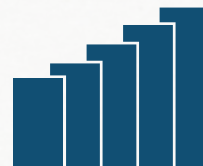




**CSMFO  
ANNUAL  
REPORT** **2018**





# President's Report

*Margaret Moggia, West Basin Municipal Water District*

Let me begin by thanking each and every one of you for the privilege and honor of serving as your 2018 President. The experience is one of the highlights of my career and has provided a way to give back to the community that has given me so much.

Did you find your **Mission Possible**? Did you achieve your personal goal, resolve an outstanding issue or just get through a busy day? My presidency began at the Riverside conference in February 2018 where the conference theme asked attendees to **Collaborate, Innovate and Achieve (CIA)**. The message was simple; live our daily lives so that we can find that our Mission is Possible.

The 2018 conference had a tremendous response that even the conference host committee and planners had to apply the CIA theme to the conference experience. I am certainly happy we were given the opportunity to explore how we can better engage with our members through finding a way to meet new members, connect at the chapter level, and recognize the members who shared their knowledge and inspirations at the concurrent sessions. And, it was a privilege to recognize deserving individuals through the Volunteer of the Year award, recognition for the Outstanding Budget, CAFR and Innovation Awards, and finally acknowledging two long serving government members for the Distinguished Service Award.

As president, I had the opportunity to travel and represent CSMFO at our sister state associations and national association. My travels began in March with the Oregon Government Finance Officers Association where I met Tod and Lisa and learned how they organize their standing committees including a student mentoring program and certification program. Next conference was CMTA in April. This was a special honor as I just served as president the year prior. CMTA is a valuable organization that fully immerses its members in public funds investing and I encourage CSMFO members who have fiduciary oversight to consider CMTA as another valuable membership and resource. Next up was GFOA in St. Louis in May and it is wonderful to see how the national association is addressing similar challenges to engage the college students to consider public service and be prepared to succeed us. Washington Finance Officers Association was my next visit in September and I appreciate the hospitality extended by Jana and Craig, and learning how our partnerships has lead to improved conference experiences. Also, I learned how this state association has similar challenges to us and yet is different in how they report and audit. (It makes you wonder how business gets done in different states). And finally, my last stop was to the Alaska Government Finance Officers Association and the kindness extended by Ryan and Joan. This conference certainly opened my eyes to the challenges this state faces to engage its members who must travel for miles and hours to gain valuable insight on how to address their fiscal challenges, and makes me appreciative of CSMFO's ability to share our webinars with not only Alaska but to Oregon and Washington too.

2018 was a super productive year for our chapters, committees and board. I encourage you to read their annual report updates. Here are a few highlights:

- Executed a number of important agreements that support the association's initiatives
- Conducted focus groups and surveys to solicit feedback from our members
- Enhanced membership benefits and recognition to our members
- Improved the efficiency of our recognition program
- Evaluated new transparency award
- Created another amazing program for the annual conference
- Produced the bi-monthly CSMFO magazine and continue to enhance the delivery
- Identified technology improvements on how we connect
- Delivered high quality webinars and onsite training
- Engaged subject matter experts to develop our own content for new and existing training
- Encouraged by new chapter chairs to lead dormant chapters



During my leadership planning session, the CSMFO leaders were asked how to address long outstanding discussion items. A special thank you to the board members who explored these ideas towards CSMFO's three guiding goals of organizational sustainability, membership, and professional development. At the outset, I am not certain we knew what the outcome would be, but I am happy to say that through each board member and their individual working groups, we have certainly moved the organization forward by improving our understanding of committee structure and advocacy, engaging our members (and future members) through chapter engagement and student engagement, developing our own app, and finding ways to enhance our professional development through examining what it means to have our own California-focused certification program.

My journey has given me a renewed appreciation for our profession. I learn each day and because I do, I find my way through these new challenges. I find joy in the completed tasks, excitement for what the future holds, and appreciation for the friendships I made along the way. I want to express gratitude to my husband Chris and my two daughters, Maya and Tara, to my staff, and some key CSMFO members who have given me the opportunity to give back to an organization that has given me so much. Thank you to Viki, Ronnie, Mary, Harriet, Don, Laura, Pam, David, Drew and John for your encouragement and support. We are also so fortunate for the amazing support staff and their creative ideas led by Melissa and Teri.

I am often asked how I managed the role. Hard work is never that hard when you enjoy what you do. I truly appreciate the opportunity to work hard to represent CSMFO throughout my years of service, and consider my strength is that I consider myself to be a servant leader. As my year as president comes to end, I am honored and humbled to serve and represent the members and the profession, and now take my place among the many accomplished past presidents. As I move on, I will continue to find ways to add value to this amazing association.

My experience began because I was asked and I said yes. Will you say yes?

# President-Elect's Report

*Joan Michaels Aguilar, City of Dixon*

I have the distinct honor to have been elected President-Elect by our CSMFO membership and 2018 has been very active working on a variety of efforts, with the primary focus on planning the 2019 Annual Conference in Palm Springs.

## 2019 ANNUAL CONFERENCE

The annual conference location is selected years in advance and the 2019 location marks a return to beautiful Palm Springs. The conference timing is much earlier than usual for CSMFO conferences, being scheduled for early January. One of the first things is drafting a great team for a Host Committee, and I had the good fortune to have some veteran conference planners and some new to the process. Dave Cain, Karla Campos, Kate Zawadzki, Drew Corbett, Brad Rockabrand, Marcus Pimentel, Steve Heide and Bobby Young all had their part in planning with our monthly calls and one in-person recon session for our Southern California team members. With our Executive Director Melissa Dixon and her team at Smith Moore & Associates doing another amazing job championing our theme (more on that in a minute) and Meeting and Association Management Services with Teri Anticevich, Marisa Anticevich, Janet Salvetti, and Candy Retamoza taking our vision and making it a reality.

It really is a remarkable process to evaluate feedback from prior conferences, continue our mission of providing the first-rate educational opportunities and CPE that is available at the conference, select keynote speakers, figure out the best way to get some r & r in with our Thursday night event, details like what type of bag should be the give-away this year, and the all-important budget. How many attendees will we have – commercial, municipal, how many exhibitors will join us in our exhibitor hall? What topics do people want to hear about this year – what will be the hot topics? Thank heavens for our Program Committee led by Past President Ronnie Campbell who evaluated, I believe, 138 sessions in order to arrive at the 57 that ultimately made it to the program that is presented. A special thanks to Harriet Commons and her e-mails out to members and the Call for Sessions and being our liaison between Host and Program Committees.

I wanted to build excitement about the conference when I had a chance to address the attendees in Riverside, and we had our big reveal with the 2019 theme of Guardians of the Finance Galaxy and logo. For those that know me, I am a Disney fan, and while the Anaheim conference will take place in 2020 – I felt we could make a little magic happen in the desert. I also feel that we in the municipal finance profession are tasked with being guardians of the public trust where finances are concerned, particularly in this era of enhanced transparency and the importance of integrity.

## STRATEGIC PLANNING SESSION – MAKE IT HAPPEN

Every fall, CSMFO leadership meets for the annual strategic planning session, which took place this year in San Diego in October. A group of 40+ attended the session including many past presidents and first-time attendees. CSMFO leadership was well represented with Board Members, Committee Chairs, Vice Chairs, Senior Advisors, Chapter Chairs and Vice Chairs—all participating in the session led by Neil Kupchin. During the session, I noted that we are all busy professionals with our professional and personal lives and demands on our time, yet we find the time to make CSMFO a priority in our lives. We “make it happen” and take care of business.



Neil led us on a review of what we had achieved in our strategic plan and through group participation, we came up with ideas to undertake in the coming year. While this is a working session, we manage to have fun and get to know each other a bit better too. This was accomplished in part through some team building exercises later in the afternoon. David Garrison with SMA started us off with a fascinating fact about a CSMFO member and we had to guess who that was – like who was born in Africa or who received acknowledgement in a book. Next on the agenda involved some theater whereby groups (remember these are finance professionals, not actors), got to perform vignettes in front of their colleagues for even more ice-breaking and fun on topics presented by David.

Finally, we had a two-person team with one person blindfolded walking through an assembly line to put together kits for the homeless that were comprised of items such as soap, shampoo, and toothpaste. You had to listen carefully to your partner to make sure you didn't bump into tables or other people, and put your items in the bag and drop them off in the box that was collecting the 100 kits we put together. Ultimately these kits went to a local homeless charity, PATH, in San Diego, our strategic planning location.

I am excited to serve as your President in 2019 and I look forward to representing CSMFO at events throughout the year.

# Past President's Report

*Drew Corbett, City of San Mateo*

It's hard to believe my time in the leadership with CSMFO has come to an end. It just doesn't seem that long ago that I took over as President-Elect and began the planning process for the 2017 Annual Conference in Sacramento. And while these last three years have gone by fast, they have also been very rewarding for me personally and very productive for our association. With the leadership of our Board of Directors and the other Presidents with which I have had the pleasure to serve, CSMFO has continued to fulfill its mission of serving its members.

As Past President in 2018, my primary responsibility has been to serve as the liaison to our chapter leaders. Our chapters serve a vital role in CSMFO, as chapter events are often the most accessible form of training and networking for our members. As such, we rely on our chapter leaders to organize and host events that bring our members together. In an effort to support our chapters and drive event attendance, the CSMFO Board approved a \$25,000 budget to support chapter events in 2018. This was used to do things like underwrite a portion of the expense of chapter events, with the goal of making the event accessible for more attendees. One great example is with our South San Joaquin Chapter, which is a chapter that covers a large geographic area in the Central Valley region of California. The chapter used the CSMFO funding to have a lunch event that featured Michael Coleman and only cost \$15 to attend. This resulted in attendance that nearly doubled prior chapter events. Overall, the chapters had another tremendously successful year in 2018, hosting 64 events that had approximately 2,300 attendees.

Another initiative that I had the pleasure of working on was the Chapter Engagement Ad Hoc Committee, which was lead by Board Member (and incoming President-Elect) Steve Heide. This committee, which included a number of chapter chairs as well as Membership Committee Chair Grace Castaneda, was very productive in 2018. Two of its most notable accomplishments were to develop a toolkit of resources for chapters to use to ease the administrative burden of event preparation, and to design and purchase pop-up banners to highlight CSMFO and the chapters at events.

One other project that I worked on for which I am particularly proud is the initiative to allow members from our partner associations, Oregon Government Finance Officers Association, Washington Finance Officers Association, and Alaska Government Finance Officers Association, access to CSMFO webinars. This effort began back in 2017, when then-AGFOA President Carmen Randle addressed our membership at the conference in Sacramento and talked about the challenges getting their members trained. Seeing an opportunity to assist, I worked with the associations and our Board to allow each association's membership to utilize our webinar program in 2018 as a no-cost pilot program. The results were outstanding, with each association reporting how well the webinars have been received by their members. Late in 2018, our Board approved the next step of the pilot, which was to continue to allow the associations' members to utilize CSMFO webinars in 2019 for a nominal fee that will help offset CSMFO's costs for the overall webinar program. I am extremely proud that we were able to make this work and am grateful for the Board's support of this initiative.



And finally, as my time in the leadership comes to an end, I must conclude with some words of gratitude. First and foremost, I'd like to thank CSMFO Executive Director Melissa Dixon and her team at SMA for the incredible support they have provided me over the last three years; they were truly amazing. Same goes for Teri Anticevich and her team at M&AMS; there's no way the 2017 Annual Conference in Sacramento happens without them. And I can't leave out the dedicated people that I had the pleasure of serving on the Executive Committee with during my three years: Jesse Takahashi, John Adams, Margaret Moggia, and Joan Michaels Aguilar. It was an honor to serve CSMFO with you.

# STRATEGIC GROWTH

## CORE STRATEGIES, GOALS & PRIORITY ACTIONS

CSMFO will leverage and invest resources to ensure the organization supports its volunteer efforts to forward the mission, vision and values.

Goal/Objective	Action Plan & Deliverable	Responsible Parties	Target Dates	Progress
1a. New technology	<b>1. MEMBERSHIP DATABASE</b> a. Technology Committee Members assigned to database workgroup b. Follow progress of working group and update committee/board as necessary  <b>2. LISTSERV</b> a. Draft implementation plan b. Research software solution c. Present to board for adoption  <b>3. TELE-CONFERENCING</b> a. Complete testing of tools b. Create matrix of pros/cons c. Draft recommendation for larger-scale adoption d. Present to board  <b>4. WORKFLOW MANAGEMENT</b> a. Complete testing of tools b. Create matrix of pros/cons c. Draft recommendation for larger-scale adoption d. Present to board	Database Working Group/Technology Committee	<b>1. DECEMBER 2017</b> <b>2.</b> a. first half of 2017 b. second half of 2017 c. 2018 conference <b>3.</b> a. first half of 2017 b. fall 2017 c. November 2017 d. December 2017 <b>4.</b> a. second half of 2017 b. winter 2017-18 c. spring 2018 d. summer 2018	
1b. Survey needs, evaluate growth opportunities	<b>1. GET A LIST OF NON-RENEWING MEMBERS FROM SMA</b> <b>2. IDENTIFY QUESTIONS FOR SURVEY</b> <b>3. SEND OUT SURVEY</b> <b>4. GET A LIST OF 2016 &amp; 2017 CONFERENCE ATTENDEES FROM SMA</b> <b>5. ANALYZE AND IDENTIFY GAPS OF ATTENDEES YEAR OVER YEAR</b>	Membership Committee	<b>1. APRIL 2017</b> <b>2. APRIL 2017</b> <b>3. APRIL 2017</b> <b>4. AUGUST 2017</b> <b>5. AUGUST 2017</b>	<b>1. COMPLETED</b> <b>2. COMPLETED</b> <b>3. COMPLETED</b> A survey was sent out in April 2017, and with very few responses, the questions in the survey were narrowed down (from 16 to 3) and sent out again in May. However, that also resulted in only a handful of responses. Instead of re-doing and sending out another survey, the Committee focused on reaching out to non-members under Core Strategy Member Engagement Objective #1, as this provides an avenue of outreach to non-renewing members within the non-member cities. <b>4. DECEMBER 2017</b> <b>5. DECEMBER 2017</b>



