of the yearly highlights is the Annual Conference. For 2016, the conference was held at the Disneyland Resort in Anaheim on March 1 – 4. We had record-breaking attendance in 2016, as a total of 1,302 attended the

conference in Anaheim. As with past conferences, the Program Committee developed an outstanding program that featured two pre-conference sessions on Tuesday, two early bird sessions on Wednesday, four general sessions, and 39 concurrent sessions. With a packed program with so much educational benefit, one of my top highlights was the Passing Zone on Thursday with Jon Wee and Owen Morse. In addition to an amazing program, the Host Committee did a tremendous job in planning every aspect of the conference to ensure every attendee had a conference to remember. Not only was it one of the most successful conferences in our 59 years, it luckily netted a small surplus of \$8,851, after all merchant fees had been recoded to the conference.

Even with only a small conference surplus, CSMFO's financial health remains strong. Preliminary operating results for the calendar year were \$30,692, which increased our net equity position to approximately \$839,000. With a new 3 year strategic plan for 2017-19 and a strong financial position, we will be able to continue to make additional investments in our programs, thus accomplishing many of our strategic goals and enhancing member benefits. There are several exciting changes planned for in 2017 and beyond.

Talking about exciting changes, in March of 2016 we official launched the CSMFO Magazine. This was one of the significant changes made to enhance and improve the branding of CSMFO. The Magazine is one example on how we have focused on improving communication and providing resources to you, our members. Hopefully you have noticed a more uniform look and consistency in the emails, flyers, announcements and other communications that go out under our CSMFO logo. A special thanks to David Garrison for the vision, and Joan Michaels Aguilar for the implementation in 2016. To assist and maintain these new changes, a new Communications Committee

was created for 2017. For an association that is embarking on its diamond anniversary, it is important to have a consistent and professional look and feel in all of our communications.

Here are a few significant highlights for 2016: Membership: Total membership grew to 2,190, a 5% increase from last year:

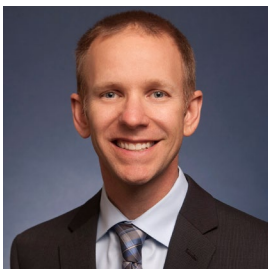
- Dues: With a strong financial position, dues were maintained at the 2015 levels.
- Chapters: Funding was allocated to all chapters to assist increased to assist our chapters that are having difficulties in holding meetings due to the geographic challenges that many of them face
- Trainings: Core one-day training courses reached a new high of 900 participants
- Webinars: Nine webinars were offered on a variety of topics reaching over 4,600 participants
- Technology: New software was implemented to streamline the process for administering the innovation awards program.

These highlights represent just a portion of the tremendous work accomplished in 2016. Please take some time to review each section of this Annual Report. The report captures the work of our standing committees and the activities of our local chapters highlighting the various topics and speakers that were presented over the course of the past year. Also presented is the section on League Policy Committees, which highlights the respective actions and activities of those committees as reported by our League liaison. I hope, like me, you come away with an appreciation for all the work that goes into a premier organization like CSMFO. More impressive is that much of it is produced by volunteer efforts from our members. I would encourage you to consider taking a more active role in

this great organization. The benefits are many including personal as well as professional satisfaction, increasing your network of colleagues and being able to have an impact on our profession of municipal finance.

It was a tremendous pleasure serving as your president in 2016, and I am truly honored to have had the opportunity to work with so many talented people all working together to better our profession. There are many people I would like to thank, including the CSMFO Executive Committee, Board of Directors, Standing Committees & Chapters, Melissa Dixon and her staff at Smith Moore & Associates, Teri Anticevich and Janet Salvetti of Meeting & Association Management Services, the City of Thousand Oaks, and all my friends and family.

And, lastly, I wish Drew Corbett, our new President, and Margaret Moggia, our new President-Elect for 2017, all the best as they transition into their new positions and continue to lead CSMFO in its mission of promoting excellence in the municipal financial management profession.



It was an honor to have been elected President-Elect by our membership at the end of 2015. During my time as President-Elect, which became official at the start of the 2016 Annual Conference in Anaheim, my

major areas of focus were:

- Planning for the 2017 Annual Conference in Sacramento
- Leading the planning session to develop CSMFO's 2017-2019 strategic plan
- Presenting the 2017 budget to the Board of Directors for approval
- Making committee appointments for 2017

2017 Conference Planning:

With the 2016 Annual Conference occurring later than it usually does, coupled with the 2017 Annual Conference occurring earlier than it usually does, getting 2017 conference planning underway shortly after the conclusion of the 2016 conference was my priority. This was especially important given the significance of the 2017 conference, as CSMFO will be celebrating its 60th anniversary – the diamond one – in 2017. For me, there's no better place for us to be celebrating our 60th than Sacramento, the capital of our great state. With visions of an event that would celebrate Sacramento while living up to the high expectations our membership has for our conference, I began assembling the Host Committee. Made up of governmental and commercial members from throughout the state, including a strong contingent from the Sacramento area, this dedicated group met on a regular basis, both as a full committee and through various sub-committees, to get our conference planned. Planning a conference of this magnitude, however, would not be possible without the guidance,

expertise and experience of Executive Director Melissa Dixon and her staff at Smith Moore and Associates, as well as Teri Anticevich and Janet Salvetti from Meeting and Association Management Services. Furthermore, the foundation of our conference – the programmatic content – is once again beyond compare. The Program Committee, led by Chair Viki Copeland and Vice Chair Ronnie Campbell, put in countless hours to carefully plan out the conference programming and bring in the great speakers and presenters that make our conference so impactful for our members.

As the premier training and networking event for California municipal finance professionals, the CSMFO Annual Conference needs to be an event worthy of "must attend" status. I know that every year I have attended I have left knowing that I will be back the next year, and I am confident that those of you who made the decision to Venture to the Capital will feel the same way at the conclusion of the 2017 conference.

2016 Strategic Planning Session:

In September, the Board, leaders of our standing committees, and our Chapter Chairs convened in Sacramento for our annual strategic planning session. With 2017 being the start of a new strategic action plan, we brought in CSMFO-favorite Neil Kupchin to facilitate the session, and we extended it by half-a-day to allow us to focus on our mission, our vision and our values.

The day-and-a-half session was extremely productive, as we left with updated vision, mission and guiding values statements, as well as the three core strategies that will drive our action planning for the next three years. These three core strategies are:

1. Strategic growth
2. Member engagement
3. Professional development

From these core strategies, we developed priority

actions and assigned them to the various standing committees. Through the end of 2016, the standing committees were working on prioritizing their respective action items and determining their plan of action for 2017. These plans will be reviewed and approved by the Board at its February 2017 meeting, which happens to be right before the start of the Annual Conference.

2017 Operating Budget:

You'll notice in my introductory remarks that I note "presenting" the budget, not "developing" the budget. Leaving the hard work to the professionals, I must commend Melissa Dixon, aided by the inputs from the committees and the chapters, for putting together an outstanding operating budget for 2017, which was approved by the Board in December. The overall budget reflected significant increases in both revenues and expenses in 2017, which is primarily a function of an increase in chapter activities and more training opportunities.

2017 Committee Appointments:

I am constantly amazed by the dedication demonstrated by our volunteers. Our standing committees are so vital to making this organization what it is, and the members who lead these committees are incredibly committed to CSMFO. It was definitely challenging finding leadership slots on all the committees for all of the worthy candidates, but in the end, I think we've got another strong group of leaders on all of our committees to drive the 2017 strategic action plans.

Final Thoughts:

It's been an honor to serve as your President-Elect during 2016. The experience was incredible – something I wouldn't trade for anything. It would not have been nearly as gratifying, however, without all of the people that helped me along the way to navigate

this journey. There's simply not enough space in this report to list all of the people who guided me along the way, but I would be remiss if I did not give special thanks to three people. The members of the Executive Committee, Melissa Dixon (CSMFO Executive Director), John Adams (President), and Jesse Takahashi (Past President), were invaluable to me throughout the year, and am tremendously grateful for their guidance, counsel, and assistance in 2016.

I look forward to serving you as your President in 2017.

Past President Report

Jesse Takahashi



In addition to serving on the Executive Committee and the Nominating Committee for the annual election process, one of the primary roles of the Past President is to serve as Chapter Chair Liaison.

This position helps support the chapter network by facilitating meetings that bring together all of our chapter leaders to exchange ideas and share information on running chapter meetings, finding speakers, increasing attendance and many other topics.

At the outset of the year, we held an in-person breakfast meeting at the 2016 Annual Conference in Anaheim to enable chapter leaders to meet Executive and Board members and to get acquainted face-to-face with each other. We also held five bi-monthly teleconference meetings that covered highlights from recent Board actions, Chair and Vice Chair vacancies, success stories and challenges. The meetings served as a resource, especially for our newest leaders, on how to run effective chapter meetings and where to go when help is needed.

Some of the past year’s highlights included moving toward increasing financial support for chapters by the Board of Directors approving \$500 for each Chapter to use to promote attendance and/or keep attendee costs at reasonable levels. In addition, the Board approved additional funding in the budget to allow chapters to feature at their meetings key presenters like Michael Coleman and Neil Kupchin. We’ve seen the positive impact on attendance from having featured speakers and topics that have broad appeal to our members.

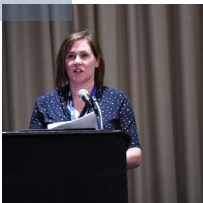
Another highlight from this year was the immense help received from the Membership Committee, chaired by

Steve Heide (Chino Valley Independent Fire District). Under his leadership, a Membership Expansion sub-committee was created, led by Grace Casteneda (City of San Mateo) that played a key role in helping secure new leadership in our South San Joaquin Chapter. This group performed an analysis on our inactive chapters and reached out to help identify potential new leaders. As membership in our organization continues to grow, we hope to continue to reach out and identify those interested to take advantage of the opportunities CSMFO has to offer those that are willing to get involved in this great organization, especially at the chapter level.

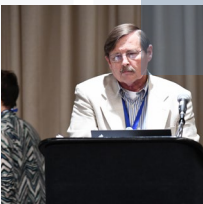
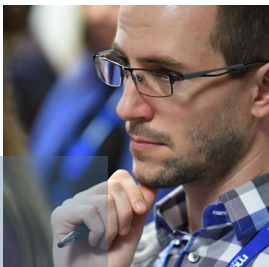
While the goal is to have all chapters conduct regular meetings, we recognize the challenges that some chapters have in even being able to meet even once during the year. This is due to the vast geographic area some chapters cover, specifically those in less densely populated regions of the State. We are still looking for chapter leadership in our Northwest and Imperial Chapters, so if you are reading this and might have an interest in having a hand in getting your chapter to have a meeting or two, feel free to reach out and contact any of the CSMFO leadership, specifically new Past President John Adams, who will be assuming this role for 2017.

To conclude, I am very grateful and honored for the opportunity to have served on the Executive Committee for the past three years. I wish to thank our membership, our Board of Directors and all of the Committee members that have done tremendous work to make this a premier organization and resource for so many finance professionals. I also want to thank our team from Smith Moore & Associates and Meetings and Association Management who do great work for CSMFO every year, especially in behind the scenes planning and executing of the Board’s direction. Lastly, I want to wish Drew Corbett, John Adams and Margaret Moggia the best for a successful year ahead as they assume their new roles.

