

CSMFO ANNUAL REPORT

2019



The CSMFO Annual Report is provided annually to the membership to give an overview of the organization's activities and efforts. Approximately 150 volunteers donate their time and considerable talents each year to help make CSMFO run.

EXECUTIVE DIRECTOR REPORT

Melissa Manchester, MBA, CAE

Welcome to the CSMFO 2019 Annual Report. CSMFO accomplishes so much each year, every year, that it is sometimes difficult to keep up with all our goings-on. This report is provided annually to the membership to give you an overview of your organization's activities and efforts. Approximately 150 volunteers donate their time and considerable talents each year to help make CSMFO run. To provide training opportunities, to schedule monthly chapter meetings, to review budget award submissions, to write news articles, to find better ways for our members to connect...the list goes on. The sheer number of projects and initiatives is staggering, and the dedication of these volunteers is humbling. Each one of them is here not to pad their resume, not for personal gain, but to make the profession better. To make it easier on our members to do their best job possible for the greater public good. It is truly an honor to support this leadership as your Executive Director.

The Board of Directors for CSMFO meets monthly, but it's not just the Board members in attendance. It's the Board, plus the committee chairs and vice chairs and senior advisors and members. It's the chapter chairs and vice chairs, and the League Policy Committee representatives. All come together once a month to keep this organization moving forward. If you're interested in learning more about the Board meetings or in listening in on any of the calls, the meeting materials are all posted to the [website](#). We'd love to have you join us. A lot was accomplished in 2019 during our ten meetings (okay, *almost* monthly). Here's a brief summary of those activities.

JANUARY

The 2019 Strategic Plan was reviewed, and the Communications Committee received approval to move the CSMFO News from a magazine format to a dynamic web portal. The Board approved terminating the CSMFO agreement with CalCPA regarding shared education opportunities for lack of contract compliance, and approved an adjustment to committee roles and responsibilities.

FEBRUARY

The Board approves the contract to create the CSMFO app, and the contract for Bill Statler to work on discovery for a possible new certification program.

APRIL

The Board discussed enhancing Student Member benefits, as well as the results of a focus group held at the Annual Conference, and received an update on the transition of the webinar program from a retiring Don Maruska.

MAY

The Board received a demonstration on the new Knowledge Base, which changed how the CSMFO listserv operates and allowed discussion threads to be archived. The Board approved a contract amendment to secure continued support for the Program Committee for its Annual Conference activities, and approved the hotel contract for the 2019 Weekend Training program.

JUNE

The Board received updates on the management contract personnel and the CSMFO app, and directed the Administration Committee to develop a Records Retention Policy.

JULY

The Board received and approved the 2018 audited financial reports, and approved making Professor membership complimentary. The 2020 Conference Host Committee shared a proposed edit to the conference scholarship policy, which the Board approved along with the 2020 conference registration rates. The Board discussed the Executive Director moving to a subcontractor role with its management company, and approved contracting with GFOA to assume responsibilities for the CSMFO webinar program.

SEPTEMBER

The Board approved the budget for the Weekend Training program, and discussed who should have contract signing authority for the organization.

OCTOBER

The Board approved the 2020 Annual Conference budget and reviewed a draft 2020 operational budget. The Board went into closed session to discuss the subcontract arrangement between the Executive Director and the management firm, and received updates on the student engagement efforts, certification efforts and the CSMFO app.

NOVEMBER

The Board approved the GFOA Code of Ethics and endorsed the new GFOA ethics policies. Director Richard Lee was appointed the CSMFO Secretary/Treasurer and Sacramento was chosen as the location for the 2023 Annual Conference.

DECEMBER

The Board approved extending the contract for Bill Statler to work on a potential CSMFO certification program, and considered formalizing the Past Presidents Advisory Council (PPAC). Additional staff support for the Communications Committee was approved, as was the 2020 operating budget. The Board discussed a potential Bylaws amendment, which would be brought to the Board for approval in January, and approved making Student Engagement a new standing committee.