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Goal/Objective	Action Plan & Deliverable	Responsible Parties	Target Dates	Progress
1c. Branding/Outreach/ Promote CSMFO	<p>1. CONTINUE TO PUBLISH THE CSMFO MAGAZINE THROUGH 2017 TO STRATEGICALLY BRAND AND PROMOTE CSMFO. 2017 PUBLICATION MONTHS: JAN, FEB, MAR, MAY, JUL, SEP, NOV</p> <p>2. IDENTIFY STANDARDIZED OPPORTUNITIES TO SUPPORT CHAPTERS AND COMMITTEES IN OUTREACH EFFORTS.</p> <p>a. Participate in bi-monthly chapter chair calls</p> <p>b. Interface with committee chairs in bi-monthly committee chair calls</p> <p>3. DRAFT POLICIES TO ENSURE CONSISTENT MESSAGING</p> <p>a. For Magazine</p> <p>b. Use of logos and for email communications</p>	Communications Committee	<p>1. AS INDICATED BY PUBLICATION DATES</p> <p>2. BY SEPTEMBER, 2017</p> <p>3a. BY APRIL, 2017</p> <p>3b. BY SEPT, 2017</p>	<p>1. Magazines have been published; attempts have been made to incorporate a Chapter focus in each issue</p> <p>2a – need to get on calendar</p> <p>2b – participate</p> <p>3. Draft policies prepared. Logos &amp; email communication targeted to go to Board at the October meeting</p>
1d. Expand/enhance program administrative support and infrastructure	<p>1. POLL COMMITTEE CHAIRS TO DETERMINE IF THERE ARE ADDITIONAL ADMINISTRATIVE NEEDS ABOVE AND BEYOND WHAT CAN BE HANDLED BY VOLUNTEER MEMBERS</p> <p>2. BASED ON RESULTS OF POLL, WORK WITH COMMITTEES TO DRAFT SCOPE OF SERVICES/COST PROPOSAL</p> <p>3. TURN SCOPE OF SERVICES PROPOSAL OVER TO ADMIN COM FOR REVIEW AND PRESENTATION TO BOARD</p> <p>4. INCORPORATE ADDITIONAL BUDGET REQUESTS INTO PROPOSED 2018 BUDGET</p> <p>5. POLL CHAPTERS ON IMPACT OF INCREASED ADMINISTRATIVE SUPPORT</p> <p>6. ANALYZE POLL RESULTS AND DETERMINE IF ADJUSTMENTS SHOULD BE MADE TO ADMINISTRATIVE SUPPORT SERVICES FOR CHAPTERS</p> <p>7. SCOPE AND COST ADDITIONAL SERVICES, AS APPROPRIATE</p> <p>8. INCORPORATE INTO 2019 BUDGET</p>	Executive Committee/ Administration Committee (additional support from Technology Committee)	<p>1. MAY 2017</p> <p>2. JULY 2017</p> <p>3. AUGUST 2017</p> <p>4. OCTOBER 2017</p> <p>5. 2018</p> <p>6. 2018</p> <p>7. 2018</p> <p>8. 2018</p>	2017 action items completed. Program Committee established new contract with SMA to provide admin support (approved at August Board Meeting).

# STRATEGIC GROWTH

## CORE STRATEGIES, GOALS & PRIORITY ACTIONS

CSMFO will leverage and invest resources to ensure the organization supports its volunteer efforts to forward the mission, vision and values.

Goal/Objective	Action Plan & Deliverable	Responsible Parties	Target Dates	Progress
1e. Enhance internal communication – chair calls, collaboration	1. SOLICIT IDEAS, SUGGESTIONS AND RECOMMENDATIONS FROM LEADERSHIP ON WAYS TO ENHANCE INTERNAL COMMUNICATIONS 2. CONSOLIDATE INPUT FROM LEADERSHIP AND DISTRIBUTE 3. BASED ON INPUT, DEVELOP RECOMMENDATIONS FOR BOARD REVIEW 4. SEEK BOARD APPROVAL FOR IMPLEMENTATION IN 2018 5. EVALUATE EFFECTIVENESS OF CHANGES EVERY 6 MONTHS IN 2018 AND 2019	Executive Committee (additional support from Technology Committee)	1. AUGUST 2017 2. SEPTEMBER 2017 3. DECEMBER 2017 4. DECEMBER 2017 5. 2018 6. 2018 & 2019	2017 items are on track. Committee Chairs have been meeting bi-monthly with the President, and the Past President is meeting regularly with Chapter Chairs. Solicitation on effectiveness began in September.
1f. Evaluate and improve internal communications – Board Meeting agendas, status reports from committees	1. SOLICIT IDEAS, SUGGESTIONS AND RECOMMENDATIONS FROM LEADERSHIP IN WAYS TO ENHANCE INTERNAL COMMUNICATIONS 2. CONSOLIDATE AND DISTRIBUTE 3. DEVELOP RECOMMENDATIONS FOR BOARD REVIEW 4. SEEK BOARD APPROVAL FOR IMPLEMENTATION IN 2019 5. EVALUATE EFFECTIVENESS IN 2019	Executive Committee (additional support from Technology Committee)	1. DECEMBER 2017 2. 2018 3. 2018 4. 2018 5. 2019	Executive Committee has had discussions on board agendas and status reports. Will continue conversation and solicit input from leadership on schedule.
2. Develop a “60th” Logo	DONE!	Executive Committee/President		



CSMFO will leverage and invest resources to ensure the organization supports its volunteer efforts to forward the mission, vision and values.

Goal/Objective	Action Plan & Deliverable	Responsible Parties	Target Dates	Progress
3. Develop Comprehensive Strategy on Fees and Dues (Revenues)	1. COMPILE DATA ON FEES CHARGED ON ALL COURSES AND CHAPTER MEETINGS. 2. SURVEY AND COMPARE CLASS FEE STRUCTURE TO OTHER ORGANIZATIONS SUCH AS WFOA, OGFOA, CMTA 3. SURVEY IF OTHER ORGANIZATIONS HAVE MEMBER VS NON-MEMBER PRICING 4. MAKE RECOMMENDATION ON PRICING STRATEGY 5. MEMBERSHIP DUES STRUCTURE: SURVEY AND COMPARE DUES STRUCTURE TO OTHER ORGANIZATIONS AND MAKE RECOMMENDATION ON PRICING STRATEGY (RE-VISIT DUES STRUCTURE EVERY 3-5 YEARS)	Membership Committee	1. 2018 2. 2018 3. 2018 4. 2018 5. 2018	
4. Formalize Chapter Structures	1. ESTABLISH SUCCESSION PLANS FOR CHAPTERS 2. DEFINE STANDARD POLICY FOR TRANSITION AND INTRODUCTION OF CHAPTER CHAIRS 3. GENERATE STANDARDIZED EVALUATIONS FOR CHAPTER MEETINGS 4. ESTABLISH SPEAKERS BUREAU CHAPTER LIST AND RATINGS LIST FOR REFERENCE 5. DEVELOP TOOL KIT FOR CHAPTER LEADERSHIP AND MEETINGS MANAGEMENT 6. CREATE CHAPTER EFFECTIVENESS COMMITTEE?	Chapter Chairs, led by Past President  Staff	2018	
5. Engage Past Presidents	1. ESTABLISH PAST PRESIDENTS ADVISORY COMMITTEE (POTENTIAL OVERSEE DSA)	Past President to Chair	2018	

# MEMBER ENGAGEMENT

## CORE STRATEGIES, GOALS & PRIORITY ACTIONS

CSMFO will leverage and invest resources to ensure the organization supports its volunteer efforts to forward the mission, vision and values.

Goal/Objective	Action Plan & Deliverable	Responsible Parties	Target Dates	Progress
1. Formulate outreach plan to target potential members (88 cities)	1. IDENTIFY THE TARGETED CITIES 2. MAP CITIES TO SEE IF THERE ARE ANY GEOGRAPHIC PATTERNS TO IDENTIFY SUPPORT/HELP FROM ACTIVE MEMBER AGENCIES (E.G. SEE WHAT CHAPTERS NON-MEMBER CITIES BELONG TO) 3. IDENTIFY OUTREACH EFFORTS (E.G. OFFERING WEBINARS WHICH ARE FREE UNLESS CPE CERTIFICATE IS REQUIRED, USING CHAPTER REVENUES TO HOLD FREE MEETINGS FOR POTENTIAL MEMBERS AT THEIR AGENCIES)	Membership Committee	1. NOVEMBER 2017 2. NOVEMBER 2017 3. NOVEMBER 2017	1. COMPLETED 2. COMPLETED 3. COMPLETED/ONGOING After the membership listing was updated earlier in the year, there were 84 cities identified that do not have members in CSMFO. The committee's strategy was to work with these cities' respective chapters to send out a letter that lists out membership benefits and offers the non-member cities a free chapter meeting so they can experience first-hand some of the benefits CSMFO provides. For cities that belong to inactive chapters, the strategy was to work with neighboring active chapters. Concurrently, letters with an invitation to join CSMFO were sent out by President Corbett and Membership Chair Reyna to the California attendees at the GFOA Annual Conference who went to the President's reception and who were not CSMFO members. To date, these combined outreach efforts resulted in 6 new members and another 8 cities who accepted the invitation to attend the next chapter meeting in their respective chapters.

Goal/Objective	Action Plan & Deliverable	Responsible Parties	Target Dates	Progress
2. Refine volunteer utilization plan and appreciate and recognize volunteers	1. DEVELOP POLICY TO FORMALLY RECOGNIZE CHAPTER AND COMMITTEE CHAIRS TO CREATE UNIFORMITY ACROSS CSMFO. 2. MAKE RECOMMENDATION ON VOLUNTEER APPRECIATION PLAN (E.G. STANDARD RECOGNITION LETTER, SPECIAL CSMFO PIN/T-SHIRTS/PLAQUE ON "MILESTONE" 5-, 10-, ETC. YEARS OF SERVICE)	Membership Committee	1. 2018 2. 2018	



CSMFO will leverage and invest resources to ensure the organization supports its volunteer efforts to forward the mission, vision and values.

Goal/Objective	Action Plan & Deliverable	Responsible Parties	Target Dates	Progress
3. Refine volunteer utilization plan and appreciate and recognize volunteers	1. ISSUE RFQ FOR SURVEY FIRM 2. EXECUTE CONTRACT	Membership Committee	1. 2018 2. 2018	
4. Conduct comprehensive member survey to determine priorities	1. WORK WITH SMA TO IDENTIFY SURVEY QUESTIONS (DO MEMBERS WANT MORE WEBINARS? MORE IN-PERSON TRAININGS? WHAT TOPICS? CHAPTER MEETINGS? ETC.) 2. SEND OUT SURVEY	Membership Committee	1. 2019 2. 2019	
5. Develop student engagement plan	1. UPDATE CSMFO BROCHURE AND GATHER OTHER CSMFO MATERIALS AND SWAG TO PASS OUT TO STUDENTS 2. GET BOOTH AT "CAREER NIGHT"/"MEET THE FIRM" AT COLLEGE CAMPUSES, OR ATTEND UNIVERSITY'S FINANCE SOCIETY MEETINGS 3. RECOMMEND AND IMPLEMENT ENGAGEMENT PLAN (E.G. OFFER FREE ATTENDANCE TO CHAPTER MEETINGS, HOLD CHAPTER MEETINGS AT LOCAL UNIVERSITIES TO ATTRACT STUDENTS)	Membership Committee	1. 2018 2. 2019 3. 2019	1. The brochure has been updated and will be printed in time for the 2018 Conference.
6. Develop orientation package for new and existing members	1. DEVELOP STANDARD WELCOME LETTER FOR NEW MEMBERS 2. SET UP SPECIAL EVENT(S) FOR FIRST TIME CONFERENCE ATTENDEES 3. CREATE DESIGNATED "HOTSPOTS" FOR NEW MEMBERS TO MEET WITH CHAPTER CHAIRS AT ANNUAL CONFERENCE	Membership Committee	1. JULY 2017 2. 2018 3. 2018	1. December 2017

# MEMBER ENGAGEMENT

## CORE STRATEGIES, GOALS & PRIORITY ACTIONS

CSMFO will leverage and invest resources to ensure the organization supports its volunteer efforts to forward the mission, vision and values.

Goal/Objective	Action Plan & Deliverable	Responsible Parties	Target Dates	Progress
7. CSMFO should add value without advocating	1. DEVELOP GUIDELINES FOR THE BOARD REGARDING ADVOCACY: A. DEFINE RESPONSIBILITIES B. DEVELOP POLICY STATEMENTS 2. ENGAGE OUR MOST EXPERIENCED MEMBERS	Professional Standards	2018	
8. Develop plan for student engagement	1. FORMULATE FORMAL PROGRAM TO VISIT COLLEGES AND UNIVERSITIES (DO PRESENTATIONS) 2. SET UP ON CAMPUS FOR CSMFO MEETINGS (CHAPTERS, OTHER?) 3. CONTACT MPA/FINANCE/ECON/ MBA DEPARTMENTS/PROGRAMS AND OFFER TO ATTEND/PRESENT 4. OFFER TRAINING ON DELEGATION/ MENTORING SKILLS 5. DEVELOP CSMFO LEADERSHIP ACADEMY	Student Engagement Task Force - NEW	2018	



# PROFESSIONAL DEVELOPMENT

## CORE STRATEGIES, GOALS & PRIORITY ACTIONS

CSMFO will leverage and invest resources to ensure the organization supports its volunteer efforts to forward the mission, vision and values.

Goal/Objective	Action Plan & Deliverable	Responsible Parties	Target Dates	Progress
1. Expand CSMFO core training to ensure foundational skill sets	1. PROFESSIONAL STANDARDS WORKING GROUP MEMBERS ARE CREATING INVENTORIES IN SIX DIFFERENT TOPIC AREAS. MEMBERS NEED TIME TO RESEARCH EXISTING RESOURCES AND DEVELOP A COMPREHENSIVE INVENTORY.	Professional Standards & Recognition Committee	1. NOVEMBER 2017	1. MAY 2018 The Professional Standards Working Group has developed a listing of standards for each topic. The Working Group needs to develop this information into a workable tool that can be used by the membership as a whole.
1b. Expand CSMFO core training to ensure foundational skill sets	1. IDENTIFY NEW SUBJECTS FOR COURSES (E.G. DEBT MANAGEMENT, FIXED ASSETS, AND TREASURY). IF OVERLAP WITH OTHER PROFESSIONAL ORGANIZATIONS, SEEK FEEDBACK FROM THE BOARD AND POSSIBLY DEVELOP TRAINING PARTNERSHIPS. 2. FUNDAMENTALS OF TAX REVENUES 3. FUNDAMENTALS OF FEES, RATES & CHARGES 4. SUCCESSFUL SKILLS FOR FINANCE DIRECTORS (SOUTH & NORTH IN 2017) 5. DEVELOPING SUCCESSFUL SUPERVISORY SKILLS 6. INTRODUCE NEW COURSES	Career Development Committee	1. DECEMBER 2017 2. SOUTH IN 2017 (ODD YEARS) & NORTH IN EVEN 3. NORTH 2017 (PRECONFERENCE) & SOUTH IN 2018 4. SCHEDULING IN 2017 5. 2018 – PRECONFERENCE SESSION? 6. 2018 & 2019	1. Survey Monkey sent to membership week of 9/25/17 to ascertain level of interest in new topics for training. 2. Completed – West Basin 3. Completed as Preconference Session in 2017 4. Confirmed as a Preconference Session in 2018 5. 2017 Dates: 9/28 & 11/16; 2018 Dates: 1/11
2. Leverage technology to deliver content	1. DEVELOP A STRATEGY FOR ALTERNATIVE SERVICE DELIVERY OPTIONS. WORK WITH CONSULTANTS AND OTHER INTERESTED COMMITTEES. INCLUDES ENHANCED FUNCTIONALITY OF THE LISTSERV 2. TEST ALTERNATIVE DELIVERY OPTIONS. 3. EXPANDED ROLL-OUT OF ALTERNATIVE DELIVERY OPTIONS.	Technology Committee/Career Development Committee	1. DECEMBER 2017 2. DECEMBER 2018 3. DECEMBER 2019	1. Awaiting direction from Technology Committee for video-based committee meeting options and for Quick Hit video improvement

CSMFO will leverage and invest resources to ensure the organization supports its volunteer efforts to forward the mission, vision and values.