CSMFO



innovation

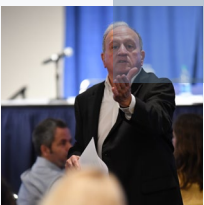


excellence



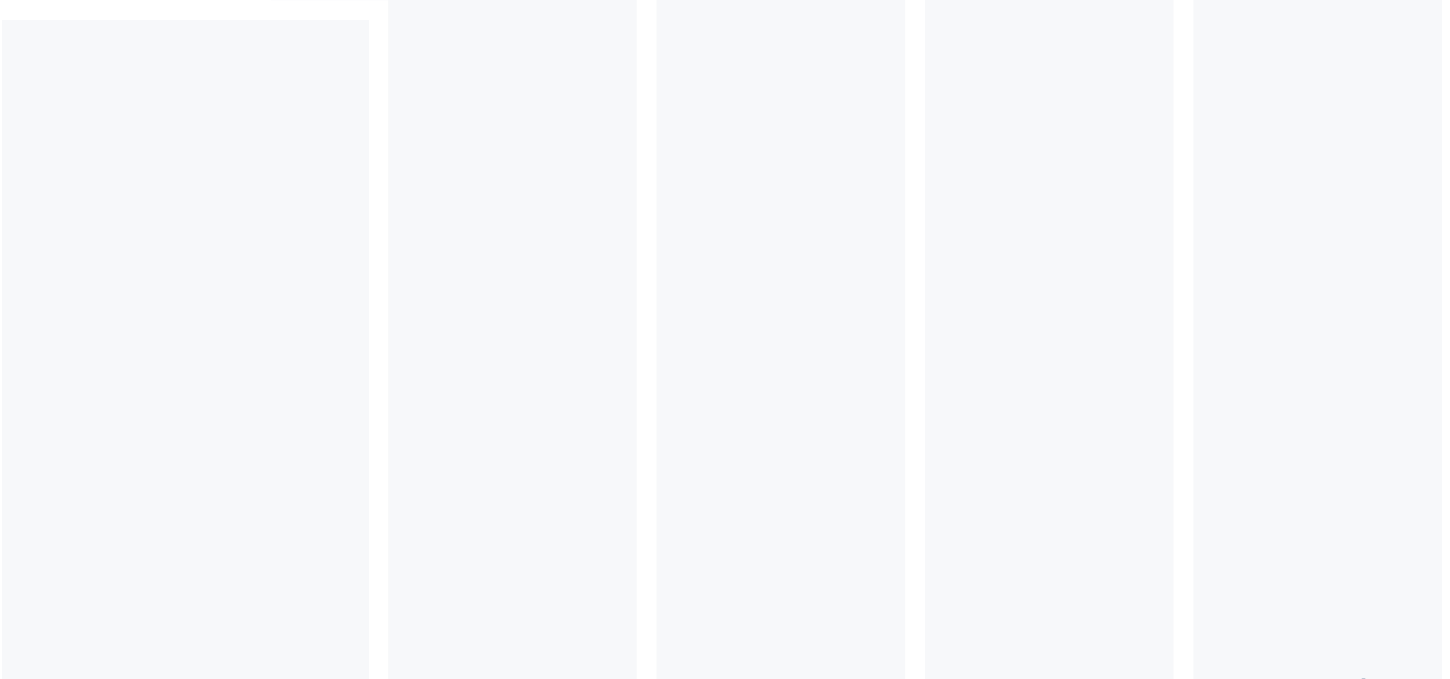
professional

education



GOAL AREA: ORGANIZATIONAL SUSTAINABILITY Goal 1: CSMFO will leverage human and financial resources to ensure the organization’s fiscal stability and overall strength.				
HIGH-LEVEL PRIORITY ACTIONS				
a) Determine standardized chapter governance and administrative structure.				
b) Develop leadership skills and volunteer capacity through committee and chapter involvement.				
c) Meet strategic objectives in a fiscally responsible manner.				
d) Assess and evaluate membership needs and impact of demographic trends.				
e) Communicate the value of CSMFO to local government decision-makers.				
GOAL AREA: MEMBERSHIP ENGAGEMENT Goal 2: CSMFO will sustain and grow the membership and encourage active participation in the organization.				
HIGH-LEVEL PRIORITY ACTIONS				
a) Increase membership from 10 new agencies.				
b) Add structure to chapter governance.				
c) Explore membership structure to enhance deeper participation within each member agency.				
d) Consider opportunities for student engagement and involvement.				
e) Establish consistency in communication efforts.				
GOAL AREA: PROFESSIONAL DEVELOPMENT Goal #3: CSMFO will offer relevant training and varied educational opportunities to enhance the knowledge and skills of finance professionals throughout California.				
HIGH-LEVEL PRIORITY ACTIONS				
a) Utilize the Annual Conference to broaden CSMFO’s educational reach.				
b) Strategically position the Coaching Program as a readily accessible member benefit and professional development tool.				
c) Expand CSMFO’s core training offerings to encompass a broader audience.				
d) Evaluate need for professional standards and consider the role CSMFO committees play in developing standards.				

GOAL AREA: ORGANIZATIONAL SUSTAINABILITY Goal 1: CSMFO will leverage human and financial resources to ensure the organization’s fiscal stability and overall strength.				
High-level Priority Action A: Determine standardized chapter governance and administrative structure.				
Strategy	Responsible Parties	Timeline		
		Year 1	Year 2	Year 3
1) Retain members through annual renewal process	Membership Benefits Committee	Develop metrics to evaluate retention rates	Apply metrics	Refine metrics
2) Expand the number of individual members within existing member agencies	Membership Benefits Committee	Identify agencies with potential to add additional members	Formally enlist support of active members in targeted agencies	Review and refine list
3) Increase Chapter Chair outreach	Administration; Technology; Past President; Membership Committee	N/A	More information in the handbook; Chapter Chair portal on website	Provide orientation/training to new Chairs (at Conference?)
4) Institute a Chair/Vice Chair structure	Past President; Membership Committee	N/A	Communicate with Chapter Chairs	Each Chapter have Chairs/Vice Chairs assigned by year-end
5) Encourage volunteers for specific Chapter tasks	Past President; Membership Committee	N/A	Communicate with Chapter Chairs	
6) Develop/Implement sponsorship guidelines for Chapter meetings	Administration Committee	N/A		Communicate guidelines to Chapter Chairs; incorporate into Chapter Chair Handbook
7) Reach out to remote geographical areas to gauge interest in Chapter involvement/activities	Membership Committee	N/A		Develop plan based on survey results





GOAL AREA: ORGANIZATIONAL SUSTAINABILITY				
Goal 1: CSMFO will leverage human and financial resources to ensure the organization's fiscal stability and overall strength.				
High-level Priority Action B: Develop leadership skills and volunteer capacity through committee and chapter involvement.				
Strategy	Responsible Parties	Timeline		
		Year 1	Year 2	Year 3
1) Explore options to ease the administrative burden of chapter meeting registration/ payment collections	Board of Directors, Administration Committee and Executive Committee	Contact chapters and do research on their needs and create an action plan.	Implement changes, if any	Repeat annually
2) Develop informational tools to introduce members to volunteer leadership opportunities	Membership Benefits Committee	Determine date, presenter(s), content; add to annual calendar	Refine based on evaluations and member feedback	Repeat annually
3) Incorporate volunteer leadership messaging into new member orientation in conjunction with Annual Conference	Executive Director	Coordinate with session presenter(s)	Refine based on evaluations and member feedback	Repeat annually
4) Assign committee chairs' responsibility to identify, recruit and recommend their successor	Board of Directors; Committee Chairs, President-Elect and President	Establish a process and mechanism for chairs to formally request and recommend a successor	Implement process	Repeat annually
a) Develop/Implement committee membership application process, with selection by committee leadership	Membership Committee	N/A	Develop/Implement Volunteer form; Create application form for once interest is received	
b) Develop/Implement a committee member evaluation process to provide input to the incoming president; ask for interest in other committees and/or committee leadership	Membership Committee	N/A	Develop exit interview/survey process for committee chairs/ members	President-Elect to utilize exit interviews/survey in making committee appointments

GOAL AREA: ORGANIZATIONAL SUSTAINABILITY				
Goal 1: CSMFO will leverage human and financial resources to ensure the organization's fiscal stability and overall strength.				
High-level Priority Action B: Develop leadership skills and volunteer capacity through committee and chapter involvement.				
Strategy	Responsible Parties	Timeline		
		Year 1	Year 2	Year 3
1) Assign responsibility to each committee to identify, recruit and appoint at least one new committee member annually	Committees	Establish a process and mechanism to nominate new committee members	Implement process	Repeat annually
a) Develop/Implement committee membership application process, with selection by committee leadership	President-Elect	N/A	President-Elect to discuss committee composition with chairs	President-Elect to discuss committee composition with chairs
2) Consider revising policies to allow for commercial member participation	Executive Committee	N/A		
3) Consider formalizing the role of past presidents and past committee/chapter chairs to retain knowledge and foster continuity	Executive Committee	Conduct phone interviews and develop options or action plans with key members or hold a focus group to gauge interest	If there is interest, define the role and responsibilities of individuals and collective group	Formally introduce concept at 2016 Annual Conference
4) Develop individual Committee Handbooks as a supplement to the Administrative Handbook to formalize transfer of information from one chair to the next	Administration Committee; all committees	N/A	Expand on committee chair roles in the Roles & Responsibilities document	Each committee to develop and maintain its own handbook, with copies held at the CSMFO office

GOAL AREA: ORGANIZATIONAL SUSTAINABILITY				
Goal 1: CSMFO will leverage human and financial resources to ensure the organization's fiscal stability and overall strength.				
High-level Priority Action C: Meet strategic objectives in a fiscally responsible manner.				
Strategy	Responsible Parties	Timeline		
		Year 1	Year 2	Year 3
1) Ensure the strategic plan is integrated into the CSMFO budget cycle and budget allocations reflect strategic priorities adopted by the Board of Directors	Board of Directors; Administration Committee, President-Elect, Committee Chairs	Engage committee chairs in the CSMFO budget process		Propose budget expenditures linked directly to strategic goals and High-level Priority Actions
a) Streamline goals in future three-year plans to focus just on priority items	Board of Directors; Administration Committee, President-Elect, Committee Chairs			
2) Maintain a balanced operational policy that meets or exceeds targeted reserves	Board of Directors; Administration Committee			Implement new policy



GOAL AREA: ORGANIZATIONAL SUSTAINABILITY				
Goal 1: CSMFO will leverage human and financial resources to ensure the organization's fiscal stability and overall strength.				
High-level Priority Action D: Assess and evaluate membership needs and impact of demographic trends.				
Strategy	Responsible Parties	Timeline		
		Year 1	Year 2	Year 3
1) Invest in a survey instrument that queries the membership on key data points, and commit to using the data collected to sustain the organization	Board of Directors; Smith Moore; Administration Committee	Determine the key data points needed to strengthen and improve the organization by creating a questionnaire on the membership application	Interpret Data	Use data in the strategic planning process