Goal/Objective	Action Plan & Deliverable	Responsible Parties	Target Dates	Progress
3. Develop and copy-right training materials as appropriate	<p>1. EVALUATE CONTENT OF INTRODUCTORY COURSE TO ENSURE ALIGNMENT WITH INTERMEDIATE COURSE. INCORPORATE CSFMO STYLE GUIDE. IF CURRICULUM CHANGES NEEDED, REQUEST ASSISTANCE FROM INSTRUCTOR OR OTHER PROFESSIONAL.</p> <p>2. CORE COURSE EVALUATION PLAN TO ENSURE QUALITY OF DELIVERY AND CONTENT. CDC MEMBER TO ATTEND AT LEAST ONE OF EACH OF THE COURSES OFFERED.</p> <p>3. CONTINUE PROCESS OF OBTAINING FEEDBACK ON ALL CORE COURSES.</p>	Career Development Committee	<p>1. DECEMBER 2018</p> <p>2. DECEMBER 2017</p>	<p>1. Committee to work on finding consultant(s) to develop course objectives and material development. CDC will ensure objectives align with corresponding core courses.</p> <p>Need funding in 2018</p> <p>2. Completed in 2016: Fiscal Policies &amp; Fundamentals of Tax Revenues; Completed in 2017: Introduction, Intermediate, Investment Accounting, Supervisory Skills, &amp; Weekend Training; To be completed in 2018: Skills for Finance Directors</p> <p>CDC to develop a form for Committee members to use as starting in 2018 for in-person class evaluations</p> <p>3. SMA continues to send independent course surveys (in addition to instructor-provided surveys). Surveys continue to be very positive.</p>
3b. Develop and copy-right training materials as appropriate	<p>1. ISSUE RFQ FOR ATTORNEY SERVICES</p> <p>2. EXECUTE CONTRACT</p>	Administration Committee	<p>1. DECEMBER 2017</p> <p>2. MARCH 2018</p>	<p>1. Survey Monkey sent to membership week of 9/25/17 to ascertain level of interest in new topics for training.</p> <p>2. Completed – West Basin</p> <p>3. Completed as Preconference Session in 2017</p> <p>4. Confirmed as a Preconference Session in 2018</p> <p>5. 2017 Dates: 9/28 &amp; 11/16; 2018 Dates: 1/11</p>



CSMFO will leverage and invest resources to ensure the organization supports its volunteer efforts to forward the mission, vision and values.

Goal/Objective	Action Plan & Deliverable	Responsible Parties	Target Dates	Progress
4. Develop focused "quick hits" on technical topics accessed from any device (aka 'Ted Talks')	1. DEVELOP QUESTIONS AND UTILIZE CSMFO TECHNOLOGY FOR INTERVIEWS 2. DEVELOP MATERIAL AND UTILIZE CSMFO TECHNOLOGY FOR PRESENTATION	Professional Standards & Recognition Committee (with CDC assistance) Accountability with CDC	1. JUNE 2017 2. JUNE 2017	1. Completed in 2017: Transportation Funding (M. Coleman)  In Progress in 2017: New Issue Bond Pricing (PFM) & New Debt Disclosures (Tim Kirby prepared a quick hit on how local governments can comply with SB 1029.)  Need funding in 2018.  2. Need to develop brand-consistent video quality (Technology Committee)
5. Strategize on developing Student Mentorship Program	1. IDENTIFY, TARGET AND RECRUIT MENTORS. 2. CREATE THE MENTORSHIP PROGRAM. 3. IDENTIFY, TARGET AND RECRUIT MENTEES. 4. IDENTIFY RECRUITMENT STRATEGIES AND WORK WITH THE MEMBERSHIP COMMITTEE.	Career Development Committee  This goal has now been transferred to the Membership Committee; CDC will maintain the Coaching Program	1. JUNE 2017 2. DECEMBER 2017 3. DECEMBER 2017 4. JUNE 2017	

# Ad Hoc Committee Reports

## – CSMFO Application

**Lead:** Richard Lee, City of San Mateo

Throughout the course of my career, I have leveraged, embraced, and championed the use of technology to enhance and improve local government operations. As a new board member in 2018, my goal was to continue this approach and evaluate CSMFO's ability to leverage the efficiencies of mobile application technology to provide an even richer experience to its members.

In February, 139 CSMFO members responded to a survey I posted on the listserv to solicit feedback regarding content and features they would like to see in a potential mobile application. Guided by members' feedback and CSMFO Board direction, a Request for Proposals for Guided Discovery for Custom Mobile Application Development was issued in October, which received 11 responses.

In 2019, the CSMFO App Working Group, which includes Grace Castaneda, Will Fuentes, Craig Boyer, and Nitish Sharma, will review proposals from the finalists, and present the preferred vendor to the CSMFO Board for consideration. If any CSMFO members have an interest being a part of the team that will shape the look and feel of the CSMFO App, please feel free to contact me.

## - Advocacy

**Lead:** Carrie Corder, Cucamonga Valley Water District

Committee Goals:

Determine what principles, structures, and guidelines are necessary to allow CSMFO to respond quickly and appropriately on legislative and advocacy issues.

### Committee Accomplishments:

The Committee has drafted a set of Advocacy Guiding Principles for the Board's consideration at the January 8, 2019 in-person Board meeting. These guiding principles will assist the League Appointees, as well as any consultant's engaged by the organization. The Guiding Principles have been summarized under the following headings:

- Support local equity and long-term sustainability of financial resources
- Support transparent and effective financial reporting
- Maintain local control and fiscal independence

The Committee has reviewed the League Appointees section of the 2018 Leadership Roles & Responsibility Handbook. The main purpose of these amendments is to provide greater support of the League appointees and to establish communication expectations from these volunteers. The Committee would also like the Board to consider a more hands-on support role, similar to how the chapter chairs are supported. The Committee has recommended a liaison role for the appointees by a member of the Past Presidents pool.

The Committee has reviewed the Advocacy Task Force section of the CSMFO Policy and Procedures Manual. The Committee has recommended amendments in order to streamline the process of the creation of the Advocacy Task Force on an as-needed basis by the President.

### Future Work Efforts:

If the Committee's recommendations are approved by the Board, the Advocacy Ad-Hoc Committee has completed its mission.



## - Certification

**Lead:** Scott Catlett, City of Yorba Linda

In 2018 the Certification Program Working Group was formed to address a longstanding CSMFO goal to have a California-specific certification program for finance officers. This ad-hoc group of seven Finance Directors met a number of times early in the year to better refine and understand the scope of a program that may best suit CSMFO. Research was conducted on programs offered in five other states, most significantly Florida and Texas.

In May, the Working Group presented the results of their work to the Board of Directors, which approved moving forward with issuing an RFP to solicit a consultant to further refine the program format and curriculum. The program as currently envisioned will focus primarily on the unique aspects of public sector finance in California and will include in-person, self-study, and online components over a two-year period. Graduates of the program would be awarded with a designation following successful completion of an exam and would maintain their designation through mandatory CPE requirements each year.

In January 2019, the Board is expected to award a contract for development of the refined course program, with the goal of completing that work by December 2019. Detailed course materials are anticipated to follow by December 2020.

## - Chapter Engagement

**Lead:** Drew Corbett, City of San Mateo

**Lead:** Steve Heide, Chino Valley Fire District

Under the direction of CSMFO President Margaret Moggia, the Chapter Engagement Ad Hoc Committee focused on providing practical resources and identifying best practices to support our chapter volunteer leaders in the important work that they do at the local chapter level for the benefit of CSMFO members.

During 2018, our ad hoc committee members:

- Facilitated the design, production and distribution of chapter banners. These stylish pop-up style banners were customized for each chapter and are highly compact and easily portable for use at chapter meetings, annual conferences or wherever a gathering of local chapter members might take place.
- Established a chapter meeting toolkit; a repository of sample documents, forms and reference materials for use by chapter chairs and vice chairs. Examples of items included in the handy toolkit are: a sample chapter annual report, budget template for sponsored meetings, CPE certificate form, and much, much more.
- Started the process of beta testing the creation and build-out of chapter group pages. Accessible through the new and improved CSMFO website, chapter group pages are intended to allow members to more conveniently access information regarding upcoming chapter meetings, easily view photos and access presentation materials from past meetings, stay current on chapter news and freely exchange information and interact with other chapter members.

As substantial progress toward completion of the stated ad hoc committee goals was achieved by the end of 2018, the past president/chapter chair liaison will maintain the chapter toolkit and ensure completion of the full roll-out of the chapter group pages in 2019, in coordination with chapter leadership in bi-monthly chapter chair meetings.

Many thanks to our dedicated ad hoc committee member volunteers: Aaron Beanan, Grace Castaneda, Karla Campos, Michelle Collett, Tori Hannah, Vanessa Portillo, and CSMFO staff member Amanda Smith.

# Ad Hoc Committee Reports

## – Committee Roles

**Lead:** Karan Reid, City of Concord

CSMFO's Committees serve a vital role in furthering our organization's mission to serve all government finance professionals through innovation, collaboration, continuing education and professional development.

In 2018, I was assigned an initiative to better clarify Committee Roles so that members have a clear understanding of their roles and responsibilities. This project reviewed Committee Chair, Vice-Chair, Senior Advisor and Board Liaison assignments with a goal to better define the various roles so that our committees are well-supported to continue to make progress on the organization's Strategic Plan and to continue to provide leadership opportunities to our members.

A working group consisting of David Cain, Marcus Pimentel, Kate Zawadzki, Craig Boyer and myself was formed to review and discuss improvements to better define our Committee roles. Responses received from a survey sent out to the CSMFO leadership helped inform recommendations to the Board.

The group concluded its work with the presentation of recommendations to the Board at the January 2019 Board meeting. The Board adopted the following recommendations:

President Joan Michaels Aguilar will reach out to each Committee Chair to ensure their expectations are reflected in CSMFO's Leadership Roles & Responsibilities Handbook and receive feedback on a recommendation to provide more detailed expectations and level of commitment within each Committee's Handbook and to publish these handbooks in the member section of the CSMFO website.

Amend Leadership Roles & Responsibilities Handbook to augment the Board Liaison assignment and add responsibilities for Committee Vice-Chair and Senior Advisor roles.

To facilitate knowledge transfer and continuity, consider recommendations for Vice-Chair assignments from current Committee Chairs.



## **– Student Engagement**

**Lead:** Jennifer Wakeman, City of Lafayette

This year, President Margaret Moggia tasked me with oversight of an ad hoc working group on the topic of student engagement. This group set our purpose as the following: 1) reach out to the next generation (graduate and undergraduate students in political science, public administrative, accounting and finance) to let them know of the existence of CSMFO and the value that we offer them, 2) promote municipal finance as a rewarding career choice, and 3) increase the number of student memberships. Our goals for achieving this purpose are to identify opportunities to present to students, identify opportunities for student memberships, and research the student engagement efforts of other professional organizations.

To this end, the following is a summary of our activities for the year:

### **Identify opportunities to present:**

- Event at Goldman School of Public Policy at UC Berkeley- March 14, 2018
- Event at CSU- Dominguez Hills (Finance majors)- April 26, 2018
- Student attendance at South Bay/ Central LA Chapter meeting- fees sponsored by attending agencies, October 25, 2018
- Event at CalState Long Beach- November 5, 2018
- Event at CalPoly Pomona- in partnership with MMASC, November 19, 2018
- Participated in “Meet the Firm” event- Golden Gate University, November 30, 2018
- Student attendance at South Bay/Central LA Chapter holiday meeting- December 5, 2018

- Student attendance at East Bay/SF Chapter holiday meeting- December 5, 2018
- Student attendance at San Diego Chapter holiday meeting- December 13, 2018
- Event at CalLutheran- Planning in progress
- Event at CSU- Dominguez Hills (Accounting majors)- Planning in progress
- Event at Golden Gate University- Planning in progress for February 2019
- Event at San Francisco State University- Planning in progress

### **Identify opportunities for student membership:**

- Soft launched a student internship program
- Offered membership to students who participated in the internship program
- Offered membership to the Odell Scholarship recipients
- Prepared an end of year survey for student members to be distributed by Probolsky after the annual conference
- Supported the Membership Committee in its recommendation for free student memberships in 2019



# Administration Committee Report

## Research student engagement efforts of other professional organizations:

- Issued letter of support for government accounting curriculum at Evergreen Valley College in San Jose, CA
- Established contacts with Cal-ICMA, MMANC, MMASC, and GFOA for collaboration on outreach work

**Chair:** Kate Zawadzki, City of Dixon

**Vice-Chair:** Alberto Preciado, Citrus Heights Water District

**Vice-Chair:** Brent Mason, City of San Bernardino

**Senior Advisor:** Bob Biery, City of Westlake Village

**Board Liaison:** Richard Lee, City of San Mateo

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.

During 2018, the Administration Committee continued to perform its core functions. Two policy and procedure amendments, one handbook amendment, two new contracts and two amendments were presented to the board for approval. The Administration Committee also worked with the Technology Committee to secure a polling software subscription for use during 2019.

The Administration Committee presented to the Board for approval two amendments to the Policy and Procedures Manual. The Manual was amended to allow the President to have one travel guest when attending functions on behalf of CSMFO. The list of standing committees was also modified to remove the Site Selection Committee and to separate the Professional Standards and Recognition Committee into two separate committees.

The Annual Conference Handbook was updated to increase the number of members of the Host Committee and the Program Committee that are eligible for either complimentary conference registration or complimentary hotel nights.

The Administration Committee completed the negotiating and contract process that began with a working group to secure a new contract with Michael Coleman for legislative analysis services. A two year contract was executed effective January 1, 2019. A working group also negotiated the single year contract with Don Maruska for coaching and educational planning services presented by the Administration Committee for Board approval.

During the year, the board approved a contract amendment with Smith Moore & Associates to extend Program Committee support through the 2022 Annual Conference. The Administration Committee also drafted the contract addendum for Susan Mayer that was negotiated by the Career Development Committee to extend Intermediate Accounting instructor services through the first half of 2019.

The two-year contract issued to Probolsky Research in 2017 included the option to have them host focus groups on behalf of CSMFO. The Administration Committee coordinated the first focus group session which was held at the 2018 Annual Conference in Riverside. Discussion topics were provided by CSMFO Committees and 20 members selected by the Membership Committee based upon years of membership and organization type were invited to participate. Six members elected to participate and the results were presented to the Board by Probolsky Research. Coordinating efforts have been ongoing throughout the year to facilitate three focus group sessions to be held at the 2019 Annual Conference.

The 2018 Annual Consultant Satisfaction survey was coordinated by the Administration Committee and administered by Probolsky Research. Survey participation increased for the third year from 2017's 51 participants to 65 in 2018, representing 63% of potential participants.

The Administration Committee would like to thank Brent Mason for his contributions as a Vice-Chair of the committee. The Administration Committee would also like to acknowledge the volunteers that worked hard to make this committee run smoothly: Bob Biery, Melissa Dixon, Sarah Erck, Richard Lee, Stephen Parker, Alberto Preciado, Kim Sao, and Jeannine Thrash.



# Career Development Committee Reports

**Chair:** Laura Nomura, Eastern Municipal Water District

**Vice Chair:** Will Fuentes, City of Milpitas

**Vice Chair:** Terri Willoughby, Douglas County, Nevada (formerly of San Bernardino Municipal Water District)

**Senior Advisor:** Mary Bradley, City of Fremont

**Board Liaison:** Scott Catlett, City of Yorba Linda

One of the core elements of the CSMFO's mission is to provide continuing education and professional development. Each year hundreds of members take advantage of high quality, low cost, and CPE-qualified professional training. In 2018 the Career Development Committee continued to support CSMFO's mission by providing in-person training courses throughout the state, webinars, weekend training, and our newest feature "Quick Hits".

In 2018 CSMFO offered 20 in-person training courses to 440 participants. The current core course offerings include: Introduction to Governmental Accounting, Intermediate Governmental Accounting, Investment Accounting, Fiscal Policy/Long Term Financial Planning, Fundamentals of Tax Revenues, Fundamentals of Fees, Rates & Charges, Developing Successful Supervisory Skills, and Successful Skills for Finance Directors. These courses are led by the following knowledgeable instructors:

- Introduction to Governmental Accounting – Ahmed Badawi
- Intermediate Governmental Accounting – Susan Mayer
- Investment Accounting –Jonathan Foster
- Fiscal Policy/Long Term Financial Planning – Bill Statler
- Fundamentals of Tax Revenues – Michael Coleman, Paula Cone &

Lloyd DeLlamas

- Fundamentals of Fees, Rates & Charges – Michael Coleman & Tim Seufert
- Developing Successful Supervisory Skills – Neil Kupchin
- Successful Skills for Finance Directors – Neil Kupchin

Another priority for the Committee is the planning and development of the wildly successful webinar program led by CSMFO's Coaching Program Director, Don Maruska. CSMFO members participated in ten webinars. As an additional benefit to members, all of the webinars dating back to 2008 are recorded and archived on CSMFO's website. During 2018, 2,544 (including 761 registrations from Alaska, Oregon, Washington and Nevada State Associations) attended the following webinar offerings:

- Hot Topics at the Table
- Federal Labor Standards Act (FLSA) – It's All in the Details
- Who's Balancing the Balance Sheet
- Raging Storm: Funding Storm Water Needs in California
- Seven Deadly Sins: Control over Cash Collections
- Capital Asset Headaches: Common Deficiencies and How to Avoid Them
- Taking Charge at Every Level
- Analyzing CalPERS Valuation Reports
- California Economic Outlook
- Qualifying and Paying Independent Contractors and Temporary Employees

As part of the Career Development Committee, the Coaching Program offered two successful sessions at the 2018 Annual Conference in Riverside: Speed Coaching and "Telling Your Story – from Resume to Interview to Results". These two sessions were so popular at the 2018 conference, both were repeated at the 2019 Annual Conference in Palm Springs.

# Career Development Committee Reports

The Weekend Training takes place in mid-November and alternates annually between locations in Northern and Southern California. In 2018, the 3-day training event was held in Oakland. Attendance is limited to 40 students in order to enhance the learning experience and ensure a more interactive session, this year we had 37 attendees. Sessions were led by the following knowledgeable instructors:

- Legislative Update and Overview – Michael Coleman
- Investing Public Funds – Ben Finkelstein
- Revenue Enhancements – Tim Seufert
- Ethics and the Finance Professional – Michael Garvey & Fran Robustelli
- Bond Financing – Time Schaefer
- Communicating Public Information – Krista Noonan
- Financial Analysis & Reporting – Bill Statler
- Long-Term Financial Planning – Bill Statler
- Developing and Presentation of an Operating Budget – Jay Goldstone

Last year, the CDC launched an exciting, new professional development resource called “Quick Hits.” Quick Hits are short 10-15 minute videos on a variety of focused areas ranging from hot topics to technical information. During 2018, the Career Development Committee featured two Quick Hits: Invitation to Comment on Revenue & Expense Recognition provided by David Bean from GFOA and Amendments to SEC rule 15c2-12 relating to Financial Obligations provided by James Wawrzyniak from Jones Hall.

In addition to these programs, the Committee focused its attention on the planning and implementation of the three-year strategic goals established by the Board. The Committee’s goals include expanding the core training program, leveraging technology, develop and copyright training materials and develop focused “Quick Hits” in order to provide high quality, timely training to our members in a variety of formats.



# Communications Committee Reports

**Chair:** Marcus Pimentel, City of Santa Cruz

**Vice Chair:** Ernie Reyna, City of Eastvale

**Vice Chair:** Pamela Arends-King, South Coast Water District

**Senior Advisor:** David Cain, Retired

**Board Liaison:** Steve Heide, Chino Valley Fire District

The Communication Committee successfully reached its objectives laid out in CSMFO's 2018 Strategic Action Plan while reaching a publication milestone of issuing the 20th edition of its magazine in July 2018.

In addition, it is already positioned 2019 to be a busy year with primary goals of expanding the magazine's usefulness to members by transitioning to a dynamic online magazine format, and creating more recurring content featuring and promotion CSMFO members and their agencies.

Following are more details on the Committee's major 2018 accomplishments.

## **Strategic Plan Action Item - Continue to publish the magazine**

Status: Completed

- Magazine was published on-time in 2018
- Content size was reduced to allow for more features and membership highlights
- Developed a deeper team of editors
- Built more ways to feature members such as:
  - Recurring "on the streets" content (see September 2018's Q&A from Past Presidents)
  - Began a new feature to celebrate promotions and retirements in September 2018
  - Started a summer "vacation" feature (tracking where CSMFO leaders traveled)

## **Strategic Plan Action Item - Strategically brand & promote CSMFO**

Status: Completed

- Drafted policies to ensure consistent messaging for:
  - The Magazine (Board approved the policy on 12/01/17)
  - Logos & Email (Board approved policy on 2/20/18)

## **Strategic Plan Action Item - Identify standardized opportunities to support CSMFO and Chapters in outreach efforts**

Status: Completed

- Supported Advocacy Ad-Hoc Committee's development of standards for League of California City liaisons:
  - Liaisons shall provide published articles on committee & liaison work
  - Liaisons will look for and share "need to know" impactful items with members
- Actively participated in monthly Chapter Chairs calls
  - Identify and schedule future Chapter articles
  - Support event highlight features in magazine
- Actively participated in CSMFO 2018 Conference committee to support promotion opportunities in the magazine throughout the year
- Actively participated in other CSMFO committees to find ways to highlight and communicate CSMFO actives
  - Committee Chair coordination call
  - Membership Committee

# Communications Committee Report

**For a peak into 2019, here are some highlights of the Committee's potential focus**

1. Convert the printed and digital magazine to a fully interactive online format in May 2019
  - Allow for faster information sharing to members
  - Live content (videos, links to resources, timely detailed content)
  - CSMFO will continue to create a printed "Conference" edition to highlight the most recent conference.
2. Create an online resource page for future authors (guidelines and tips)
3. Consider new member engaging features, such as:
  - Coach Ella's Corners (Q&A from CSMFO Members & Coaches/Past Presidents)
  - Celebrate Members milestone CSMFO anniversaries
  - This Month in CSMFO History
  - Highlight CSMFO Board meetings and actions
  - Highlight upcoming trainings (CSMFO and partner agencies)
4. Create structure and capacity for active education and compliance with CSMFO Logo and Email policies



# Membership Committee Report

**Chair:** Grace Castaneda, City of San Mateo

**Vice-Chair:** Stephen Parker, City of Stanton

**Vice-Chair:** Kathryn Downs, City of Carson

**Senior Advisor:** Karan Reid, City of Concord

**Board Liaison:** Jennifer Wakeman, City of Lafayette

The Membership Committee had a very active and productive year. 2018 represents year two of the three-year CSMFO Strategic Plan, from which the committee took action and made significant progress.

## **Comprehensive strategy on fees and dues – Enhancing member benefits**

The committee introduced new Board-approved member benefits that will begin in 2019, while keeping membership dues at the same rates. They include:

- Eliminating student membership dues.
- Waiving the \$25 CPE charge for webinars.
- Giving an option for a new member in their first year of membership to choose either one complimentary chapter meeting or half off the fee of one introductory course.

## **Student engagement**

The committee partnered with the Student Engagement Ad Hoc Working Group and achieved big strides towards engaging students to CSMFO and municipal finance. During 2018, the committee and ad hoc group:

- Organized and represented CSMFO in student outreach events at five university campuses: UC Berkeley, CSU Dominguez Hill, CSU Long Beach, Cal Poly Pomona, Golden Gate University.
- Created a weblink in the CSMFO website for students to upload resumes for internship opportunities.

## **Appreciate and recognize volunteers**

The committee introduced pins at the 2018 Conference to recognize volunteers who serve in leadership roles and who serve as reviewers for the CAFR, budget, and innovation awards. Additionally, personalized jackets were made and distributed to the Executive Team and Board Members to recognize their commitment and effort with the organization.

Outside of the Strategic Plan, the Membership Committee also achieved substantial progress in other areas.

## **Inactive and remote chapters outreach**

During 2018, the committee distributed a survey to members and non-members in the inactive/remote chapters, and responses indicated an interest for an in-person meeting and training event. Concurrently, Board Member Richard Lee successfully established contact with the Northeast Chapter. This resulted in a first-ever meeting in the Northeast Chapter with Michael Coleman as the speaker.

## **Membership map**

A huge undertaking began this year and will continue next year to display membership data on an interactive map that shows chapter and county boundary lines. Final analysis will include data on member and non-member agencies within each chapter, which will help facilitate discussion on membership gap and chapter boundaries.

The Membership Committee is tremendously grateful for its members, as well as staff from Smith Moore & Associates, for their tireless dedication in making 2018 a productive year.

# Professional Standards Committee Report

**Chair:** Tim Kirby, City of Sunnyvale

**Vice Chair:** Christine Paras, City of Palo Alto

**Senior Advisor:** Jason Al-Imam, City of Fountain Valley

**Board Liaison:** Carrie Corder, Cucamonga Valley Water District

The Professional Standards Committee operates as a technical resource to CSMFO members. The Committee is comprised of municipal and commercial members that are assigned the responsibility for a particular practice area. The six practice areas include:

- Financial Management and Budgeting
- Accounting and Financial Reporting
- Retirement and Benefits Administration
- Treasury and Investment Management
- Capital Finance and Debt Administration
- Grant Management

After a hiatus in 2018, the Committee is excited about the role and function of the Professional Standards Committee moving forward. In 2019, the Committee's goals are: 1) to recruit additional municipal members; and, 2) to direct the Committee's efforts towards emerging issues and/or "hot topics" in order to ensure that members are properly informed of new laws, public policy issues, professional standards, etc.

The Committee will hold bi-monthly conference calls to discuss potential topics and will disseminate information to members via email and through the CSMFO Magazine, which will highlight what you need to know on a specific emerging issue or "hot topic" while directing members to other resources for additional information such as best practices and webinars provided by GFOA or CSMFO.



# Program Committee Report

**Chair:** Ronnie Campbell, Southern California Regional Rail Authority

**Vice-Chair:** Viki Copeland, City of Hermosa Beach

**Senior Advisor:** Mary Bradley, City of Fremont

**Board Liaison:** Karan Reid, City of Concord

The 58th Annual CSMFO Conference, "Mission: Possible – Collaborate, Innovate, and Achieve," was held February 20-23, 2018, at the Riverside Convention Center and Marriott Hotel in Riverside. There were 1,319 registered attendees, along with 115 exhibitors/sponsors.

There were three pre-conference sessions on Tuesday, Successful Leadership Skills for Finance Directors, Mission Critical – Getting Through a Successful ERP Implementation, and Rates 101: The Fundamentals of Conducting a Water and Wastewater Rates Study, all of which were well attended.

The conference format offered 58 concurrent sessions over the three days, with a variety of topics and speakers from which to choose. This is an increase of 21 sessions (57%) from the prior year's 37 concurrent sessions.

In contrast to prior years, this year's conference officially opened with breakfast on Wednesday, with keynote speaker Carey Lohrenz, who was the first female F-14 Tomcat fighter pilot in the U.S. Navy. On Friday morning, Christopher Thornberg presented his always well-received economic update. The conference wrapped up with a closing general session on Friday with keynote speaker Simon T. Bailey.

Overall, conference attendees had the opportunity to earn 23.5 hours of Continuing Professional Education (CPE) credits on a wide variety of topics, while building their professional networking resources.

# Recognition Committee Report

**Chair:** Sara Roush, City of Rocklin

**Vice-Chair/GFOA Liaison:** Julianna Demers, City of El Segundo

**Vice-Chair:** Yolanda Rodriguez, Beaumont-Cherry Valley Water District

**Senior Advisor:** Craig Boyer, County of Alameda

**Board Liaison:** Carrie Corder, Cucamonga Valley Water District

The primary responsibility of the Recognition Committee is the effective management of the CSMFO awards programs. During the 2018 Calendar year, the Recognition Committee managed the review of Operating and Capital budget applications including approximately 140 budget review assignments under an expedited timeline due to the change of the 2019 CSMFO Annual Conference from February to January. Additionally the Committee completed the 2017 CAFR reviews and awards (limited to first time applicants/award recipients only), the review and awarding of the 2017 Innovation Award presented at the 2018 annual conference and the review and decision to award for the 2018 Innovation Award.

In addition to these regular annual responsibilities, the Recognition Committee worked on and accomplished additional goals. To facilitate effective succession planning, the Committee has created formal procedures for committee members utilizing the Awards Force software and streamlined reporting worksheets required for the effective management of the awards program. To maintain the sustainability of the awards program, the Recognition Committee: clearly defined the role of the CSMFO CAFR program in comparison with GFOA in order to ensure that the 2 programs are complementary, revisited the qualifications for award extensions to ensure that all applicants are

treated fairly, implemented the reviewer requirement to enhance the reviewer pool, and created and implemented a new quality control checklist for budget reviewers and committee members. To enhance the award program, the Committee: discussed new award possibilities including a Transparency Award, assisted the Membership Committee in recognition of the award reviewers, established an award presentation outreach for the GFOA award winners within the state, reworked and enhanced the Innovation award application and discussed implementation of physical award options for budget winners including but not limited to a plaque or mailed certificate.