GOAL AREA: ORGANIZATIONAL SUSTAINABILITY				
Goal 1: CSMFO will leverage human and financial resources to ensure the organization's fiscal stability and overall strength.				
High-level Priority Action E: Communicate the value of CSMFO to local government decision-makers.				
Strategy	Responsible Parties	Timeline		
		Year 1	Year 2	Year 3
1) Expand communication methods to reach beyond the membership	Executive Director	Evaluate database, email distribution list, listserv, website and other communication channels	Identify gaps in coverage and establish mechanism to inform wider audience	Test new communication method(s)
2) Review marketing brochure and update if necessary to market to public agency decision makers	Board of Directors; Membership Committee and Administration Committee as necessary	Ensure current strategic goals are reflected in brochure, and update if necessary	Develop electronic version of brochure for broad distribution	Continue to update and re-distribute
3) Communicate the value and position of CSMFO to outside stakeholders (continue relationships with GFOA, LCC) decision makers	Executive Committee	N/A	Identify outreach opportunities; report back to Board	Outreach to other organizations

GOAL AREA: MEMBERSHIP ENGAGEMENT				
Goal 2: CSMFO will sustain and grow the membership and encourage active participation in the organization.				
High-level Priority Action A: Increase membership from 10 new agencies.				
Strategy	Responsible Parties	Timeline		
		Year 1	Year 2	Year 3
1) Develop a strategy to recruit from 10 new agencies	Membership Benefits Committee	Develop targeted list of agencies and strategy to contact each	Follow up with targeted agencies that have not joined CSMFO	Identify new agencies to solicit
2) Survey membership to determine if there are needs CSMFO is not meeting	Membership Benefits Committee			
a) Survey membership in active chapters to determine if there are regional needs CSMFO is not meeting	Membership Benefits Committee			
3) Develop non-member database in inactive chapters	Membership Benefits Committee			

GOAL AREA: MEMBERSHIP ENGAGEMENT				
Goal 2: CSMFO will sustain and grow the membership and encourage active participation in the organization.				
High-level Priority Action B: Add structure to chapter governance.				
Strategy	Responsible Parties	Timeline		
		Year 1	Year 2	Year 3
1) Strengthen the structure of the chapter network by encouraging each chapter to have a chair and a vice chair; and explore options to ease the administrative burden	Board of Directors; Past President	Appoint an ad hoc work group and task with specific assignments	Propose changes, if any	Implement changes, if any
2) Executive Committee approval of new Chapter Chairs and Vice Chairs	Administration Committee; Past President and outgoing chapter chairs	N/A	Develop new process	Implement new process

GOAL AREA: MEMBERSHIP ENGAGEMENT				
Goal 2: CSMFO will sustain and grow the membership and encourage active participation in the organization.				
High-level Priority Action C: Explore membership structure format to enhance deeper participation within each member agency.				
Strategy	Responsible Parties	Timeline		
		Year 1	Year 2	Year 3
1) Develop ideas to increase and engage the number of individual members within existing member agencies	Membership Benefits Committee	Identify agencies with potential to add additional members	Formally enlist support of active members in targeted agencies	Review and refine list
2) Increase contract with Michael Coleman to allow lower-cost chapter participation	Membership Benefits Committee			
3) Evaluate the dues structure and make recommendations on changes, if warranted	Board of Directors; Membership Benefits Committee	Examine the bylaws to affirm or adapt dues structure	Propose changes, if any	Implement changes, if any

GOAL AREA: MEMBERSHIP ENGAGEMENT				
Goal 2: CSMFO will sustain and grow the membership and encourage active participation in the organization.				
High-level Priority Action D: Consider opportunities for student engagement and involvement.				
Strategy	Responsible Parties	Timeline		
		Year 1	Year 2	Year 3
1) Gather and analyze data on current student members and develop a plan to promote the profession	Executive Committee and Smith Moore and Associates; ad hoc committee to be determined	Determine which schools and majors produce the greatest number of CSMFO members	Develop and recommend best practices based on high performing schools and majors	Consider further incentives (dues, scholarships, etc.) to build a cadre of student members

GOAL AREA: MEMBERSHIP ENGAGEMENT				
Goal 2: CSMFO will sustain and grow the membership and encourage active participation in the organization.				
High-level Priority Action E: Establish consistency in communication efforts.				
Strategy	Responsible Parties	Timeline		
		Year 1	Year 2	Year 3
1) Gather Develop a consistent organization-wide communication strategy	Individual or ad hoc committee	N/A	Develop targeted communication groups (cities, special districts, geographically, etc.; Determine how often and who distributes what information to membership	Develop a style guide to provide guidance and reinforce a consistent ‘look’
b) Evaluate alternatives for communications and how they complement current messaging (social media, MiniNews, website, etc.)	Individual or ad hoc committee	N/A		
c) Consider database and listserv/forum upgrades	Individual or ad hoc committee	N/A		
d) Appoint individual(s) or an ad hoc committee as a point of contact for communications for SMA.	President in conjunction with Executive Committee	N/A	Committee/individuals identified	

High-level Priority Action A: Utilize the Annual Conference to broaden CSMFO's educational reach.				
Strategy	Responsible Parties	Timeline		
		Year 1	Year 2	Year 3
1) Refine call for sessions to solicit general membership ideas	Program Committee			Integrate new ideas into Annual Conference program
2) Re-distribute program content from Annual Conference throughout the year through chapter meetings and webinars	Career Development Committee; Program Committee; Chapter Chairs		Review session evaluations to identify speakers and topics of interest at chapter level and via webinar	Repeat Annual Conference program offerings throughout the calendar year
3) Establish a "Finance 101" track in conjunction with Annual Conference	Career Development Committee; Program Committee			Review session evaluations to determine what modifications need to be made
4) Invite State Controller to the Annual Conference (as CSMFO guest?)	Program Committee			

High-level Priority Action B: Strategically position the Coaching Program as a readily accessible member benefit and professional development tool.				
Strategy	Responsible Parties	Timeline		
		Year 1	Year 2	Year 3
1) Create marketing plan for the one on one Coaching Program to increase participation	Career Development Committee	Conduct phone interviews with participants to-date and develop a cohesive "brand" for the program	Re-introduce the Coaching Program to the membership and advertise to non-members	Consider an alumni group or networking circle for past participants
2) Creating materials and content to facilitate the success of the one on one Coaching Program	Career Development Committee	Conduct focus groups among member and non-member up and coming finance directors to determine coaching needs	Target marketing efforts to specific job categories	Evaluate program and make modifications, if necessary

High-level Priority Action C: Expand CSMFO's core training offerings by leveraging technology to encompass a broader audience.				
Strategy	Responsible Parties	Timeline		
		Year 1	Year 2	Year 3
1) Continue to increase the number of webinars and expand the size of the webinar library	Career Development Committee			
2) Evaluate need for additional live courses throughout the year	Career Development Committee; Program Committee		Examine pricing practices to determine if multi-agency or non-member incentives are warranted	Evaluate annual calendar to ensure volume supports additional live courses
3) Promote educational opportunities through regular updates	Career Development	Increase marketing efforts by featuring programs and putting a spotlight on presenters	Increase marketing efforts by featuring programs and putting a spotlight on presenters	Increase marketing efforts by featuring programs and putting a spotlight on presenters

High-level Priority Action D: Evaluate need for best practices and consider the role CSMFO committees play in developing standards.				
Strategy	Responsible Parties	Timeline		
		Year 1	Year 2	Year 3
1) Establish an inventory of existing professional standards and certifications to determine if gaps exist	Professional Standards and Recognition Committee	Establish inventory and identify where CSMFO is the appropriate entity to fill gaps, if they exist	Assess CSMFO's ability to develop additional standards, and, if capacity exists, assign to appropriate committee(s)	Develop, test and launch new standards

Chair
Ernie Reyna, Western Riverside Council of Governments
Vice Chair
Stephen Parker, City of Stanton
Vice Chair
Kate Zawadzki, City of Dixon
Senior Advisor
Bob Biery, City of Westlake Village
Board Liaison
Brent Mason, City of San Bernardino

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.

This was quite a busy year for the Administration Committee as we looked to continue where we left off from 2016 and tackle items related to the Strategic Plan, reviewing the monthly financial statements, and updating CSMFO contracts.

The Administration Committee presented to the Board for approval the first bylaws revision since 2006; updating the signors on CSMFO accounts to include the Executive Director and another officer as designated by the Board; two updates to the Policy and Procedures Manual including one reflecting the new Communications Committee; updates to the Weekend Training Handbook to tie referenced dollar amounts to percentages based on the government per diem rate and government meals rate; and presented the Annual Consultant Reports.

As part of its annual duties, the Administration Committee also surveyed the leadership of CSMFO to gauge the satisfaction of the consultants it uses. Based on results received, the survey indicated the leadership was satisfied with its top three consultants: Smith Moore & Associates; Michael Coleman; and Don Maruska.

The Administration Committee also drafted an RFP for Auditing Services and is in the process of collecting the responses to that RFP to determine who CSMFO’s auditor

will be for up to the next five audits.

Many contracts were also approved during the course of the year. The Board approved both a Michael Coleman and an HdL contract for a new Revenue Fundamental Course in March, contracts to Michael Coleman and NBS for Revenue Fundamental II Course in September, revisions to Ahmed Badawi’s Beginning Introduction to Governmental Accounting contract to reflect Badawi & Associates in September, and an amendment to the Smith Moore & Associates contract for additional support needed for CSMFO training classes in December, and an amendment to Michael Coleman’s contract for Legislative Analysis Services in January, 2017.

The Administration Committee would like to thank Ernie Reyna who has chaired the committee for the last three years and is moving on to Chair the Membership Committee. We would also like to acknowledge the volunteers that worked hard to make this committee run smoothly: Stephen Parker, Kate Zawadzki; Terri Willoughby; Bob Biery; Brent Mason; Alberto Preciado; Kim Sao; and of course, Melissa Dixon.

Chair
Scott Catlett, City of Yorba Linda
Vice Chair
Carrie Corder, Cucamonga Valley Water District
Vice Chair
Will Fuentes, City of San Leandro
Senior Advisor
Mary Bradley, City of Fremont
Senior Advisor
Margaret Moggia, West Basin Municipal Water District
Board Liaison
Karan Reid, City of Concord

In 2016 the Career Development Committee continued in its primary mission to provide in-person training courses throughout the State, the weekend training, and a number of webinars, all of which provide a variety of ways for our members to enhance their knowledge of government finance. Additionally, several efforts were undertaken to enhance career development offerings including creating a second core course covering revenue fundamentals, and beginning to develop two new core courses on critical supervisory and management skills.

In calendar year 2016 CSMFO offered 25 in person, one day training courses to nearly 900 participants. This was a record year for the core course program. These numbers include CSMFO’s five core courses: Introduction to Government Accounting, Intermediate Government Accounting, Power of Fiscal Policies/Long Term Financial Planning, Investment Accounting (a joint course with CMTA), and Fundamentals of Tax Revenues, which are led by five 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
- Investment Accounting – Debra Goodnight & Ken Al-Hmam
- Fundamentals of Tax Revenues – Michael Coleman & Lloyd De Llamas

In 2017 the second revenue-related core course – Fundamentals of Fees, Assessments, and Parcel Taxes will launch as a pre-conference session at the CSMFO Annual Conference in Sacramento. This course will feature Michael Coleman and Tim Seufert as the instructors. Later in 2017, the Committee anticipates launching two new core courses on critical supervisory and management skills, which will be presented to the Board for approval in January 2017.

Since 2013, the committee has conducted an anonymous survey of course attendees, which has validated that our instructors are delivering quality courses valued by attendees. 98% of attendees rate our instructors 4 or 5 out of 5 and 96% 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, with a higher of 11 webinars offered in 2014 and 2015. A total of nine webinars were offered and archived for future viewing on the CSMFO website in 2016. Although two fewer webinar were held this year than in recent years, total webinars views exceeded last year’s record total due to a continued expansion of the utilization of recorded webinar content. The 2016 webinars were as follows:

- Succession Planning for Local Government Finance
- Best Practices in Upgrading Financial Systems (a joint webinar with MISAC)
- Managing Pension and OPEB Liabilities
- Best Practices in Budgeting
- What’s Your Agency’s Exposure on the New Overtime Ruling?
- Protecting Your Agency From Fraud
- Skills to Compete to be a Finance Director
- What Is and Isn’t in the Regular Rate of Pay for Overtime?
- Interviewing Skills to Advance Your Finance Career

The Annual Weekend Training takes place in mid-November and alternates annually between locations in Northern and Southern California. In 2016, the training

was held in Northern California. Typically, the class size is limited to 40 attendees. However, due to high demand the Committee expanded the limit to 53 attendees on a trial basis this year. The group is intentionally kept small to enhance the learning experience and ensure a more interactive session, however based on feedback received and the Committee’s observations the larger size this year did not negatively impact the experience. Additionally, the additional attendees helped to reduce the subsidy required to keep the Weekend Training pricing cost-effective. Session titles included 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.

- Chair
- Joan Michaels Aguilar, City of Dixon
- Vice Chair
- Christy Pinuelas, City of Agoura Hills
- Vice Chair
- Terri Willoughby, City of San Bernardino Municipal Water Department
- Senior Advisor
- Laura Nomura, Riverside Public Utilities
- Board Liaison
- Marcus Pimentel, City of Santa Cruz

The CSMFO Annual Conference rotates every other year between southern and northern California cities. This year’s Conference Site Selection Committee was tasked with finding the northern California venue for the 2019 conference and the southern California location for the 2020 Annual Conference. The Committee focused on the 2019 conference with initial consideration given to the following venues: Monterey, San Jose, San Francisco, Oakland and Sacramento. The 2020 Conference location of Anaheim had been determined.

- Meeting & Association Management Services, Inc. (M&AMS) sent out a Request for Proposals (RFP) to the aforementioned cities and the Committee considered the proposals received. Key difficulties faced related to room rates at over \$300 per night and the inaccessibility to venues during the week with our standard Tuesday – Friday conference schedule. Many venues were willing to have CSMFO over a weekend, but due to healthy hotel occupancy rates, the room rates proved to be a problem.
- Per Board direction in June 2016, the Chair worked with Smith Moore & Associates to develop a survey to distribute to the membership, related as follows:
- Hotel cost price points (over \$300 was deemed to high)
- Days of the week for the conference
- Member attendance if the conference were to be held in Southern California for three consecutive years (overwhelmingly yes)
- Member preference for conference in January or March (January preferred due to budget preparation in March)

The survey elicited many well-thought-out comments and suggestions, which the committee reviewed and took into account for their final review and consideration. The Committee asked M&AMS to reach out to Palm Springs to submit a proposal for the 2019 conference.

Final evaluation and vote by committee:

The Committee met by conference call to discuss a recommendation to the Board of Directors (Board). No site visits took place, since members were familiar with the respective venues. Based on the survey response, proposals, site visits and past experience, the Committee voted unanimously to recommend to the Board Palm Springs, CA for the site of the 2019 Annual Conference (northern California rotation would take place in Southern California), as well as Disneyland Convention Center and Hotel for the 2020 site. Anaheim has been very popular with the four-year rotation for conference location.

On July, 28, 2016, the Board approved Palm Springs, CA at the Palm Springs Convention Center and Renaissance Palm Springs Hotel as the site for the 2019 Annual Conference, dates of January 7 – January 12, 2019 with a room rate of \$219 per night. Anaheim, CA was approved as the site for the 2020 Annual Conference at the Disneyland Hotel & Convention Center from Tuesday January 28 – Friday January 31, 2020 with a room rate of \$234 per night.

It should also be noted that a request was made for the \$10,000 credit from the Palm Springs 2014 conference, and M&AMS has indicated that the 2019 venue is amenable to this consideration as part of the new contract.

I would like to thank all of the members of the committee for their efforts, as well as staff at Smith Moore & Associates for their support in carrying out our responsibilities, and acknowledge the Board for their thoughtful questions in ultimately making their decision for conference site location.

- Chair
- Steve Heide, Chino Valley Independent Fire District
- Vice Chair
- Dennis Kauffman, City of Sacramento
- Vice Chair
- Margaret Moggia, West Basin Municipal Water District
- Senior Advisor
- David Cain, City of Fountain Valley
- Senior Advisor
- Joan Michaels Aguilar, City of Dixon
- Board Liaison
- Marcus Pimentel, City of Santa Cruz

Our Committee name changed at the direction of the Board during 2016 from Membership Benefits to just plain Membership. Although we’ve focused a great deal of our Committee’s time and attention on member benefits, the Membership Committee has also been involved in a number of other initiatives, from member recruitment and retention, to supporting the past president in his or her role in ensuring chapter viability and support, to overseeing the CSMFO booth at the Annual Conference, as well as many others.

In addition to addressing the year-three priorities of the 2014-16 CSMFO Action Plan, Membership undertook a number of other efforts in 2016.

- A summary of Membership’s accomplishments for the year include:
- Successfully facilitated our annual member pre-session at the 2016 Annual Conference in Anaheim titled, Leveraging Your CSMFO Membership Benefits.
- Worked closely with Past President/Chapter Chair Liaison Jesse Takahashi, participating in bimonthly chapter chair conference calls as well as supporting Jesse’s efforts to reactivate inactive chapters.
- Organized and managed member volunteer staffing for the CSMFO Annual Conference booth in Anaheim.
- Completed our Membership Committee Handbook. The Handbook conveys general expectations and other helpful information for our committee members, and is especially helpful as new members transition onto the Committee.

Developed an inaugural “Ask the Expert” program for the CSMFO Booth in Anaheim, whereby select conference presenters and CSMFO contracted consultants were available to interact with members and other attendees at our booth in the exhibit hall.

At the direction of then President-Elect Drew Corbett, we worked closely with the creative team at Smith Moore & Associates (SMA), our association management company, to design and configure the new CSMFO booth for the 2017 Annual Conference in Sacramento.

Submitted multiple articles to the new CSMFO Magazine, including a November article to promote membership renewals, Membership Has Its Privileges, as well as a promotional piece in December, New Member Perspectives on CSMFO.

Drafted a commercial member brochure which is slated for completion in early 2017.

Continued the Committee’s ongoing efforts to study and analyze trends in membership demographics for the primary purpose of identifying underrepresented segments of California local government finance in CSMFO. Our initial findings: based on population, very small as well as some of the larger cities in our state tend to be either unrepresented or proportionately underrepresented in the CSMFO membership, in comparison to members from agencies in the middle of the spectrum. More to follow as this is further studied in 2017.

Planned our member pre-session for the 2017 Annual Conference, Leveraging Your CSMFO Member Benefits, A Panel Discussion.

Expanded the Committee to take on our first commercial member, Mark Petrasso of Zions Bank. Mark was invaluable in assisting us with the conference booth design and configuration, the commercial member brochure and many of our other initiatives this year.

Worked closely with our Executive Director to ensure that volunteer interest inquiries were directed to the appropriate resource for timely response and follow-up.

Successfully commenced the process of transitioning the Membership Committee leadership to a new team for 2017.

In the case of the Membership Committee, it takes a village, as they say. Many thanks to our dedicated members: Agnes Boros, David Cain, Dave Glasser, Dennis Kauffman, Grace Castaneda, Isaiah Hagerman, Joan Michaels Aguilar, Kathryn Downs, Margaret Moggia, Marcus Pimentel, Mark Petrasso and Steve Heide. Our collective accomplishments would not be possible without this committed volunteer team. Additionally, a huge thank you to CSMFO Executive Director Melissa Dixon and Carmen Berry of SMA for their outstanding support as well, with a special shout out to David Garrison of SMA for lending us his supremely creative talents in the design of the new CSMFO conference booth.

Finally, it has been my pleasure to serve as your Chair of the Membership Committee these past three years. Ernie Reyna from the Western Riverside Council of Governments will be assuming the Chair position in 2017, and will no doubt take the Committee’s accomplishments to the next level with a fresh perspective and new ideas. I wish Ernie and the Membership team much success in serving you, our members, in the coming year.



Chair

Craig Boyer, County of Alameda

Vice Chair

Jason Almam, City of Los Alamitos

Vice Chair

Wendy Nakamura, West Basin Municipal Water District

Board Liaison

David Cain, City of Fountain Valley

Goals Achieved in 2016

Despite many changes in leadership in 2016, the Professional Standards and Recognition Committee was able to focus on three key goals: 1) the addition of commercial members to the committee to assist in the development of an inventory of professional standards; 2) the implementation of new software for the administration of award programs; and 3) the incorporation of the GFOA Liaison role as part of the scope of committee activities. The Committee continues to provide opportunities for professional development to its committee members while maintaining the high-quality services and programs for which it is responsible.

In 2016, the Committee continued to shift more of its focus to the recognition side of its mandate. The Committee worked with the Administration Committee to develop an amendment to the Bylaws to permit commercial members to participate as committee members. Once the amendment was approved by the CSMFO membership, the Committee began an active recruitment for new commercial members to participate in the committee. The Committee restarted the Professional Standards Working Group that had been established in prior years to address the Committee’s responsibility as documented in the 2014-2016 Action Plan to develop an inventory of professional standards. An initial meeting was held to introduce the new commercial members to the Professional Standards Working Group and to assign inventory tasks to members of the working group.

The second key goal achieved was the implementation of Award Force to establish a portal for the submission and administration of award programs. Prior to Award Force, the Committee used Trello, which provided a central repository for documents and administration of

award programs. Trello did not have the functionality to integrate the award program applications into its interface or the access controls to allow access to applicants and reviewers. The Committee decided to implement Award Force because it provided this functionality and all phases of the award programs are now administered through Award Force.

The third key goal achieved was the incorporation of the GFOA Liaison role into the Committee. Previously, this role had been performed separately by its volunteers. Given the role’s emphasis on recognition, it made sense to include it as part of the Committee’s scope of activities. The Committee will work to ensure that the GFOA Liaisons perform their roles in coordination with the other recognition activities performed by the Committee.

Committee Goals for 2017

The Committee has a key goal for professional standards and one for recognition. The key goal for professional standards is to complete the inventory of existing professional standards. After completion of this task, the Working Group will begin the process of identifying gaps in professional standards that the Committee can consider addressing.

The key goal for recognition is to implement the recommendations proposed by the Northern California GFOA Liaison and approved by the Board of Directors in 2016. Implementation of these recommendations will provide standard language for presentations, as well as procedures for prioritization and assignment of presentations to volunteer presenters.