In the 2019 Calendar Year, the Recognition Committee will continue to work on creating formal procedures for awards management. The procedures will be compiled in a member handbook to give to new committee members as a guide to the awards program. This handbook will streamline the awards process and maintain consistency when successions in leadership occur. Additionally, the Committee will continue to work towards sending physical awards to budget award recipients by creating a formal cost analysis and project plan for implementation to present to the Board. Timelines for Transparency Award implementation as well as a formal project plan will be also presented to the Board during the calendar year. Throughout 2019, the Committee will continue to work on streamlining the GFOA award presentations within the state, working closely with Membership to identify those agencies new to CSMFO. Finally, to further the CSMFO mission statement of promoting innovation, the Committee will be working on developing video quick hits for Innovation Award winners and magazine articles about Innovation applicants.



# Technology Committee Report

**Chair:** Damien Charléty, East Bay Municipal Utility District

**Vice Chair:** Matt Pressey, City Salinas

**Vice Chair:** Gloriann Sasser, Moraga-Orinda Fire District

**Senior Advisor:** Jesse Takahashi, City of Mountain View

**Board Liaison:** Richard Lee, City of San Mateo

The CSMFO Technology Committee serves to enhance the effectiveness and use of technology by CSMFO and its member agencies in exchanging information, increasing productivity and enhancing member service. The Technology Committee also works with the organization association to maintain a CSMFO internet presence, website content, listserv, facilitate information sharing among members, undertake special projects as directed by the Executive Committee or Board of Directors and coordinates with and supports the other committees of the organization.

This year, the Technology Committee focused on and accomplished the following:

1. Knowledge Base/Listserv Modernization
  - a. New Knowledge Base software solution was researched to replace the current Listserv and presented, recommended and approved by the Board 8/23/18; implementation plan being developed
2. Tele-conferencing
  - a. Zoom video conferencing was fully adopted where the Board and Committee meetings are occurring with this new software service. The Tech Committee is following-up with committees and users to see how user experience can be improved.
3. Branded email
  - a. Branded email was approved by the Board 4/26/18 and implemented. Follow-up on user experience and user adoption is being made to help fully implement.
4. Workflow management
  - a. Complete testing of tools
  - b. Created matrix of pros/cons
5. Membership Database
  - a. Technology Committee members were assigned to database workgroup
  - b. Progress was followed by working group and updates were communicated to the committee and board as necessary

# Central Coast Chapter Report

**Chair:** Brad Wilkie, City of Lompoc

This year was a busy time for many of the Central Coast Chapter cities. Several member cities had changes in their financial management, continued with financial management system conversion projects, or had rate or fee studies completed. While we had fewer than normal, chapter meetings were varied and diverse, well attended and benefitted the group. The Chapter transitioned to a new venue with a great view provided by the City of Pismo Beach. The new organization-wide registration system allowed this change to be seamless. The new location (their City Council Chambers) is ideally suited for presentations and provides room for a larger audience than we had previously. Again this year, the Chapter had a number of agencies with financial administration changes. Arroyo Grande, Grover Beach, Guadalupe, Lompoc, and San Luis Obispo, all had changes at the Finance Director level.

The Chapter had traditionally held 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. After our October 2017 meeting, the Chapter switched locations to Pismo Beach City Hall. This year the Chapter held four meetings. Following is a summary of Chapter meetings this year:

On March 8, 2018, the Chapter Chair repeated the Annual Conference program that he and Mary Beth Redding, of Bartel & Associates had presented. The presentation addressed challenges with both pension obligations and with retiree health benefits. Lompoc's recent evaluation of its long term OPEB obligations were presented to the group. 14 attended

the session, a good turnout for our small chapter.

On May 10, 2018, Paula Cone of HdL Coren & Cone returned to the Central Coast to present a program on property taxes specifically for taxing entities in Santa Barbara and San Luis Obispo counties. Paula presented on the upcoming 2018-19 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. 17 attended the meeting.

On July 12, 2018, Ira Summer and Ted Price of GovInvest, presented an analytic tool for pension and OPEB debt. This discussion focused on innovative ways to quickly and accurately determine the costs of labor proposals, and manage the costs and liabilities associated with pension & retiree health benefits.

On October 19, 2018, the Chapter held its final meeting of the year. Michael Coleman returned to the Central Coast for his second annual program on the current topics of governmental finance. The Chapter looks forward to Michael's next visit to the Central Coast!

The Chapter is looking forward to several programs for 2019. Neil Kupchin is returning in August, Paula Cone of HdL Coren & Cone will provide a property tax update to the group in the spring while Bobby Young of HdL Companies will provide a sales tax update to the group. Michael Coleman is committed to returning to the Central Coast but there are other Chapters that he hasn't visited yet so they have priority!

I have accepted the Utility Director position at the City of Lompoc and will start early in 2019. As a former Finance Director, my City Manager has allowed me to continue to be involved in CSMFO and I will continue to be the Chapter Chair until I find a willing replacement! The Chapter has not yet identified a Vice Chair. The Chapter is looking for a volunteer to be the Vice Chair! 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 Chapter Reports

**Chair:** Monica Lo (CLA), City of Whittier

**Chair:** Jeff Muir (SB), City of Beverly Hills

**Vice-Chair:** Joseph Lillio (SB), City of El Segundo

The Central-LA & South-Bay chapters continued to host joint meetings in 2018, all in an effort to increase both attendance and volunteer participation. Meetings are generally held on the fourth Thursdays of every other month. 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.

The Chapters had their first joint meeting on April 26, 2018 with Steven M. Berliner, Partner from Liebert Cassidy Whitmore. Mr. Berliner presented the "Labor Relations and the Pending Pension Challenges". The meeting was held at the City of Paramount's Progress Park Plaza West with an attendance of 68 members and vendors, which was an increase from prior year of 51 members and vendors.

On June 21, 2018, Michael Coleman provided a legislative and budget update for California at the El Segundo Automobile Driving Museum located in the City of El Segundo. Attendance was at 52 (includes municipal and commercial members), which was up from the prior year of 40 attendees.

On August 30, 2018, Andy Nickerson, President from HdL Companies presented a "Sales Tax Trends and The Changing Retail Landscape", which focused on regional and statewide sales tax trends and the challenges facing brick-and-mortar stores. The meeting was held at the City of Paramount's Progress West Community Center with 48 attendees, which was down from prior year of 60 members and vendors due to scheduling conflicts.

On October 25, 2017, Mary Beth Redding of Bartel Associates provided a "CalPERS-Updates, Rates and Alternatives", which included information on existing and emerging information from CalPERS, and some various strategies cities can consider to attack the unfunded liability problem. The meeting was held at the City of Gardena's Municipal Bus Line building with an attendance of 58 municipal and commercial members.

On December 5, 2018, the Chapters held the annual holiday luncheon at the Cheesecake Factory in Redondo Beach. The presenter was Marcus Wu of Pillsbury Law who provided a presentation on "Select Tax and Benefit Issues for Public Agencies". There were 61 municipal and commercial members in attendance.

Monica will continue to volunteer and serve as Chapter Chair for the Central LA chapter for 2019. Joe will be taking over as the Chapter Chair for South Bay (LA) in 2019, with Jeff serving as the Vice Chair. There might be an interest for the Vice-Chair position in 2019 for the Central LA Chapter.

# Central Valley Chapter Report

**Chair:** Vanessa Portillo, City of Lathrop

**Vice-Chair:** Jeri Tejeda, City of Manteca

The Central Valley Chapter encompasses over thirty cities and special districts across seven counties. The Chapter meetings offer an opportunity for financial professionals to get the most up-to-date government finance information while sharing best practices, and networking and collaborating with a wide-range of professionals around our region.

In 2018, the Central Valley Chapter held a total of four (4) meetings with an average attendance of 25 people including commercial members and guests.

Following are the highlights of the 2018 meetings:

- March 2018. "2018 GASB Updates" presented by Brandon Young of LSL CPAs. Our chapter started the year off with an update of several GASB pronouncements affecting the way financial statements are prepared. Our chapter welcomed the visit of our Board Liaison, Richard Lee, and highlighted the lush landscapes of the Central Valley.

- July 2018. "Best Practices in Multi-Year Financial Planning" presented by Russ Branson of PFM Investments. This training offered highlights on how to present and explain forecasts, assumptions, and common challenges of multi-year budgeting.
- September 2018. "A Local Government Finance Update" presented by Michael Coleman. This meeting brought much perspective of certain local and state measures prior to the November election. Mr. Coleman introduced an interactive polling system making the meeting engaging and exciting.
- November 2018. "Developing Winning Mindsets" presented by Gary Greeno, Motivational Speaker. Our first Holiday Luncheon! This meeting brought an uplifting message along with key steps to develop and maintain good/healthy habits (e.g.: setting goals, reading, exercising). The meeting was held at the Bass Pro Shop, Winter Wonderland in Manteca adding some extra holiday cheer. We were honored to have our CSMFO President, Joan Michaels Aguilar join our luncheon. Bank of the West graciously sponsored our meeting's dessert table.

The Central Valley Chapter closes another successful year all due to the collaboration of our host cities, speakers, and attendees!



# Channel Counties Chapter Report

**Chair:** Melinda Brodsky, City of Agoura Hills

**Vice-Chair:** Angela Saccareccia, Las Virgenes Municipal Water District

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

Our bi-monthly meetings were held at the Los Robles Greens Golf Course banquet facility in Thousand Oaks, and the year-end meeting was held on December 6th, at the Mambo Sports Academy. Each meeting included a buffet lunch catered by the golf course. The Holiday meeting in December was catered by Woodranch and was held at the Mamba Sports Academy. Members participated in team building exercises including freeze tag and dodge ball.

The Meeting in 2018 Featured the following topics and speakers:

- "Update on the Law of Public Revenues" Michael Colantuono
- "Cyber Security and Internal Frauds Impacting Your Organization" Ernie Cooper, Clifton Larsen Allen
- "Financial Update for California Cities" Michael Coleman

Our chapter participation continued to be consistent and ranged from 29 to 41 per meeting in 2018.

# Coachella Valley Chapter Report

**Chair:** Karla Campos, City of La Quinta

**Vice-Chair:** Isaiah Hagerman, City of Rancho Mirage

The Coachella Valley CSMFO Chapter meets at least every quarter and rotates locations around the valley to promote inter-agency collaboration. Sessions focus on current topics and often provide CPE credits. To promote participation at all levels of organizations, in 2018, luncheon fees were lowered to \$20 for all attendees with no late fees. The chapter continues to thrive and inter-agency communication has been energized. It is my great pleasure to provide a summary of chapter engagement activities for 2018. Thank you to all our presenters, host cities, and everyone behind the scenes doing all the heavy lifting for these events.

March 14, 2018, Coachella Valley Water District - 2018 started with a dynamic session on investment management and fiduciary responsibility presented by **Deborah Higgins from Higgins Capital Management, Inc.** Deborah shared her 33 years of public agency experience and investment market expertise. Her stories were real, her expertise and passion for assisting government agencies is riveting and people could relate to her. 35 engaged attendees enjoyed every word and perhaps Googled some term afterwards. Deborah was joined by Raymond Higgins who graciously answered questions regarding global economic market conditions.

May 10, 2018, City of Palm Springs - **Neil Kupchin** in Palm Springs....need I say more. The event was held at the Renaissance Hotel, next door to the Palm Springs Convention Center where the annual 2019 CSMFO conference will be held. Nearly 40 attendees laughed, cried, were moved to make a difference, and enjoyed lunch at the same time. Neil was engaging with his real-life

stories and ability to get participants to share their own experiences, as we reflected on our lives and who has made a difference for us. This truly was a rewarding session and during "budget madness" brought some levity and laughter to our day.

June 14, 2018, City of Indian Wells - **Disaster Preparedness from a Government Financial Perspective** was held on Thursday, June 14th at the Indian Wells Golf Resort. **Kelly Hubbard, Emergency Manager for Municipal Water District of Orange County**, provided an engaging session while sharing personal struggles and lessons learned from responding to 13 Presidentially Declared Disasters and other none declared events, filling the roles of Utility Liaison, Water Coordinator, Public Works Branch Coordinator, EOC Manager, Local Assistance Center Manager, Logistics Chief, and Evacuation Center Manager. The food, location, customer service and speaker all exceeded expectations.

July 17, 2018, City of Rancho Mirage - **Michael Coleman, Fiscal Policy Advisor** rejoined the Coachella Valley Chapter for a **California fiscal update**. Coleman provided insight into the fast approaching November 2018 election. Including, key issues facing local agencies such as homelessness funding, rent control initiatives, the potential repeal of SB 1 Gas Tax funding, and sugar free tax laws. The meeting was attended by several agencies in the prestigious Rancho Mirage Library. Following the meeting, attendees were provided an exclusive tour of the City of Rancho Mirage's observatory. During the meeting Vice Chapter Chair and Former Chair, Isaiah Hagerman from the City of Rancho Mirage, was given a plaque for his dedication to CSMFO and its members. Isaiah was promoted to City Manager of Rancho Mirage and will continue to be a supporter of CSMFO and secret finance agent.

September 20, 2018, City of La Quinta - To continue brining education to the Coachella Valley the chapter hosted a small but fully engaged group of finance professionals who met for an all-day training focused on **Fiscal Policy and Long Term Financial Planning**. The presenter, **Bill Statler**, was well versed and had many great examples which made the content come to life. Participants received CPE credits and a robust amount of information. So much, that they suggested the seminar could be conducted over two days to allow for more discussion and hands on demonstrations.

October 10, 2018 - **Robert Nordlund from Association Reserves** discussed **Reserves Studies for Municipalities**. The key is to be prepared for economic downturns and fluctuations in operational needs (known and unknown). There will never be enough resources but proper management of current resources and a long-term commitment to saving for the rainy day allows for fiscal stability. Nordlund provided tips on how to determine proper reserve levels and communication tips with public officials, employees, and residents.



# Eastbay Chapter Report

**Chair:** Margaret O'Brien, City of Oakland

**Vice-Chair:** Craig Boyer, County of Alameda

During 2018, the Eastbay Chapter held seven luncheon events, including two Super Chapter meetings with our colleagues from the Peninsula Chapter. Our attendance held steady with about 23-25 attendees from the Eastbay per meeting. The holiday event was held at Scott's in Walnut Creek.