Committee Reports

Program Committee



Chair

Viki Copeland, City of Hermosa Beach

Vice Chair

Ronnie Campbell, Southern California Regional Rail

Authority

Senior Advisor

Mary Bradley, City of Fremont

Board Liaison

Jimmy Forbis, City of Gilroy

The 56th Annual CSMFO Conference, “A Finance Life for Me,” was held March 1-4, 2016, at the Disneyland Resort Hotel in Anaheim, California. Setting another new attendance record, there were 1,302 registered attendees, along with 105 exhibitors/sponsors!

There were two pre-conference sessions on Tuesday, Enterprise Resource Planning – or Everyone’s Recurring Problem: ERP from A to Z and Fundamentals of Municipal Revenues: Taxes, both of which were well attended.

The conference format offered 39 concurrent sessions over the three days, with a variety of topics and speakers from which to choose. In addition, there was two “early bird” sessions on Wednesday morning. The first featured Christopher Thornberg of Beacon Economics, presenting his always well-received economic update. The second provided an opportunity for attendees to hear from Alan Milligan, CalPERS Chief Actuary, and Cheryl Eason, CalPERS Chief Financial Officer, about pension funding challenges.

The conference officially opened with lunch on Wednesday, with keynote speaker Jon Gordon asking Are You on the Right Bus? The Thursday lunch featured The Passing Zone, Jon Wee and Owen Morse, who presented The Passing Zone on ICE!

On Friday morning, Dave Childs, Past President of ICMA and retired City Manager of the City of Palmdale, presented It’s a Small World After All...There are NO Secrets When it Comes to Ethics!...and That Includes YOU! The conference wrapped up with a closing general session on Friday, A Great Conference: Now What? How to Turn Conference Concepts into Workplace Value, presented by Neil Kupchin, Management and Training

Consultant and Motivational Business Speaker.

Overall, conference attendees had the opportunity to earn 22 hours of Continuing Professional Education (CPE) credits on a wide variety of topics, while building their professional networking resources.

Chapter Chair Reports



Central Coast Chapter

Chair

Brad Wilkie, City of Lompoc

Vice Chair

Carolyn Galloway-Cooper, City of Buellton

This year was a busy time for many of the Central Coast Chapter cities as several member cities were in the process of converting their financial management systems (or were finishing up the process). Chapter meetings were varied and diverse, well attended and benefitted the group. The Chapter benefitted from the organization-wide registration system and uniform Chapter Meeting forms introduced this year. The Chapter gained about 3 members this year.

The Chapter traditionally holds meetings every other month, on the second Thursday of the month, hosted at Rosa’s Restaurant in Pismo Beach, centrally located for Chapter members who are as far north as Paso Robles and Cambria and as far south as Solvang and Buellton. Our chapter typically holds its first meeting of the year in January and the last meeting of the year in November. However, due to speaker availability, some adjustments were made during the year, including the first meeting.

Following is a summary of Chapter meetings this year:

On February 11, 2016, Mike Derr, Contracts/Purchasing Officer and Fleet Business Manager for the County of Monterey, presented a program on their well-known and successful Purchasing Academy. The program was developed internally for Monterey County and had over 170 graduates by the time of our program. 8 members and 3 guests attended the session. Mike presented a similar program at the CAPPO annual conference held in 2015.

On April 14, 2016, Paula Cone of HdL Coren & Cone presented a program on property taxes specifically for taxing entities in Santa Barbara and San Luis Obispo counties. Paula presented on the upcoming 2016-17 fiscal year estimates as well as Prop 8 issues affecting property tax valuations. Members in attendance received individualized reports for their agency for the upcoming year. 12 members and 3 guests attended the meeting.

The Chapter returned to its traditional schedule in May, holding a meeting on May 12, 2016 with Andy Nickerson, President of the HdL Companies as the program. Andy presented the annual HdL Sales Tax update for the Chapter including information on the then-upcoming completion of the “Triple Flip”. 10 members attended the meeting along with Don Maruska, CSMFO trainer, and retired past president Bill Statler. Both Bill and Don are local to our Chapter and bring a wealth of knowledge to our meetings.

On July 14, 2016, Blair Aas of SCI Consulting presented on the proper administration of Development Impact Fees along with the potential consequences for not doing the process the right way. Implications of the 2015 decision of Walker v. City of San Clemente where over \$10 million was ordered returned to property owners because of improper or inadequate periodic reporting were discussed.

The next regular meeting, held on September 8, 2016 was well attended with 13 members and 2 guests. The program was hosted by Jack and Heidi Oehmke, financial advisors for Morgan Stanley. Jack and Heidi’s program focused on investment policies, their limitations along with some speculation regarding future trends in interest rates.

Utilizing resources recently made available by the CSMFO Board and requested by the Chapter, the Central Coast Chapter invited renowned speaker, Neil Kupchin, as its program for the November (final) meeting of the year. Without the support of the CSMFO Board, programs such as Neil’s would be impossible to hold at our remote Chapter. With some creative arrangement of tables at Rosa’s, the Chapter was able to accommodate over 30 attendees for the meeting, far surpassing any attendance figures for the Chapter in the recent past. In attendance were several invited City Managers and General Managers, as well as the Chapter’s Board liaison, Marcus Pimentel. Neil’s message for the program was Thankfulness in the Workplace and was very well received. Lots of great stories and his signature dollar bills! New member, Craig Schmollinger, also made his first meeting since joining Morro Bay as their Finance Director.

I would like to thank Carolyn Galloway-Cooper for her

Chapter Chair Reports



dedication in organizing the Chapter meeting programs. Carolyn volunteered to be the Chapter’s Vice Chair in 2014 and has announced her retirement from the City of Buellton once a replacement is found. The Chapter is looking for a volunteer to be the Vice Chair upon Carolyn’s retirement.

In addition to the recent Neil Kupchin program supported by CSMFO, the Central Coast has finally been able to secure a program with Michael Coleman in 2017. Michael didn’t have any openings in his schedule that coincided with the Chapter meeting schedule but Michael offered Friday, October 20 as an option. With this great opportunity, the Chapter will have 7 meetings in 2017. Again, without the newly authorized financial support of CSMFO, such a program would be unlikely.

The Chapter has an exciting 2017 underway with a successful meeting held on January 12, 2017 and programs scheduled for every meeting through November 2017 with a return engagement by Neil Kupchin. Without the centralized scheduling and registration process implemented by CSMFO, the Neil Kupchin and Michael Coleman programs would have been impossible to hold here in our central coast region.

Through the year, the Chapter enjoyed the participation of commercial members of CSMFO who bring their perspective to our meetings. Thanks go out to all the members (and future members!) of the Central Coast Chapter for making this a successful year.

Central Los Angeles & South-Bay Chapters

Chair, Central LA
Monica Lo, City of Whittier
Chair, South Bay
Jeff Muir, City of Culver City

The Central LA & South Bay Chapters continued to host joint meetings in 2016, all in an effort to increase both attendance and volunteer participation. The Chapters cover a densely populated geographic area that reaches north to the City of West Hollywood, east to the City of Industry, and south to the City of Long Beach; and encompasses 46 cities. At the December 3, 2015 meeting, Jeff Muir from the City of Culver City volunteered to take over for Kathryn Downs as the South Bay Chapter Chair and Monica Lo from the City of Whittier volunteered to continue serving as the Central LA Chapter Chair.

In early February, the CSMFO Executive Committee approved our request for Michael Coleman to speak at our joint Chapter meeting. Michael Coleman, from the League of California Cities and CSMFO Special Consultant, presented “A Municipal Finance Update” to our Chapters on June 16, 2016. The meeting was held at the City of Carson’s Community Center with an attendance of 73 members and vendors.

On September 15, 2016, Doug Pryor, Vice President and Actuary from Bartel Associates presented “Updates on CalPERS, GASB 68 & 75, and Prefunding Options”. The meeting was also held at the City of Carson’s Community Center with 37 attendees.

And, on December 8, 2016, Larry Bergkamp and Jonathan Gerth from MuniServices presented their “Cannabis in California: Proposition 64 Implications”. The holiday luncheon was hosted at the Cheesecake Factory in Redondo Beach with 52 attendees. Stifel provided a sponsorship to reduce the luncheon cost for attendees.

Monica and Jeff will continue to volunteer and serve as Chapter Chairs for their respective chapters for 2017.

Central Valley Chapter

Chair
Teri Albrecht, City of Merced

The Central Valley Chapter encompasses over thirty cities and special districts across seven counties. The Chapter meetings offer an excellent opportunity for networking, hearing what’s happening in surrounding areas and learning the most up-to-date information from professionals throughout the state.

The Central Valley Chapter meets bimonthly on the third Thursday of the month. This year we skipped January and started in March. We have lunch meetings that are hosted by members who volunteer to be responsible for arranging the location and menu, as well as assisting with the needs of the speaker. Meeting at the host city location gives us an opportunity to visit other cities in our Chapter and for the host city to showcase special projects or venues in their cities. The average attendance was 25 including commercial members and guests.

Following are the highlights of the 2016 meetings:

The March 17, 2016 meeting was hosted by the City of Merced. Paula Cone and Andy Nickerson with HdL Companies presented “Real Estate Trends and Forecasting Property Tax and VLF in Lieu Revenue” and “Sales Tax Trends and Forecasts”.

The May 19, 2016 meeting was hosted by the City of Turlock. Doug Pryor with Bartel Associates, LLC presented “Overview of Upcoming Changes: CalPERS – contribution rates: effect of risk mitigation strategy, CalPERS – year 2 of GASB 68 and Post-Employment Benefits – what you should know ready for GASB 75.”

The July 21, 2016 meeting was hosted by the City of Galt. Steven Martinez with the California Transportation Planning Division presented “Central Valley Transportation Today!”

The September 15, 2016 meeting was hosted by the City of Los Banos. David McPherson, with HdL Companies presented “Economics of Medical Marijuana Industry.”

The November 17, 2016 meeting was hosted by the City of Lathrop. Michael Coleman, Fiscal Policy Advisor presented “Still Following the Money: a Local Government Finance Update.”

We had a successful year with the participation of the host cities, speakers and attendees.

Chapter Chair Reports



Channel Counties Chapter

Chair
Melinda Brodsky, City of Agoura Hills
Vice Chair
Christy Pinuelas, City of Agoura Hills

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 bimonthly meetings were held at the Los Robles Greens Golf Course banquet facility in Thousand Oaks, one meeting at the Thousand Oaks City Hall Founders Room on the second and the meeting on December 1, at the City of Agoura Hills Event Center. Each meeting included a buffet lunch catered by the golf course. The Holiday meeting in December was catered by DJ's Catering.

The meetings in 2016 featured the following topics and speakers:

- "Roundtable with the Ventura County Auditor-Controller" Jeff Burgh, Ventura County Auditor
 - "Is the Expansion Over, or is it SOAR" Mark Schneipp, Director of the California Economic Forecast
 - "Still Following the Money," Michael Coleman, Fiscal Policy Advisor for League of California Cities and CSMFO
 - "Economics of Prop 64 and the Medical Marijuana Industry," Dave McPherson, Principal at HDL Companies.
 - "Maximizing Effectiveness and Success in the New Year" Neil Kupchin, Management and Training Consultant
- Our chapter participation continued to be consistent and ranged from 29 to 45 per meeting in 2016.

Coachella Valley Chapter

Chair
Karla Campos, City of La Quinta
Vice Chair
Isaiah Hagerman, City of Rancho Mirage

Following is a summary of activities of the Chapter:

The Chapter's summer kick-off meeting was held on August 30, 2016 at the City of La Quinta. The Chapter had been inactive and attendees were excited and grateful to have an opportunity to gather and share information. Guest speakers from HdL Companies, Paula Cone and Andy Nickerson, each provided great insight, talking points and discussion regarding sales and property taxes with a special emphasis on those cities in attendance.

Michael Coleman, Principal Fiscal Policy Advisor, joined the Chapter on November 16, 2016 for the fall meeting. Discussions focused on local monetary trends, election results and upcoming financial impacts to local agencies. His presentation was well attended and included several city managers.

During both meetings the Chapter enjoyed the participation of commercial members, of which several have volunteered to speak at upcoming Chapter meetings. Their support is invaluable and greatly appreciated as we continue to grow our Chapter.

A special thank you to the Finance staff of the cities of La Quinta and Rancho Mirage for helping to organize these events. We could not have accomplished revitalizing the Chapter without their efforts. For those who are considering taking on the role of Chapter Chair or Vice Chair...jump in, you will find the experience to be rewarding.

The Chapter looks forward to a productive and invigorating 2017!!

East Bay/S.F. Chapter

Chair
Jennifer Wakeman, City of Lafayette
Vice Chair
Damien Charléty, East Bay Municipal Utility District

The East Bay/S.F. Chapter (Chapter) in Northern California includes Alameda County, Contra Costa County and the western cities of Solano County.

Part way through the year and following a survey of the membership, we recognized the value of setting regular meeting dates, as well as expectations for the types of topics to be presented. We decided to hold our regular meetings on the second Wednesday of every other month, to alternate locations between the two geographically separate areas of our chapter, and to alternate between topical items and more training-like items. This has resulted in strong turnouts for our events from the county, cities, special districts and commercial members throughout the year. To build on this success we held a planning session at our regular meeting in January 2017.

Following are highlights from the meetings held in 2016:

Regular Meetings

- April 19, 2016
- This meeting was hosted at Back Forty Texas BBQ in Pleasant Hill, which is centrally located for our chapter. We had presentations by Andy Nickerson and David McPherson of HdL Companies. Andy shared the latest in sales tax trends and David imparted fascinating information on the world of medical marijuana.
- May 18, 2016
- East Bay MUD hosted this meeting in their board chambers in the City of Oakland. Paula Cone of HdL Coren & Cone provided detailed and agency-specific information on property tax and the status of Proposition 8 restoration. The second part of the meeting featured Michael Coleman presenting a debrief of the Governor's May Budget Revise and the implications at the regional, county and city levels.
- July 13, 2016

This meeting was again hosted at Back Forty Texan BBQ in Pleasant Hill. Mary Beth Redding of Bartel Associates presented on pension and OPEB topics spanning GASBs 68, 73, 74, 75 and 82. In addition, she addressed expected CalPERS rate increase and options for managing the impact.

- September 14, 2016
- The Alameda County Transportation Commission was generous and hosted this meeting in a conference room of their Oakland office. Bill Statler provided excellent insights and advice regarding strategies for strengthening organization effectiveness.
- A meeting was planned in November but was cancelled due to low interest on the theme provided (lunch-and-learn format).

- Holiday Luncheon
- December 16, 2016
- The East Bay/S.F. and Peninsula Chapters teamed up with CMTA to host a holiday luncheon in San Francisco. Presenting were Jon Haveman of Marin Economic Consulting who gave a forecast on the local economy, and Dene Belzer of Strategic Economics who spoke to the ongoing challenges cities face in finding ways to pay for infrastructure upgrades and the resulting tension it creates with growth and development or increased taxes.
- Our 2017 goal for the East Bay/S.F. Chapter continues to be 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 as speakers or with facility coordination, and the agencies for which we work.

Chapter Chair Reports



Inland Empire Chapter

Chair
Steve Heide, Chino Valley Independent Fire District
Vice Chair
Carrie Corder, Cucamonga Valley Water District

Summary of 2016 Chapter Events

During 2016, the Inland Empire Chapter held six luncheon events on a mostly bi-monthly meeting schedule. Our premier events were the bookends of our 2016 schedule, starting with our 8th annual Inland Empire Economic Outlook in January, and ending with our 1st ever holiday luncheon meeting at the historic Mission Inn in Riverside in December. Total attendance in 2016 was 580, compared with 568 in 2015, for an average count of 97 per meeting.

Our meetings were held at the Riverside Convention Center (RCC), Dave & Busters in Ontario (D&B), and the Mission Inn (MI). Chapter meeting dates and topics for 2016 were as follows:

- January 21 (RCC) – 138 were in attendance at our 8th Annual Inland Empire Economic Outlook with local economist, Dr. John Husing. Dr. Husing’s presentations on the state of the Inland Empire economy are always highly informative and are generally our highest attended meeting of the year, with 2016 being no exception.
- March 17 (D&B) – Jennifer Farr of Davis Farr presented our annual 2016 GASB Chapter update to 100 dedicated finance professionals interested in a refresher on changes, present and future, to government accounting standards.
- May 19 (RCC) – The ever-popular Michael Coleman presented a local government legislative update to 98 engaged attendees.
- July 21 (D&B) – 50 people, including agency IT professionals, participated in a discussion on Cloud Computing and Emerging Technologies, presented by Terry Hackelman of NexLevel Information Technology.
- September 15 (RCC) – Andy Nickerson and Paula Cone from HdL Companies enlightened 73 Chapter attendees on everything sales and property tax-related, leaving each attendee with a jurisdictional-specific packet as a value-add to our members.

December 8 (MI) – In a rare departure from our traditional bi-monthly meeting schedule, we held our 1st ever holiday luncheon at the beautiful Mission Inn, with Neil Kupchin engaging 121 people in the sold-out venue with his presentation, Maximizing Effectiveness and Success in the New Year.

Chapter Goals for 2017

The Chapter will continue to hold, at a minimum, six events for the year, beginning with our 9th Annual Inland Empire Economic Outlook at a new location for us, the Marriott Riverside at the Convention Center on January 19. Our goal is to always reach at least the attendee count of the previous year, and the Chapter will continue to partner with CMTA to provide meetings of diverse and interesting subject matters for our members and other attendees.

We’re pleased to welcome Stephanie Reimer from the Monte Vista Water District and Dustin Andolsen from the City of Pomona to the chapter leadership team and look forward to working with Stephanie and Dustin in service to our Inland Empire Chapter members.

Monterey Bay Chapter

Chair
Tori Hannah, Monterey Bay Regional Water Pollution Control Agency
Vice Chair
Lauren Lai, City of Marina

The year 2016 commemorates another successful term for the Monterey Bay Chapter. Punctuated by several outstanding speakers, engaging panel presentations and networking opportunities, the Chapter continues to provide its members with regionally relevant and fiscally strategic topics. The Chapter is comprised of 88 members and encompasses Santa Cruz and Monterey Counties. Quarterly meetings were held in Aptos and Watsonville, with attendance ranging from approximately 40-50 representatives from various local cities, counties, special districts and private vendors.

The year opened with a panel presentation providing interim staffing solutions and promotion of student internships, and ended the year with the Chapter’s first Regional Industry Update and holiday luncheon. The Regional Update presented a unique opportunity to gain a better understanding of several key local industries: retail, housing development, agriculture, and tourism/hospitality. These industry leaders provided information regarding current industry factors, business strategies and leadership, and insights into improving local governments and industry engagements. HdL provided a great summary of the general economic trends and more specifically the changing environment of retail and sales tax. Additional guest speakers included prominent presenters, such as Michael Coleman and Bill Statler. Our quarterly events are listed below:

- March
Attendance: 40
In Pursuit of a Budget Story: A Chapter facilitated workshop
- Alternate Staffing and Student Internships – Efficient, Effective and Just in Time: Suzanne Kroeze, California State University Monterey Bay; John Rembao, UC Santa Cruz; Leslye Schneider, Universal Staffing; and Richard Averett, Regional Government Services

June
Attendance: 50
Governor’s May Budget Revision; and State of the State and Local Governments: Michael Coleman
Strengthening Organizational Effectiveness: Bill Statler

September
Attendance: 49
GASB Update: Ahmed Badawi, Badawi and Associates
Capital Financing: Frank Gill, Holman Capital
Pension Stabilization Funds: Ryan Nicasio, PARS

December
Attendance: 48
Economic Update and Changing and Thoughts on a Changing Retail Market: Barry Foster, HdL Companies
Regional Industry Update: Doug Yount, Dunes on the Monterey Bay; Kris Reyes, Santa Cruz Seaside Company; and John Mazzei, Taylor Farms

In 2017, we will survey members to determine relevant topics and feedback on past topics that were successful and worthy of including annually. Also, we plan to encourage several volunteers to assist with the quarterly meetings and be more involved with CSMFO. Hopefully, through that engagement these individuals will also enjoy the benefits of professional and leadership development and networking to form new relationships and gain new ideas.

In closing, we thank our members, presenters, and private vendors for their continual support of these meetings. Together we are able to share knowledge and provide training, build relationships, and mostly, enhance our ability to contribute to our respective agencies. We look forward to providing a positive forum for networking, education and leadership development.

Chapter Chair Reports



Orange County Chapter

Chair
Gina Tharani, City of Aliso Viejo
Vice Chair
Stephen Parker, City of Stanton

2016 was another wonderful year for the Orange County Chapter. The Chapter met six times this year, primarily sticking with our regular meeting date of the third Thursday of even months at the Dave & Busters in the Irvine Spectrum, with our Holiday Luncheon being held at the Aliso Viejo Center.

The average attendance of the meetings was over 80 people, with over 100 attending our December holiday luncheon. The meetings held were:

February 18, 2016. "Post-RDA Economic Development Legislation: Enhanced Infrastructure Financing Districts and AB2," presented by Mark Huebsch of Stradling, Yocca Carlson & Rauth and Michael Busch of Urban Futures, Inc. (63 RSVP)

April 7, 2016. "2016 Sales and Property Tax Outlook," presented by Paula Cone and Andy Nickerson of HdL Companies. (84 RSVP)

June 16, 2016. "2016 Public Investment Analytics & Permitted Investments," presented by Deborah Higgins of Higgins Capital Management. (65 RSVP)

September 1, 2016. "Annual GASB Update," presented by Debbie Harper of LSL CPAs. (98 RSVP)

October 20, 2016. "Economic and Financial Market Update," presented by Jayson Schmitt of Chandler Asset Management. (70 RSVP)

December 15, 2016. "Motivate. Inspire. Create." presented by Poet Ali. (110 RSVP) Thanks to The PFM Group, Urban Futures, Inc., LSL CPAs, and Fieldman Rolapp & Associates, for sponsoring the event and allowing the plated luncheon to cost only \$30 per person.

Thank you to Ben Caragan from MF Whipple & Associates who volunteered his time to ensure those desiring CPE received it timely! In addition, at each meeting, commercial vendors have provided gift cards or other gifts to be raffled off. We would like to offer our appreciation to those vendors for their generosity.