The meetings held were:

- March 14, 2018 (at UC Berkeley)- Careers in Public Finance. The intent of this event was to engage the local student population and provide insight into the world of public finance. The event's primary speaker was Phil McKenney. Chapter members in attendance also spoke to the students, relaying their personal "path to public finance officer" stories. I wish to thank Chapter Member Dave Glasser, Finance Director- City of Martinez, for organizing this event.
- April 17, 2018- Municipal Revenues with the infamous Michael Coleman. This was a well-attended Super Chapter meeting, held at the Hayward Veterans Hall with our colleagues from the Peninsula Chapter.
- May 16, 2018- CalPERS update with Kurt Schneider, Senior Pension Actuary. This was a Super Chapter meeting, held at the Millbrae City Hall with our colleagues from the Peninsula Chapter.
- July 11, 2018- Labor negotiation costing & strategies, presented by Anne Maze, Principal Consultant at A. Maze Inc. and Legislation & the future of sales tax, presented by Doug Jensen-SVP, Avenu Insights & Analytics. This meeting was held at the Walnut Creek City Hall.
- September 5, 2018- Sales & property tax updates provided by Andy Nickerson & Paula Cone of the HdL companies. A tasty meal was served at the Back Forty restaurant in Pleasant Hill.
- November 14, 2018- The ever popular GASB update provided by Ahmed Badawi, President, Badawi & Associates. This event was held at Centre Concord.
- December 5, 2018- Cannabis industry update with David McPherson of the HdL Companies. This event was a plated holiday luncheon held at Scotts in Walnut Creek.

# Inland Empire Chapter Report

**Chair:** Stephanie Reimer, Monte Vista Water District

**Vice Chair:** Dustin Andolsen, City of Pomona

2018 seemed to fly by in the Inland Empire with six highly attended events. We averaged 101 registered participants per session. Although a decrease from 2017, we are still very proud of our overall attendance record.

Topics and speakers are carefully selected with an objective of providing timely and quality information with broad appeal to our members. Events covering economic updates, pensions, and leadership continue to have the highest participation.

Meetings are held throughout the year at the Riverside Convention Center (RCC), Dave & Busters, Ontario (D&B), and the Historic Mission Inn in Riverside (MI).

January 18 (RCC) – The chapter kicked off the New Year hosting 109 participants for an engaging regional economic update presentation from local economic Dr. John Husing. This topic which always proves to have wide appeal, brings out the largest cross section of our members.

March 16 (D&B) – This well attended event featured Deborah Harper from LSL CPAs who presented a 2018 GASB update to 100 captivated attendees. She highlighted timely topics such as the GASB 75 implementation and gave us a preview of what's to come including Certain Asset Retirement Obligations and Fiduciary Activities.

May 17 (RCC) – John Bartel of Bartel & Associates shared with 108 registrants the highlights of a recent League of California Cities pension study as well as an update of CalPERS actuarial issues. Our members continue to hear a consistent and sobering message regarding the pension system and the anticipated financial impact to local municipalities.

July 19 (D&B) – Nearly 80 members filled the room to hear Michael Coleman speak about the latest in California local revenues, legislation, important legal cases, financial conditions and other issues of critical concern to city, county and special district finance professionals. The group was kept engaged during this interactive presentation with real time audience polling.

September 20 (RCC) – Robert Porr, Fieldman Rolapp apprised 68 attendees of the impacts of the recently enacted Tax Cuts and Jobs Act on debt issuance and the municipal bond market. |

December 6 (MI) – Our members packed the Galleria Room in the Mission Inn to hear Dr. Christopher Thornberg. This highly sought after economist enthralled over 150 guests with a lively 2019 Economic Forecast. This event was sponsored by four commercial vendors allowing the chapter to keep the cost of this event low for attendees.

## Chapter Goals for 2019

As with previous years, the chapter intends to host six dynamic and engaging presentations for our chapter members. We'll get a jump start on a productive year by immersing ourselves in leadership training with Neil Kupchin in Riverside.

Through careful selection of speakers topics, direct contact with current members, and complimentary luncheon registration for select new CSMFO members, chapter leadership hopes to increase average meeting attendance by 10%.

With the conclusion of our January meeting, Stephanie will be stepping down as chair, and Dustin will serve as the new chapter chair. Debbie Rosales will continue her involvement with the chapter as the new vice chair. Stephanie, Steve Heide, and Carrie Corder will continue to provide the chapter leadership support.

We'd like to recognize Debbie Rosales, and Veronica Bustillos, Jurupa Community Services District for their invaluable support behind the scenes all throughout the year.



# Monterey Bay Chapter Report

**Chair:** Tori Hannah, City of Pacific Grove

**Vice Chair:** Cheryl Fyfe, City of Santa Cruz

This has been an exciting year for the Monterey Bay Chapter. Cheryl Fyfe from the City of Santa Cruz assumed the role of Chapter Co-Chair. Her enthusiasm and fresh perspective assisted in bringing new topics to our membership, including the UCLA Economic Forecast and the ABC's of Bond Ratings. The Chapter was also pleased to host presentations by traditional favorites, such as Michael Coleman, Bill Statler, and Bryan Gruber from LSL's CPA's. Chapter meeting registration continues to be strong, with attendance ranging from 40 -55 representatives from various local cities, counties, special districts, and private vendors.

The Monterey Bay Chapter is also participating in a pilot program to initiate CSMFO Chapter websites. These new websites will provide a forum for sharing Chapter presentations, photos, and networking. The initial site was demonstrated at the October meeting, with holiday event photos and presentations posted in December. Positive feedback was received from several chapter members.

The continuing goal of the Monterey Bay Chapter is to provide membership with topics that are "regionally relevant", academic, and fiscally strategic. Our quarterly events are listed below:

## April

- Making the Most of Public Opinion or Polling Research, while Maximizing Outreach Efforts
- Balancing Short-Term Rental Revenues and Community Needs

## June

- UCLA Economic Forecast
- GASB Update and Regulatory Compliance Review

## October

- Michael Coleman Report – State of the State and Local Government
- ABC's of Bond Ratings

## December

- Reserves and Benchmarking
- Attitude/Altitude
- We would like to thank our members, presenters, and private vendors for their continual support of these meetings. The knowledge sharing and relationship building enhance our ability to contribute to our respective agencies. We are very much looking forward to providing a forum for local members to grow professionally and share information.

# North Coast Chapter Report

**Chair:** Brian Cochran, City of Napa

The North Coast Chapter for CSMFO was re-established in 2018 following a number of years of dormancy. After conducting an initial survey of member interests, the Chapter held it's first meeting on Friday, September 7, 2018 in Petaluma. The location was the Hotel Petaluma, a historic hotel originally established in 1923; the property recently underwent an ownership change and full renovation to re-establish itself as a landmark boutique hotel in the heart of downtown Petaluma. The speaker at the event was Michael Coleman, who gave a review of the most up-to-date information impacting municipal finance. Two significant areas of emphasis were (1) the upcoming ballot initiatives that would go to the voters in November 2018; and (2) discussions in Sacramento about possible changes to the collection of sales tax and transactions and use tax. The event was attended by approximately 30 North Coast finance professionals, and the goal moving into 2019 is to host 3-4 meetings annually with locations rotating around the different counties within the Chapter's boundaries.



# Northeast Chapter Report

**Chair:** Sandy Ryan, City of Red Bluff

The Northeast Chapter had its FIRST meeting on November 8, 2018 in Red Bluff. Speaker Michael Coleman spoke on California Local Government Finance Updates, to approximately twenty attendees. LSL, CPAs & Advisors graciously hosted the event, which included a bountiful buffet served by the local Los Mariachis Restaurant. The Northeast Chapter would like to thank our board liaison, Richard Lee, for making this first meeting happen and for helping the starting of an active Chapter possible. Because of the large distances between member cities, this chapter is starting off with fewer meetings, and considering teleconferencing. The Chapter hopes to get together for a live meeting once or twice a year. Sandy Ryan will continue to be the Chapter Chair for 2019, and Rhett Hogan, Finance Director for the City of Yreka has graciously offered to be the Vice Chair! The Northeast Chapter is looking forward to a productive 2019, and continued growth.

# Orange County Chapter Report

**Chair:** Stephen Parker, City of Stanton

**Vice-Chair:** Jenny Leisz, City of Tustin

2018 was a great 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 at the Outlets at Orange, with our Holiday Luncheon being held at the Aliso Viejo Center.

The average attendance of the meetings was almost 90 people, with over 130 attending our December holiday luncheon. The meetings held were:

- March 8, 2018. "OMB Uniform Guidance – Required New Purchasing Policy" presented by Kathy Lai & Jennifer Richards of Crowe Horwath LLP (85 RSVP)
- April 12, 2018. "Sales and Property Tax Outlook for 2018," presented by Andy Nickerson and Paula Cone of HdL Companies. (84 RSVP)

- June 21, 2018. "Annual GASB Update," presented by Jessica Andersen/Kinnaly Soukhaseum of Vavrinek, Trine, Day & Co. (77 RSVP)
- August 16, 2018. "CalPERS Update," presented by Kerry Worgan of CalPERS. (82 RSVP)
- October 18, 2018. "What Keeps You Up At Night: Finance Director Panel," Irwin Bornstein, Cheryl Dyas and Jason Al-Imam moderated by Susan Munson. (62 RSVP)
- December 4, 2018. "Unleashing Your Talent" presented by Cindy Henson of Henson Consulting Group. (132 RSVP) Thanks to HdL Companies, Platinum Consulting Group, Fieldman Rolapp & Associates, Harris & Associates, and BFSG for sponsoring the event and allowing the plated luncheon to cost only \$30 per person.

We would like to offer our appreciation to our wonderful commercial vendors who provided gift cards and other items to be raffled off at each meeting. Thank you for your generosity.



# Peninsula Chapter Report

**Chair:** Derek Rampone, City of Redwood City

**Vice Chair:** Tim Kirby, City of Sunnyvale

2018 was a very active year for the Peninsula Chapter, even with a new Chapter Chair learning the ropes. The Peninsula Chapter held six meetings, including three Super Chapter meetings with the East Bay Chapter, and had a total of over two hundred fifty attendees. Special thanks to our commercial sponsors for 2018: PFM and Piper Jaffray. Our successful year would not have been possible without their support.

The first chapter meeting of the year, a Super Chapter meeting with the East Bay Chapter, took place in February in Hayward, and it was a hot one! Dr. Joe Nation, Professor of the Practice of Public Policy and Project Director of Pension Tracker ([www.pensiontracker.org](http://www.pensiontracker.org)) from Stanford University and Jon Bartel, President of Bartel Associates, participated in a no-holds barred discussion on the past, present, and future of public pensions in the State of California. This meeting turned out to be a sneak preview of the Battle Royale that occurred at the 2019 Annual Conference in Palm Springs.

In April, we held our second Super Chapter meeting with the East Bay Chapter, again in Hayward. Michael Coleman, Principal Fiscal Policy Advisor for CSMFO and the League of California Cities, provided an update on the state's budget and fiscal matters, highlighting the requirements and details of Senate Bill 1 – Transportation funding.

In May, we held our third Super Chapter meeting with the East Bay Chapter, in Millbrae. Kurt Schneider, Senior Pension Actuary with CalPERS, gave a presentation on proactively managing a pension plan's unfunded liability, as well as background and statistics of the CalPERS system. A special thank you to DeAnna Hilbrants and her staff at the City of Millbrae for hosting this meeting.

In July, Tim Kirby, Vice Chair of the Peninsula Chapter, hosted the meeting at Fire Station No. 5 in the City of Sunnyvale. David Alvey, CPA from Maze & Associates spoke about the internal control environment and recommended best practices. Dr. Marilyn Manning, Ph.D. and Tim Kirby co-presented on a very interesting topic: Improving Finance Department Culture and Morale. Our appreciation to Tim Kirby for both hosting and presenting.

In October, we held our meeting at the City of Millbrae, with speakers Andy Nickerson, President/CEO at HdL Companies and Monique Spyke, Managing Director at PFM Asset Management. Mr. Nickerson gave a presentation on sales tax trends and Ms. Spyke presented on the topic of investment strategies and current markets and the economy.

The annual holiday luncheon was held in Burlingame at Fattoria E Mare. Our special guest speaker was Dr. Jon Haveman, Principal of Marin Economic Consulting and Executive Director of National Economic Education Delegation. Dr. Haveman gave an economic update that contained very pertinent data for members and was much appreciated.

2019 is already off to a quick start, with another Super Chapter Meeting to be held in February. Speaker and location will be determined shortly.

# Sacramento Valley Chapter Report

**Chair:** Nitish Sharma, City of Davis

**Vice- Chair:** Robin Bertagna, City of Yuba City

The Sacramento Valley Chapter (SVC) had a very successful 2018 year. The Chapter Chair created an online survey to seek ideas from members on the time of the meeting, locations, and the topics. The meetings were based on the feedback provided by the members. The SVC had a number of dynamic speakers in 2018. Below is a summary of the meetings held by the SVC in 2018:

TBD- this meeting was held in the City of West Sacramento and featured Michael Coleman speaking. The topic of discussion was " A Local Government Finance Update".

August 23, 2018- this meeting was held at the Sacramento Regional County Communications training room. The speaker at this meeting was Dr. Sanjay Varshney. Dr. Sanjay Varshney is Investment Strategy Specialist for Wells Fargo Private Bank. As part of Investment Management, Sanjay provides thought leadership on investment management strategies, commentary on markets, and presentations at client meetings and events.

Prior to joining Wells Fargo, Sanjay was the Vice President for Economic and Regional Partnerships and the Dean of the College of Business Administration at California State University, Sacramento for the past ten years. He previously worked at the University of San Francisco, as the Dean of the Business School at State University of New York in Utica for five years, as a Registered Investment Advisor, and at other firms.

Topic: Aging Recovery & Current Bull Market: How is California Doing?

November 16, 2018, this meeting was held at the City of Elk Grove, Council Chambers. This was a super chapter meeting (quarter 3 and 4 combined) to ensure members time are well spent during the very busy time of the year. The speakers at this meeting covered the following topics described below:

Pension/OPEB Valuation and Funding Strategies- A presentation from Gov Invest on the funding strategies for pension and other post-employment benefits.

Revenue Enhancement and Current Sales Tax Updates- A presentation from Avenu Insights and Analytics

Smart Purchasing- A presentation from GovSpend on the future of government purchasing

Public Finance Update- A presentation from Jones Hall on the current events in the public finance realm and the impacts on local government.

For 2019, the SVC is looking forward to bringing an enhanced presentations covering leadership, local economy and various other topics related to Municipal Finance.



# San Diego Chapter Report

**Chair:** Michelle Collett, City of Escondido

**Vice-Chair:** Aaron Beanan, City of Carlsbad

2018 brought new leadership to the San Diego Chapter. Rookies Aaron Beanan and Michelle Collett took over the reins from seasoned veterans Heather Jennings and Laura Rocha. The San Diego Chapter hosted 4 meetings in 2018. In the past, the meetings were held at various City facilities throughout the county. This year the focus was looking for an affordable central location. While unable to find an affordable central location, the chairs did find the Inland Empire's recommendation to use Dave and Buster's a good solution. The meetings were rotated between the Mission Valley and Carlsbad locations to balance member commutes from across the County. Thanks to our generous sponsors: Banner Bank, Prudential, and Fiduciary Experts we hosted our holiday meeting at the beautiful Bali Hai. We also want to extend a special thanks to our members for their overflowing donations to the Toys for Tots drive at that meeting. Below is a list of the 2018 meetings, topics and attendance:

- Oct 4th, 2018- "A Local Government Finance Update" presented by Michael Coleman. Held at the Dave and Buster's in Carlsbad. Attendance 55 (11 commercial; 44 local government)
  - December 13, 2018- "Third Wave-The future of Work, Engagement, Well-Being and Happiness" presented by Devin Hughes. Held at the Bali Ha Restaurant in San Diego. Attendance 53 (19 commercial; 34 local government)
- Thanks to the fellow Chapter Chairs, Board Members and SMA staff for helping us as we transitioned into these chapter roles. And thank you to the San Diego Chapter members for attending and helping us shape our events! We look forward to another successful year in 2019!
- April 19th, 2018- "Fraud, Waste, and Abuse- Where do we draw the line?" presented by Jennifer Farr. Held at the Dave and Buster's in Carlsbad. Attendance: 46 (14 commercial; 32 local government)
  - June 21st, 2018 - "Presentation of Locally Assessed Property Values for the 2018-19 Assessment Years" presented by Ernest J. Dronenburg, Jr. San Diego County Assessor. Held at the Dave and Buster's in Mission Valley. Attendance: 50 (10 commercial; 40 local government)

# San Gabriel Valley Chapter Report

**Chair:** June Overholt, City of Glendora

**Vice Chair:** Kyle Johnson, City of Glendora

The San Gabriel Valley Chapter had a great year in the midst of transition from Tracey Hause, who led the chapter for many years, to June Overholt.

The Chapter met six times this year, transitioning from the Courtyard Marriott, Monrovia to our new meeting location at the Dave & Busters, Arcadia in May 2018. Our meetings occur on the third Wednesday of January, March, May, July, September and November. Attendance averages at 35 per meeting. We expect attendance to increase in the New Year with the more central location.

The meetings in 2018 featured the following topics and speakers:

## **January**

Nicole Cone, HDL Company spoke on Trends in Property Tax Revenues Since Prop 13 & How Will New Federal Tax Legislation Affect Housing in California.

## **March**

Bryan Gruber, CPA, Partner LSL, provided a 2018 GASB Update. The presentation covered relevant GASB pronouncements including accounting for OPEB, Leases, Fiduciary reporting, and more

## **May**

Ken Pun, CPA, CGMA, Managing Partner at The Pun Group, LLP spoke on Fraud in State and Local Governments. Topics covered included 1) Identifying the embezzler's story and case studies in embezzlement; 2) Understanding the Fraud triangle; 3) Reviewing the Association of Certified Fraud Examiners (ACFE) Survey; and 4) Learning tips and tricks for avoiding fraud.

## **July**

Neil Kupchin spoke on Managing Change: Strategies You Can Use To Master Any Change. The topic was interactive and addressed managing who you are in the midst of change.

## **September**

Michael Coleman spoke on Local Government Finance Update. Michael provided the latest in local revenues, legislation, important legal cases, financial conditions and other issues of critical concern to city, county and special district finance professionals.

## **November**

Panel spoke on Budget Pressures – Tax Measures – Lessons Learned. Panel Speakers were: Onyx Jones, Finance Director/City of Pomona, Anita Agramonte, Finance Director/City of Covina, and Julio Morales, Director with UFI. Discussion covered successes of ballot measures, strategies used and lessons learned.



# South San Joaquin Chapter Report

**Chair:** Tim Przybyla, City of Madera

**Vice-Chair:** Paul Melikian, City of Reedley

In January, Doug Jensen, Senior Vice President of Avenu Insights & Analytics/ MuniServices discussed Long and short-term revenue trends and what options are available to offset eroding local tax revenues. This session was attended by 22 people. The chapter also worked closely with the California Debt and Investment Advisory Commission (CDIAC) to bring their Municipal Market Disclosure seminar to the Central Valley (Fresno) in February 2018. It had been many years since the CDIAC has offered training in this region, and the response from local agencies was strong. CDIAC staff were incredible to work with throughout the process. Since proper disclosure and reporting are such important topics, it is hoped that the CDIAC can make the Central Valley a regular stop on their training schedule.

For the next meeting a little context is needed. Each chapter is given a \$500 annual allocation for support from the CSMFO. This year, the CSMFO Board agreed to provide an additional \$25,000 for initiatives to drive up attendance at chapter meetings. The South San Joaquin Valley Chapter took advantage of this funding to boost attendance at a special luncheon that took place on April 20th, with Michael Coleman as the special guest speaker. Michael treated us with two one-hour workshops; his well-known Local Government Finance Update and additional discussions concerning Cost and Revenue Impacts of New Development: The Fiscalization of Land Use.

With the extra funding, our Chapter elected to reduce the cost of attendance from the regular price of \$25 per person to \$15 per person. Approximately 50 people attended the luncheon, which was a record attendance for the Chapter. Typical attendance averages about 25-30. Michael Coleman's presentations were very timely, informative and of interest to all who attended. The combination of having Mr. Coleman as our special guest speaker and reducing the cost by \$10 per person provided for a great day of learning with an outstanding group of municipal finance professionals at a very reasonable price.

In November, the chapter was treated to a discussion of the Current State of the Public Sector Job Market and What it Means for You! presented by Paul Kimura, one of two Principals with William Avery & Associates based in Los Gatos, California. The session was followed by professional photos taken by chapter chair Tim Przybyla, which was a great opportunity for our members. This session was attended by 28 people and was partially sponsored by Five Star Bank. We have a history of having fun at our meetings and try to close each meeting with a raffle for prizes donated by our commercial partners. Must be present to win!

Plans for 2019 include holding five meetings (two more than 2018) with four sessions focusing on relevant/technical public finance & accounting topics, and the fifth meeting reserved for a motivational self-improvement topic for our first ever holiday event in December. Lastly, and perhaps most importantly, Tim and Paul will be enlisting the help of two other highly capable and intelligent SSJV members for chapter duties; specifically Maggie Moreno, Administrative Services Director for the City of Dinuba, and Jasmin Bains, Financial Services Director for the City of Coalinga. Having these extra hands, brains and eyeballs on chapter activities is expected to make a better experience for members in 2019 and beyond!



# League of California Cities Policy Committee

## - Community Services

**Appointee:** Tracy Hause, Temple City

**Appointee:** Brad Wilkie, City of Lompoc

Tracy Hause was the initial appointment to the committee but had to step down after the January committee meeting upon her transition to a Special District. The Community Services Policy Committee reviews issues related to child care, parks and recreation, libraries, cultural arts and community and human services programs. Many of the participants are elected officials, Community Development Directors or Parks & Recreation Directors. While committees may meet during the Leagues' conference held in September 2018, the Community Services Policy Committee concluded its work following the June 2018 policy sessions.

Dane Hutchins, the Legislative Representative spearheading the CalPERS pension initiative, updated the committee about the League's pension survey.

There were several topics the committee focused on during the 2018 year; however, legislative initiatives related to major forest fire events throughout the state were the main topics throughout the sessions. Other topics included:

- Update on the Homelessness Task Force – a multipage Homelessness Task Force Report was distributed and was the focus on the presentation of the item. The League of California Cities, the California Association of Counties and the Institute for Local Government jointly sponsors the Task Force.
- Libraries – Children's and Community Services Programs – a presentation was made by the City of Ontario's Director of Library, Recreation, Arts & Culture, Helen McAlary.

- Emergency Services Programs for Homeless Youth – Toni Curtis, Monitoring Chief of Grants Management with the California Governor's Office of Emergency Services (CalOES) presented the committee on the range of programs available to provide services to homeless youth.
- Update on Housing and Affordable Housing - Jason Rhine, Legislative Representative and housing policy expert with the League, briefed the Committee on legislative efforts around affordable housing, including implementation of new laws and current proposals. He touched on a few bills that were geared toward remedying issues like streamlining processes, housing affordability, and housing shortages. Mr. Rhine detailed homelessness funding requests from the state budget and outlined the allocation of the funds for the requests.

The committee followed legislative bills deemed important at the League level.

- SB 1045 (Wiener) Conservatorship: chronic homelessness: mental illness and substance abuse disorders.
- The League watched most of the bills it followed but supported AB 1766 which would require public swimming pools to provide Automated External Defibrillators (AEDs) during pool operations.
- 69 separate bills were tracked by the League related to Emergency and Disaster Response resulting from statewide fire events that occurred in the last 2 years.
- 58 other bills related to youth, libraries, recreation, parks, veteran assistance, housing, animal services and other focuses were also tracked by the League relate to the committee.



# League of California Cities Policy Committee

## - Environmental Quality

**Appointee:** Kathryn Downs, City of Carson

The League's Environmental Quality (EQ) Policy Committee monitors proposed legislation relevant to environmental issues in California. The 2018 work program included support of the League's goals, as well as a focus on the following topics:

1. Storm water and water quality funding;
2. Community Choice Aggregation and renewable energy; and
3. Recycling and solid waste in out-of-state markets.

The EQ Committee met 4 times during 2018. Agendas included both informational presentations and action items. The informational presentations included implementation of SB 1383 for Organic Waste Diversion (signed into law September 2016) and statewide storm water funding needs. The Committee also reviewed and offered comments for Cap and Trade priority setting, and the State Fire Response and Disaster Relief Draft Policy.

### Action Items:

- SB 623 (Monning) Water Quality: Safe and Affordable Drinking Water Fund. The proposed bill would have created a grant and loan program to assist communities and domestic water well users to ensure access to clean, safe, and affordable drinking water. The State Water Resources Control Board would administer the program to be funded by imposing new water, fertilizer, and dairy fees.

EQ opposed SB 623 unless amended to remove the water fees. SB 623 did not become law.

- AB 1775 (Muratsuchi) & SB 834 (Jackson) State Lands: Leasing – Oil & Gas. The identical measures would prohibit the State Lands Commission from entering into new lease agreements or renewing/expanding existing agreements that would result in increased oil or natural gas from federal waters. EQ supported the proposed bills nearly unanimously, with only one opposing vote. The new law was signed by the Governor on September 8, 2018.
- AB 3178 (Rubio) Integrated Waste Management Plans: Source Reduction and Recycling Element – Diversion Requirements. The bill would provide flexibility to cities and counties related to enforcement. EQ voted to support the bill if it was amended to include a sunset and recycling market development within the state. The bill was vetoed by the Governor on September 10, 2018.

The fourth meeting of the year was scheduled during the League's annual conference. The sole purpose of the meeting was to consider the League's Conference Resolution No. 2 Repeal Preemption of Regulating Pesticides. The resolution, as amended, would encourage the state to fund research into the negative impacts and a potential restriction or ban; direct the League to consider creating a task force to study and report on the unintended negative consequences; encourage cities and property owners to eliminate use; and encourage cities to join advocacy efforts. EQ unanimously approved the resolution, which went on to be approved by the General Assembly during the conference.



# League of California Cities Policy Committee

## - Governance, Transparency & Labor Relations

**Appointee:** Joseph Lillio, City of El Segundo

The Governance, Transparency, and Labor Relations (GTLR) Policy Committee focus is on Pension related issues, Legislative Bills related to elections and the Public Records Act, and Legislative Bills related to labor and labor relations issues.

In 2018 the GTLR Policy Committee met four times:

- January 18, 2018 (Sacramento)
- April 12, 2018 (Pomona)
- June 7, 2018 (Sacramento)
- September 12, 2018 (Long Beach)

**The January 18th** meeting focused on a presentation by League Deputy Executive Director/Legislative Director, Dan Carrigg. Mr. Carrigg discussed how state budget revenues continue to be strong and that the Governor plans to allocate additional revenues to fully-fund the state's Rainy Day Reserve fund at \$13.5 billion. Healthy reserves were also good for local government because it gave the state options during a downturn, rather than attempting to shift funds from local government as it had in the past.

Mr. Carrigg briefly discussed the large amount of housing bills passed by the Legislature last year and how if more housing legislation were introduced this year could be difficult for cities to navigate. He also discussed the uncertainty California faces in regards to the President's recent tax reform legislation and plan to open up offshore drilling. Then Mr. Carrigg introduced the League's lobbyists to discuss their respective issue areas big topics. First, he introduced Dane Hutchings, League Legislative Representative, to discuss pensions and other labor and governance issues.

Mr. Hutchings gave an overview of what will be happening on pensions this year. Cities are struggling with increasing costs, and securing additional flexibility for cities is a priority. Additionally, Mr. Hutchings discussed a measure that could have big effects on cities. The measure would apply prospective and retroactive to agencies who have entered into a JPA for all retirement related liabilities for any public retirement system. This measure would not just apply to CalPERS but any county retirement system as well.

Rony Berdugo, League Legislative Representative, discussed how the landmark passage of SB 1 (Beall, 2017) doubles the amount of funding cities receive for road maintenance and rehabilitation projects. He stressed that if the voters repealed SB 1, another funding package would not come together for a long time. He encouraged cities to proactively document and promote their road improvement work as the best way to protect their funding and to join in League efforts to support Proposition 69, the constitutional protections for new transportation revenues, and to participate in efforts to oppose the transportation funding repeal.

**The April 12th** meeting covered discussion on eleven legislative bills mainly focused on labor relations and employment law, particularly around sexual harassment. Some of the highlights from this meeting are:

- Sexual Harassment Prevention and Response AB 1750 (McCarty) Elected officials: sexual harassment settlement agreements: liability. The committee entered into a lengthy discussion regarding the bill. League staff clarifies that the League represents not only elected officials but staff and the city as well. The Committee moved to take a Watch position on the bill and gave direction to work with legislative staff.
- SB 820 (Leyva) Settlement agreements: confidentiality. Staff gave a brief overview of the bill and had a short discussion. League staff referred to a member survey to use as reference when discussing the bill and what position to take. Cities do use NDAs and eliminating them could drive up costs for cities. The committee moved to take a position of Oppose on the measure.
- SB 1038 (Leyva) California Fair Employment and Housing Act: violations: personal liability. Staff gave a brief overview of the bill and added a piece that was not included in the agenda. Under this bill, supervisors and department heads would be held personally liable for FEHA violations. This bill seeks to overturn a Supreme Court case and conflicts with labor code 2102. The committee comments that this bill is an overreach. The committee moved to take a position of Oppose on the measure.
- Divestment AB 2571 (Gonzalez Fletcher) Public employee retirement systems: investments: race and gender pay equity. League staff states that this bill is a divestment bill and that so far divestments have cost CalPERS \$8-\$10 billion in investment returns. League staff restates that it is more effective for CalPERS



# League of California Cities Policy Committee

to engage with those they invest with rather than divesting from them. The committee unanimously moved to take a position of Oppose on the measure.

The highlights from June 7th meeting focused on two legislative bills and a comprehensive presentation by CalPERS.