Peninsula Chapter

Chair
Richard Lee, City of South San Francisco
Vice Chair
Tim Kirby, City of Sunnyvale

The Peninsula Chapter is comprised of finance officers within the counties of San Francisco, San Mateo and Santa Clara. The Chapter was fairly dormant in prior years, as San Mateo County and Santa Clara County have their own finance officers groups that meet on a bimonthly basis.

In August 2016, the chapter had 45 attendees at its first meeting in a very long time, at OpenGov's offices in Redwood City. Michael Coleman, Principal Fiscal Policy Advisor for both CSMFO and the League of California Cities, presented "Still Following the Money: A California Local Government Finance Update". Mike McCann, Vice President of OpenGov, presented "Governing for an Uncertain Future: Financial Resiliency in Turbulent Times".

In December 2016, the East Bay and Peninsula Chapters hosted a joint CSMFO/CMTA holiday luncheon at Fogo de Chau in San Francisco. Jon Haveman, PhD, Principal with Marin Economic Consulting provided an economic forecast. Sarah Graham, Principal with Strategic Economics, discussed the ongoing challenge that cities face in finding ways to pay for infrastructure upgrades.

Sacramento Valley Chapter

Chair
Andrew Keys, City of Elk Grove
Vice Chair
Robin Bertagna, City of Yuba City

The Sacramento Valley Chapter has been holding regularly scheduled quarterly meetings. We have successfully held meetings at different locations throughout the Sacramento region in an effort to generate additional participation and make it easier for more members to attend. Each quarter a different agency has volunteered to host the following meeting. The Sacramento Valley Chapter has continued to see an increase in meeting attendance during 2016. Chapter meetings during 2016 included:

March, 2016: This meeting was not held because the date was so close to the 2016 annual conference.

June 1, 2016: This meeting was hosted at the League of California Cities office in Sacramento and included two topics of discussion: Michael Coleman, Fiscal Policy Advisor for the League of California Cities and special consultant to CSMFO, provided members with his Local Government Fiscal Update. Ryan Nicasio, CEBS, Vice President, PARS Public Agency Retirement Services, educated members on their combination Pension Rate Stabilization and OPEB Trust Fund.

September 6, 2016: The City of Roseville hosted this triannual meeting. There was no guest speaker; the event was simply a roundtable discussion of policies. Those attending were asked to bring their policies and groups were rotated to discuss pros and cons of each. At the end of two small group rotations, the larger group discussed insights gained and follow up for policies that generated the most interest.

December 8, 2016: The City of West Sacramento hosted this triannual meeting. Zane Johnston, a CSMFO Past President, spoke on "The Top 10 Ways Cities Waste Money", a presentation based on his survey of hundreds of finance directors statewide. Zane took questions from the audience and lunch was served after the Q&A. After lunch there was open discussion on the wasteful ways discussed at each lunch table.

San Diego County Chapter

Chair
Heather Jennings, City of La Mesa
Vice Chair
Laura Rocha, City of San Marcos

2016 Accomplishments
The San Diego Chapter successfully had four well-attended meetings in 2016, including a holiday meeting. Meeting attendance increased on average by 8 people per meeting. The San Diego County Chapter of CSMFO now provides CPE credit for those interested.

On average we had 48 people attend each meeting. Below is a list of our meetings with the topics and presenters.

April 26, 2016. "A Local Government Update," presented by Michael Coleman. Meeting held at the San Luis Rey Treatment Plant, Oceanside CA. (52 attendees)

June 29, 2016. "Presentation of Locally Assessed Property Values for the 2016-2017 Assessment Year," presented by Ernest J. Dronenburg Jr., San Diego County Assessor. Meeting held at the Old Poway Park, Poway CA. (53 attendees)

October 25, 2016. "Sales and Property Tax Trends," presented by Paula Cone, HdL Coren & Cone. Meeting held at the San Marcos Community Room. (40 attendees)

December 6, 2016. "Maximizing Effectiveness and Success in the New Year," presented by Neil Kupchin, Management and Training Consultant. Meeting held at the Doubletree Hotel, Del Mar CA. (49 attendees)

2017 Goals and Expectations
Continue having four meetings per year while improving attendance at each meeting.
Continue providing CPE units.
Pre-plan meetings for the entire year.
Create an annual survey for Chapter membership. Questions to include in survey; what topics would you be interested in hearing in the upcoming year, and are you willing to host a meeting?

Chapter Chair Reports

San Gabriel Valley Chapter

Chair
Tracey Hause, City of Temple City
Vice Chair
Tim Shay, City of Monterey Park

The San Gabriel Valley Chapter held six meetings between January 2016 and December 2016, all at the Courtyard Marriott in Monrovia, California.

January 20, 2016

Speakers: Mark Huebsch, Stradling Yocca Carlson & Rauth and Michael Busch, Urban Futures

Topic: After Redevelopment – Enhancing Infrastructure Financing Districts.

March 16, 2016

Ernest Kim, Siemens Industry, Inc. and Chu Thai, Finance Director, City of Monterey Park

Topic: Case study: Energy Upgrades to Save Money.

May 18, 2016

Speaker: Chuck Bennet, President, Business Data Links, Inc. Topic: Cyber Security for Public Agencies.

July 20, 2016

Speaker: Loren Lillstrand, Lillstrand Leadership Consulting

Topic: “Letting Go”

September 21, 2016

Speaker: Roger Alfaro, Partner, Vavrinek Trine Day & Company, LLP

Topic: GASB Update

November 16, 2016

Speaker: Mike Haney and Lily Fang, Capital Research Consulting Topic: Recent Litigation – Deferred Compensation Plans

League Policy Committee Reports

League of California Cities Administrative Services Policy Committee

Appointee: **Stuart Schillinger**

The Administrative Services Committee had another good year. They met three times. There were some very interesting issues discussed: California Voting Rights Act, Personal Information Privacy, California Public Records Act, Open-Data, voter registration. I know this sounds repetitive from last year but these are issues that are important and never really go away.

We discussed the all mail-in ballot proposal by the Secretary of State. The Committee voted to support this in concept to allow the League to work with the legislation. The California Voting Rights Act discussion continued; the issue of At-Large vs. District Elections for cities. The concern of the committee centered around the home rule issue of should cities be allowed to determine how the Council was chosen.

The other big issue we dealt with was proposed state legislation concerning integrity of data on City computer systems. How should City’s work together to ensure best practices in cyber security are practiced. Also, there was a brief discussion on how to implement SB 272 which required cities to post what programs it uses. The issue of transparency vs. security was discussed.

At the last meeting in June there was a discussion of the California Legislature Transparency Act. The Committee voted to support the Act.

League of California Cities Community Services Policy Committee

Appointee: **Tracey Hause, City of Temple City**

The Community Services Committee met three times in 2016.

The January 2016 began with a general session briefing which included outlining the League’s three strategic goals: 1) Improving funding for transportation

infrastructure; 2) Securing additional affordable housing resources; and 3) Developing policy on local revenue modernization. Also a briefing on the Leagues new health insurance exchange was provided and League Legislative Director Carrigg and Michael Coleman provided an update on the Governor’s FY 2016-17 Budget. Other updates included status of transportation funding, homelessness and affordable housing, public safety matters and labor and pensions.

After the general session, the Community Services Committee went through some housekeeping items such as parliamentary procedures, review of existing policy and guiding principles, and the Leagues Mission Statement and Strategic Goals for 2016. The Chair lead the Committee through a goal setting exercise and after lengthy discussions, the Committee unanimously approved the following Work Program:

- Homelessness
- Parks and Recreation
- Safety Impacts – AB 109 and PROP 47

There was also an update on California Medical Marijuana Legislation and the HEAL Cities Campaign.

The Committee met once again in April 2016 and began with a general session briefing that included updates on transportation funding, health insurance exchange and a drafted storm water initiative. League Legislative Director Carrigg provided a short update on the Governor’s FY 2016-17 Budget. Other updates included affordable housing bills, transportation funding proposals, and the allocation of cap and trade revenues and public safety.

After the general session, the Community Services Committee discussed AB 1567 (Campos): After School Programs: and Homeless Youth AB 2269 (Waldron): Family Shelter Pet Protection and Harmonization Act. Updates were provided on Homelessness Working Group/Bridge to Housing and Ending Veterans

League Policy Committee Reports



Homelessness. Several bills were discussed and there was an update on California Medical Marijuana Legislation.

The Committee had their final meeting of the year on June 3, 2016. After briefings in the general session on the health insurance exchange, state budget points of interest, and affordable housing, the Committee received a very informative presentation by the Executive Director of the California Commission on Disability Access. Other updates on realignment as a result of AB 109 and PROP 47, the California Parks, Water, Climate and Coastal Protection and Outdoor Access for All Act Members and several pending housing proposals for the FY 2016/17 state budget. The meeting was completed with the Chair Debbie Franklin presenting a Cold Weather Shelter Guidebook developed by the City of Banning and members of the faith-based community.

League of California Cities Environmental Quality Policy Committee

Appointee: Kathryn Downs, City of Carson

The League’s Environmental Quality (EQ) Policy Committee monitors proposed legislation relevant to environmental quality in California. The 2016 work program was updated to include review of proposed legislation for water management and infrastructure, organic waste diversion, solar energy & energy efficiency, and modernizing CEQA. The EQ Committee met three times during 2016.

In January, EQ recommended prioritizing Cap and Trade funding for projects which would improve California’s environment. Examples include low carbon transportation and urban forestry.

The Committee also received a presentation from CalRecycle. With an increase in recycling statewide, CalRecycle’s revenue stream is decreasing. One potential solution is a new fee to be collected by waste haulers, which would increase the administrative burden for cities

operating waste hauling activities.

In April, EQ received a presentation of the Carlsbad desalination plant operated by the San Diego County Water Authority. The environmental impact is low, but the plant is expensive to operate; resulting in a price of \$2,300 per acre foot for desalinated water. Other water resources to San Diego sold for less than \$1,000 per acre foot in 2016.

The EQ Committee supported improved reporting for electric utility outage compensation claims (AB 1800), making it a crime to sell or distribute Mylar balloons (AB 2709), and providing \$1.3 billion of funding to help communities most at risk for running out of clean water (S. 2533). The \$1.3 billion proposal went to legislative committees in May 2016.

The EQ Committee opposed a proposal to require a new stand-alone environmental justice element in the cities’ General Plans (SB 1000). The bill became state law in September 2016. The new element is required to be adopted by cities upon the adoption or next revision of 2 or more elements concurrently on or after January 1, 2018.

In June, EQ supported a proposal to uphold the ban on single-use plastic bags (SB 270); and opposed the initiative to redirect money collected by grocery stores for sale of carryout bags. In the November 2016 statewide election, California’s voters agreed with the Committee on both counts.

After much discussion, the Committee took a neutral position on the ballot measure for adult use of marijuana; which was approved by voters in November 2016.

Detailed information regarding EQ Committee agendas can be found at www.cacities.org.

League of California Cities Housing, Community & Economic Development Policy Committee

Appointee: Don Harrison, City of Beverly Hills

The Housing, Community and Economic Development (HCED) Policy Committee reviews issues related to general plans and zoning, housing, rent control, Subdivision Map Act, residential care facilities, other land use regulation, development fees including school fee adequacy, annexation and incorporation policy, development agreements, building standards including seismic safety standards, economic development policy including redevelopment and enterprise zones, military base closure and reuse, mobile home regulation and sign regulation. The principle behind the policies reviewed by this Committee is to foster local control of community planning decisions as they relate to land use and economic development.