- **SB 783 (Pan) Public Employee Pension Funds: Divestment Proposals: Review** League staff gave background information on the bill and explained its potential effect of reducing the harm of divestment. League staff goes on to say just how harmful divestment has been to the CalPERS fund. After answering a few clarifying questions, a motion was made to Support if Amended. The motion carried unanimously. The amendments are as follows: Add a sixth member of the commission representing local government finance.
- **SB 1421 (Skinner) Peace officers: Release of Records** League staff gave background on the bill and briefly explained the content of the bill. League staff gave the recommendation that we follow the lead of the California Police Chiefs Association and take a position of oppose unless amended. The committee then discussed this bill and heard from a police chief who serves on the committee regarding his perspective and insight on the bill. A motion was made to **oppose unless amended**. The motion carried 32-3. The amendments are as follows:
  - For instances of dishonesty and sexual assault, the bill specifies that there needs to be a "sustained finding" in order to release information. Extend this standard of "sustained finding" to specified use of force incidents.

- **Proactively Managing your Pension Plan's Unfunded Liability**

Randall Dziubek, Deputy Chief Actuary of Valuation Services, and David Teykaerts, Stakeholder Relations of CalPERS gave a presentation regarding unfunded liability. They laid out three strategies on how a city can be proactive in paying down their unfunded liability. There was discussion about hardship criteria and the ongoing collaboration between employers and CalPERS to fine-tune the details of those criteria.

CalPERS staff also discussed a proposed private equity strategy called CalPERS Direct that is still under development. According to CalPERS, "CalPERS Direct would be governed by a separate, independent board to advise on allocation and longer-term capital market perspectives. It would consist of two separate funds. One would focus on late-stage investments in technology, life sciences, and healthcare, and the other on long-term investments in established companies. These would operate alongside CalPERS' existing private equity structure that typically invests in co-mingled private equity funds. Plans call for CalPERS Direct to launch in the first half of 2019, following final review and approval by the Board. CalPERS anticipates that up to \$13 billion a year will need to be invested in private equity to achieve a ten percent allocation of the portfolio."

The committee engaged in discussion with CalPERS staff and asked them several questions. Discussion ranged from establishing 115 trusts to what positive changes are being made within CalPERS to engage more directly with local employer agencies. CalPERS staff ended by encouraging everyone to attend the CalPERS educational forums.

**The September 12th** meeting focused on an Annual Conference Resolution, Resolution No. 1: Local Municipal Authority, Control, and Revenue.

- **Summary of the resolution:**

This Resolution states that the League of California Cities should assess the vulnerabilities to local authority, control and revenue and explore the preparation of a ballot measure and or constitutional amendment that would give the state's voters an opportunity to further strengthen local authority and preserve the role of local democracy.

- **Resolution Background:**

The City of Beverly Hills is sponsoring this resolution in reaction to their concerns over measures coming from the Legislature and the initiative process attempting to roll back local control and hinder cities from providing optimal services to their residents.

As examples, the city cites the 2017-2018 legislative cycle, the Legislature introduced bills such as Senate Bill 649 (Hueso) Wireless Telecommunications Facilities, and AB 252 (Ridley-Thomas) proposing to prohibit taxes on video streaming services, and more recently Senate Bill 827 (Wiener) Planning



# League of California Cities Policy Committee

and Zoning: Transit-Rich Housing. SB 649 was vetoed by the Governor and SB 827 died in policy committee, however if these measures had been signed into law they would have impinged on the ability of a local government to be responsive to the needs of their constituents.

The city maintains that “local government, when done right, is the best form of democracy precisely because it is closest to home. A ballot measure and/or constitutional amendment would provide the state’s voters an opportunity to further strengthen local authority and maintain the role of local democracy to best preserve their local quality of life while still leaving the appropriate issues at the county, regional or state legislature depending on the topic.”

The GTLR Policy Committee voted to support this resolution.

## - Public Safety

**Appointee:** Robin Bertagna, City of Yuba City

The League of California Cities Public Safety Policy Committee is presented with issues impacting public safety agencies throughout the state. Most participants on the Committee are elected officials and public safety employees and policy discussions tended to focus on the issues from this perspective and the importance of maintaining local control in decision making.

Topics in 2018 included:

- Implementation of cannabis legalization including discussion of the Bureau of Cannabis Control’s new regulations regarding cannabis and highlighted that local governments are not prohibited from banning deliveries in their communities.
- AB 1578 (Jones-Sawyer) Cannabis: Cooperation with the Federal Government. The committee voted to oppose. This was a two-year bill that the League had opposed last year as well.
- A vote was made to support the “Reducing Crime and Keeping California Safe Act of 2018” ballot measure.
- Voted to approve a State Fire Response and Disaster Relief Draft Policy.
- Discussions included current drone regulation at the local, state, and federal level. At the June, 2018, meeting a League drone policy with an amendment to clarify that the line of sight operator requirement applies only to recreational and hobbyist drone operations.
- AB 931 (Weber) Criminal Procedure: Use of Force by Peace Officers. The committee voted to oppose the bill as it was deemed pre-mature to change the use of force standard without consulting with police training officials and the POST commission.
- AB 1421 (Skinner) Peace Officers: Release of Records. The committee voted to oppose the bill unless amended in line with the Police Chiefs Association.



# League of California Cities Policy Committee

## - Revenue & Taxation

**Appointee:** Marcus Pimentel, City of Santa Cruz

During 2018, the Committee held four meetings.

The Committee was led by CSMFO's own Bob Biery, City Treasurer of Westlake Village as Chair, with Vice Chair Jeff Slowey, Mayor, City of Citrus Heights. It was supported by Dan Carrigg of the League. It included 63 members in total, appointed from League Departments, League Divisions, from Caucus and Affiliate (like CSMFO) appointments, League Presidential appointments and League partners (industry). Of the 63 members, 34 were elected officials.

Three of the four meetings were held in Sacramento, and most were scheduled for five hours; with the last meeting a shorter meeting blended with the League's annual conference. The "spring" meeting was held in southern California (Pomona this year). Within each meeting, the committee received a mix of timely information, updates on potential legal changes, provided input to the League on future policy measures, and was tasked to recommend that the League either support or oppose certain legislative or citizen proposals that impact local government finance.

### Voting

The Committee heard testimony on, deliberated, and voted on a handful of actions. We began the year with administrative actions like approving the committee's procedural policies and guiding principles and accepting the League's work plan.

Throughout the year, we were asked to make recommendations that the League Board either support or not support. There were two similar proposed bills and one potential ballot measure that were considered:

*SCA 20 and SB 1466 (Glazer), Local Sales Tax Allocation. Committee voted on bill amendments and to support existing League City Manager's committee (unanimous).*

This politically sensitive proposal attempted to reform how Sales Tax is distributed to local agencies. The committee was only able to support how pool distributions should flow to the destination where the purchase is delivered. The Committee did fully support the League's City Manager policy committee to continue to evaluate options for sales tax reforms, and to return to the Committee in January 2019 with modest reform measures. By year's end, the Committee did not arrive at any recommendation as to bigger reform actions other than recommend that the State not bring a proposal forward, to recommend that the League advocate for a November 2020 ballot measure, and that the League advocates for necessary legislative actions towards preparation of such a measure. No State action was taken in 2018.

*November 2018 Ballot Proposal review. The People's Initiative to Protect Proposition 13 Savings (aka, Prop 5). Committee voted to take "No Position" (32 yes vs 1 no).*

The Committee received information from supporters of a potential ballot measure that would expand property tax breaks for qualified individuals generally around situations when a homeowner relocates. Ultimately, this proposal became Proposition 5 on the November 2018 Ballot, titled "Property Tax Transfer Initiative". It failed with 59.8% of voters voting against it.

### General discussions

During the year, the following topics were discussed.

- Governor Brown's last Budget, including the May revise, and adopted budget
- Pension reforms including an update from the City Manager committee, and potential legislative actions
- June 2018 Primary election measures and outcomes
- November 2018's Proposition 6 proposal to repeal SB1
- Other November 2018 propositions and ballot measures, including water, parks, and housing bonds
- The November 2018 ballot measure from the "Business Roundtable" that would place restrictions on local tax and fees.
- Potential League efforts to fix issues on annexation and incorporation
- Efforts to restore options around tax increment
- Sample city models showing the potential impact from changing online sales tax distribution to a situs based system (i.e., allocate to the agency where the product was delivered)
- The newly created CA Dept of Tax and Fee Administration (CDTFA)



# League of California Cities Policy Committee

- The League's proposals for a resolution on Local Municipal Authority, Control, and Revenue

## 2018 Work Plan

In addition to its normal workload, the Revenue and Tax Committee focused on supporting the 2018 goals adopted by the League Board of Directors. The 2018 strategic goals included:

- Address Public Safety Concerns of California Cities.
- Ensure Sustainability of Public Pension and Retirement Health Benefits.
- Protect Existing Transportation Funding for Local Priorities.
- Improve Housing Affordability and Support Additional Resources to Address the Homelessness Crisis.

In addition, the committee prepared itself to focus on and monitor issues like those listed below:

- Review potential ballot measures for the 2018 ballot with impacts on city finances.
- Remain informed on legislation, court actions and administrative activity at CalPERS affecting pensions and other post-employment benefits.
- Review impacts of federal legislation affecting tax reform. Remain on alert for other proposals that could undermine local revenue, affect funding for infrastructure, or shift federal costs and responsibilities.
- Monitor state budget developments, including proposals that may affect local government or provide funding opportunities.
- Continue to monitor and protect vital local revenues including the transient occupancy tax, and utility user's tax.
- Engage in tax reform discussions

that may develop at the state level, using recently refined League policies as guidelines.

- VLF and New Incorporations/Annexations: Sponsor legislation to address the fiscal viability of new incorporations and annexations of inhabited areas.
- Remain informed and take action, where necessary, to prohibit additional state mandates funded or unfunded.
- Monitor issues associated with the recently created California Department of Tax and Fees Administration.



# League of California Cities Policy Committee

## - Transportation, Communication & Public Works

**Appointee:** Robin Borre, City of Stockton

The TCPW Committee began 2019 with a review of the League's Mission and 2019 Strategic Goals. Committee Members adopted a work program to review proposed legislation impacting pedestrian & bicycle safety, storm water issues, rideshare services, dock-less scooters and bicycles, interconnecting transportation systems, and emerging technologies.

The TCPW Committee received an update of 2018 Local Streets and Roads Needs Assessment; which focused on the expected outcomes of SB 1 funding, such as improved pavement ratings statewide. The Assessment concludes the local road network has been stabilized with SB 1 funding.

The Committee also received an update from the Electric Vehicle Charging Association regarding charging infrastructure. There are currently 18,000 stations statewide, and Governor Brown had established a goal of 250,000 stations by 2025. There is sufficient funding, but permitting is an issue. The Association representative indicated that the City of Sacramento has a good permitting model, and the Governor's Office of Business Affairs will publish a permitting guidebook soon. The Association representative also urged cities to prepare for the future by providing infrastructure locations ready for 350kw to accommodate ultra-fast chargers.

Finally, TCPW received an update of the League's drone policy adopted in June 2018; which includes granting immunity from liability for jurisdictions that establish drone areas or parks, retaining city ability to impose restrictions on drone operations under 400 feet, and designating "no fly" zones around critical infrastructure. The League encourages cities to begin an education process with their residents, and avoid local measures that limit the beneficial uses of the emerging technology. The full League drone policy can be found at [www.cacities.org/drones](http://www.cacities.org/drones).

The next TCPW Committee meeting is scheduled for March 29, 2018 in Costa Mesa.

# STATEMENT OF FINANCIAL POSITION

December 31, 2018 and 2017

	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Cash and Investments</b>	1,463,672.61	1,348,027
<b>Accounts Receivable</b>	4,848.00	7,933
<b>Other Current Assets</b>	527,947.97	233,841
<b>Total Current Assets</b>	<u>1,996,469</u>	<u>1,589,800</u>
 <b>TOTAL ASSETS</b>	 <u><b>1,996,469</b></u>	 <u><b>1,589,800</b></u>
 <b>LIABILITIES &amp; NET ASSETS</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
<b>Accounts Payable</b>	50,332	27,044
<b>Other Current Liabilities</b>	1,027,841	858,365
<b>Total Current Liabilities</b>	<u>1,078,173</u>	<u>885,409</u>
 <b>Total Liabilities</b>	 1,078,173	 885,409
 <b>Net Assets</b>		
<b>Restricted</b>	37,223	(74,767)
<b>Unrestricted</b>	881,073	779,158
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<u><b>1,996,469</b></u>	<u><b>1,589,800</b></u>



# STATEMENT OF ACTIVITIES

January 1 through December 31, 2017 and 2018

	2018	2017
<b><u>Revenue and Support</u></b>		
Annual Conference	\$910,895	\$828,100
Membership Dues	\$249,030	\$231,720
Website Magazine Ads	\$138,743	\$159,065
Education Workshops	\$74,395	\$100,310
Award Fees	\$16,701	\$18,600
Contributions and Donations	\$0	\$1,905
Interest income	\$20,989	\$7,549
Chapter Income	\$112,408	\$106,686
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<b>Subtotal Operating Revenues</b>	<b>\$1,523,160</b>	<b>\$1,453,936</b>
<b><u>Expenses</u></b>		
<b><u>Program Services</u></b>		
Annual Conference	\$818,652	\$729,721
Education Workshops	\$55,432	\$88,393
Chapter Expenses	\$116,718	\$108,734
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<b>Subtotal Program Services</b>	<b>\$990,802</b>	<b>\$926,847</b>
<b><u>Operating Services</u></b>		
Management Services	\$270,818	\$256,121
President's expense	\$3,543	\$3,749
Board & Leadership Support	\$53,750	\$32,558
Office Supplies/Telephone/Postage/Printing	\$20,245	\$18,243
GFOA Reception	\$20,390	\$15,439
Taxes/Filings/Previous Year	\$51,655	\$47,589
Web and technology expenses	\$13,074	\$14,522
Audit	\$9,000	\$8,910
Insurance	\$1,219	\$1,710
Miscellaneous	\$3,551	\$9,259
Magazine	\$15,299	\$14,438
Awards	\$4,572	\$4,936
Merchant Fees	\$49,924	\$14,642
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<b>Subtotal Operating Services</b>	<b>\$517,040</b>	<b>\$442,118</b>
<b>Total Expenses</b>	<b>\$1,507,842</b>	<b>\$1,368,965</b>
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<b>Total Revenues over Expenses</b>	<b>\$15,318</b>	<b>\$84,972</b>
	=====	=====

# 2018 MEMBERSHIP

YEAR	MUNICIPAL MEMBER	COMMERCIAL MEMBER	OTHER GOVERNMENT MEMBER	RETIRED	STUDENT	COMPLIMENTARY	TOTAL
2018	2,007	292	62	66	21	1	2,449
2017	1,940	266	54	79	14	18	2,371
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