The Committee met three times in 2016, in January, April and June. The League’s Strategic Goals established in Fall 2015 were:

1. Increase Funding for Critical Transportation and Water Infrastructure;
2. Improve Housing Affordability; and
3. Update the Local Government Tax Structure to Respond to the New Economy and Stimulate Economic Growth

The Committee voted to recommend Board approval of the following principles:

League staff should advocate for:

- Additional funding for:
 - o emergency housing funds (El Niño),
 - o affordable housing,
 - o mental health (beds, supportive services, outreach),

- o permanent supportive housing,
- o first-responder training,
- o homelessness-prevention programs,
- o drug treatment;

- Funding that is as flexible as possible and that incentivizes regional cooperation when applicable;
- Housing placement as a priority of programs that discharge people from care / incarceration;
- Policies or legislation that enhances the use of housing vouchers;
- Shelter crisis law flexibility;
- Changes in problematic policies, regulations and program requirements identified by the working group.
- The League should advocate for the funding and streamlining of intake programs;
- League staff should take into consideration the discussion about concerns and ideas related to homelessness held by committee members.

All League policy committees received presentations on the state budget, the Governor’s May Revise, transportation funding proposals and major concerns of each other policy area.

At the Committee meetings presentations were made and the committee discussed the following issues/ concerns:

- Pending legislation concerning housing, land use, affordable housing, second housing units, low-income housing tax credits, homelessness, alcohol/drug treatment facilities, massage therapy, and density bonuses.
- Regional housing Needs Assessment
- Housing First San Diego’s Homelessness Action Plan
- School Facilities Bond Ballot Measure

League Policy Committee Reports



- CEQA Reform

As the Committee had no resolutions to propose for the League Annual Conference, there was not an October meeting.

League of California Cities Revenue & Taxation Policy Committee

Appointee: Robert 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.

2016 League Strategic Goals

1. Increase funding for critical transportation and water infrastructure.
2. Improve housing affordability.
3. Update the local government tax structure to respond to the new economy and stimulate economic growth.

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

- Post-redevelopment efforts to establish new tax increment tools
- Sales tax issues: Exemptions, sales tax sourcing rules and taxable sales base expansion
- California State Treasurer John Chiang outlined his plan to tackle aging infrastructure and improve the State’s fiscal standing
- Debt reporting legislation
- Reviewed various November ballot measures
- Continued discussion on revenue modernization policy

The Revenue & Taxation Committee, along with the other

League policy committees, received three special briefings prior to their regular meeting related to these topics:

- State budget 2016-2017
- State transportation funding – Fix Our Roads coalition
- Affordable housing and homelessness funding
- Marijuana legislation
- Unfunded retiree healthcare and pension liabilities
- League development of a Health Insurance Marketplace

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.

League of California Cities Transportation, Communications and Public Works Policy Committee

Appointee: Robin Borre, City of Stockton

The League’s Transportation, Communications and Public Works Policy Committee held three meetings in 2016. The meetings were January 21st, April 7th and June 2nd. A special session was also held on October 5th at the 2016 Annual Conference. The first and third meetings were held in Sacramento and the second meeting was held in San Diego. I was unable to attend the April 7th meeting held in San Diego and the special session meeting held in Long Beach on October 5th. I did however receive briefings of the meetings.

The January meeting started off with the State Budget and Issues Briefing. The League reviewed their three Strategic Goals prioritized as 1) Improving funding for transportation infrastructure; 2) Securing additional affordable housing resources; and 3) Developing policy

on local revenue modernization. We received an update on the Governor’s proposed budget for FY16/17 which contained good fiscal news for cities overall. Additionally, the proposed budget stressed fiscal prudence with a focus on planning for a future recession. League staff gave an update on the progress being made on efforts to secure additional transportation funding at the state level, and at the federal level a 5 year \$305 billion transportation bill (Fixing America’s Surface Transportation (FAST) Act) had passed. We were also briefed on the registration of unmanned drones, and the Road Charge Pilot Program, which is a study on the potential use of a road charge in lieu of a gas tax. Additionally there was an update on legislation aimed at regulating street parking and local authority on parking violations and possible action that could be taken to curb the abuse of disabled parking placards. Once in committee we were given a presentation by SMUD (Sacramento Municipal Utilities District) on their vehicle charging station program. SMUD has advanced its effort to build out a network of charging stations to prepare for future growth in use of electric vehicles. They are hoping to improve “range anxiety” within the electric vehicle market. We discussed the updated Transportation Funding Proposals and AB1591. We voted to approve Taxicab and Transportation Network Company Regulations which would balance the regulatory framework between the taxi and TNC industries (Uber, Lyft) and have the PUC provide inspections. The policy would be regulated by the state’s PUC, while giving cities the ability to regulate both industries when any given city finds that state regulation is insufficient for their communities. The committee was briefed on the Cap and Trade program and the allocation of auction revenues in the Governor’s proposed budget. The committee approved the 2016 Work Plan to include Driverless Vehicles, Automated Speed Enforcement, Homelessness Task Force Update and Railroad Quiet Zones.

The April meeting was held at a new location in San Diego. All the committees were briefed on the State Budget and Issues. The League confirmed that their first priority is transportation funding and shared that there are some glimmers of hope in the legislature. The League continues to work on the development of a health insurance exchange. A contract has been signed for coverage of current employees and work is now being done on a contract for retired employees. More information will be forthcoming. The League reported good news out of the court of appeal that ruled in favor of the cities in the court case on AB 1484 regarding redevelopment. They did not have the same outcome on SB 7 related to prevailing wages for charter cities. The lead cities are deciding if they will appeal again. The League provided an update on the state budget that continues to be relatively stable and does not hold bad news for cities. Revenues for the current year are coming in at good levels and the state is working to build their reserve fund. There are a large volume of housing bills moving that would remove local land use authority. The League has supported several bills related to affordable house and it is expected the Assembly Democrats will release an affordable housing proposal. Additionally the legislation is expected extend the sunset date for the California Massage Therapy Council and the League-sponsored AB 2403 bill regarding group homes is moving along nicely. On the transportation front there are currently three major transportation funding proposals, AB 1591, SBx1 1 by Senator Beall and the Governor’s proposal. SBx1 1 seems to have the most momentum. The committee approved support of the Autonomous vehicle pilot project (AB 1592), as well as the Intercity rail services: noise mitigation bill AB 2355 (quiet zones). The Board of Equalization (BOE) voted to continue their forecasting practice for the Gas Excise Tax and continue to look at a year back and the current year rather than the proposed five year forecast approach. This

League Policy Committee Reports

action will further reduce the variable gas tax by 2.2 cent instead of what would have been a .2 cent reduction. The Leagues proposal would have help smooth the volatility of this part of the Gas Tax (Section 2103) which has gone from 18 cents down to 9.8 cents a gallon.

The June meeting provided an update to the State Budget and Issue including an update on the rollout of the League Health Marketplace which will be announced soon.

The May revised budget reflects revenue adjustments downward and the Governor’s attention to building up the Rainy Day fund to protect that state against expected economic downturns. An update was provided related to the affordable housing crisis explaining the housing prices and demand are on the rise while there is a need for over 100,000 units a year on the coast alone. The Governor’s “by-right:” housing proposal that removes local discretion over land use decisions and public input was discussed and members were encouraged to call their legislators and to mobilize their communities against this proposal. There is continued frustration over the inaction on transportation funding and that it would likely not be included in the budget. The League was optimistic that the discussion will continue in the Transportation Special Session. The committee took an oppose position on three bills: 1. The Revenue Bonds, Statewide Voter Approval Constitutional Amendment aka Stop Blank Checks Initiative; 2. AB 2602 related to disabled parking as the bill was too restrictive and the focus should be on enforcement issue not a revenue issue for cities, and 3. AB 2796 Active Transportation Program related to a set aside of 5% for disadvantaged communities and a 10% set aside for non-infrastructure projects. AB2395 – Telecommunications: Replacement of Public Switched Telephone Network: received a watch and continue working with the author recommendation. We had a very good overview on the transportation funding proposal. The overview compared the three proposals. The League discussed the potential deal between the adoption of the

budget and the end of the lame duck session. The meeting ended with a detailed presentation by the Contra Costa Transportation Authority on their autonomous vehicles and their extensive test site including what cities should expect and plan for as the technology begins to roll out.

There was a special meeting held at the League Conference in October to take action on the Resolution No 1: Committing the League of California Cities to Supporting Vision Zero, Toward Zero Deaths, and Other Programs or Initiatives to Make Safety a Top Priority For Transportation Projects and Policy Formulation, While Encouraging Cities to Pursue Similar Initiatives.

Membership Information

Year	Municipal Member	Commercial Member	Other Government Member	Retired	Student	Complimentary	Total
2016	1,823	241	39	68	13	6	2,190
2015	1,711	243	26	67	22	19	2,088
2014	1,526	236	24	59	18	14	1,877
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

Statement of Financial Position
December 31, 2016 and 2015

	2016	2015
ASSETS		
Current Assets		
Cash and Investments	1,359,032	1,250,119
Accounts Receivable	1,997	2,765
Other Current Assets	194,757	29,600
Total Current Assets	1,555,786	1,282,485
TOTAL ASSETS	1,555,786	1,282,485
LIABILITIES & NET ASSETS		
Liabilities		
Current Liabilities		
Accounts Payable	28,863	16,489
Other Current Liabilities	688,255	424,830
Total Current Liabilities	717,118	441,319
Total Liabilities	717,118	441,319
Net Assets		
Restricted	38,847	24,112
Unrestricted	799,821	817,054
TOTAL LIABILITIES & NET ASSETS	1,555,786	1,282,485

Statement of Activities
January 1 through December 31, 2016 and 2015

	2016	2015
Revenue and Support		
Annual Conference	\$863,795	\$666,100
Membership Dues	\$220,233	\$209,300
Website Magazine Ads	\$145,595	\$109,760
Education Workshops	\$122,520	\$119,338
Chapter Income	\$95,192	\$73,164
Award Fees	\$16,991	\$16,950
Contributions and Donations	\$1,886	\$227
Interest income	\$4,121	\$1,601
Subtotal Operating Revenues	\$1,470,332	\$1,196,440
Expenses		
Program Services		
Annual Conference	\$855,579	\$578,076
Education Workshops	\$100,314	\$101,461
Chapter Expenses	\$85,238	\$66,541
Subtotal Program Services	\$1,041,131	\$746,078
Operating Services		
Management Services	\$235,356	\$202,815
President's expense	\$4,114	\$3,355
Board & Committee Meetings	\$31,868	\$38,991
Office Supplies and Telephone	\$5,469	\$4,772
Printing	\$13,231	\$12,594
Postage	\$1,901	\$1,731
Web and technology expenses	\$18,118	\$13,145
Audit	\$9,400	\$9,250
Insurance	\$2,240	\$1,660
Miscellaneous	\$71,687	\$40,519
GFOA Reception	\$5,453	\$9,324
Previous Year Adjustment	(\$327)	\$835
Subtotal Operating Services	\$398,509	\$338,991
Total Expenses	\$1,439,640	\$1,085,069
Total Revenues over Expenses	\$30,692	\$111,371