On a personal note, I made a leap in 2019 to leave CSMFO's management firm and strike out on my own. The CSMFO Board spent considerable time and effort on making this move of mine not affect my relationship with CSMFO by securing an amendment to its management contract requiring me to continue as CSMFO's Executive Director. I wanted to express my sincere gratitude and appreciation to the CSMFO leadership for ensuring my continued position with this amazing association. Being your Executive Director is the highlight of my career, and I take immeasurable pride in everything this organization has accomplished in my so-far eleven-year tenure. Thank you all for your continued faith and trust in leading this amazing group of people. I can't wait to see what the future holds.



2019 PRESIDENT REPORT

Joan Michaels Aguilar, 2019 CSMFO President

This year has been a pleasure and a privilege for me to have represented CSMFO as President. I have known for some time what a remarkable organization I have been proud to be a member from getting involved volunteering back at the Burbank conference, then as a budget reviewer, to a Committee Vice Chair, and so it goes. Every year, CSMFO Presidents reflect back on the past year and the achievements of our group. It takes so many in a variety of capacities to help us deliver what I feel are our core areas – professional development through training and networking opportunities and growth through enhanced efforts in getting inactive chapters renewed and invigorated and looking ahead to the future of our profession with student engagement. As you navigate through this annual report, you will get a chance to read about specific achievements and events from our committee leadership, chapter chairs and vice-chairs, league liaisons, and the other members of the executive committee (President Elect and Past President).

The CSMFO Annual Conference – Guardians of the Finance Galaxy kicked off 2019 in lovely Palm Springs. An amazing Host and Program Committee put in countless volunteer hours to put forward our premier event and opportunity to learn the latest in our municipal finance profession. Each of the concurrent sessions was SRO (Standing Room Only) as they say, and when you add in the options of pre-conference training, keynote speakers, plus on Thursday night, a plethora of options for networking and entertainment. Kudos to the fabulous professional staff at Smith Moore & Associates and Meeting & Association Management Services who brought together the vision shared early on and made it happen at the Palm Springs Convention Center and off-site venue after party on Thursday evening.

What drives our continued progress is the connections we have with people. Think of the fun and knowledge you get attending a chapter meeting or the awe you may have in participating in one of our many popular webinars. It is in part to the behind the scenes preparation by a committed group of municipal finance professionals. We all volunteer our time for CSMFO, literally adding up to thousands of hours each year and the professional staff helps us to accomplish the vision and keep us moving forward. In particular, I wish to acknowledge our Executive Director Melissa Manchester on her tenth year with CSMFO and being a tremendous resource for our organization.

HIGHLIGHTS AND ACCOMPLISHMENTS

- Nearly all of our chapters had activity, whether in-person luncheons, joint meetings with CMTA or virtual meetings, except for one chapter with a vacancy in leadership. There were 70 chapter meetings/events held throughout the year, with nearly 2,800 total attendees.
- 15 total in-person training courses were offered in 2019, with 611 in attendance.
- 10 webinars were offered, with over 1,200 individual participating locations with 2,500 people reached including our colleagues in Washington, Oregon and Alaska.
- A budget fundamentals core course has been under development during this past year and will launch as a pre-conference session at the 2020 conference in Anaheim and then roll out during the year.
- Our annual Weekend Training was held in Southern California with 32 total participants.
- An ad hoc committee of CSMFO leadership, led by our Past President, helped to guide some organizational changes, including the development and update of some core policies
- Our CSMFO Magazine transitioned to a successful weekly online platform in May 2019 under the leadership of our Communications Committee and key SMA staff. The switch has exceeded our expectations in terms of readership, sponsorship and provided new opportunities for our commercial partners to reach members through advertising.
- Efforts continued toward getting the next generation involved in municipal finance through our student engagement outreach with events at universities in Northern and Southern California. Student members now number 40 and have attended chapter meetings. The Board's commitment to this effort resulted in student engagement as a permanent standing committee.
- Membership grew by 1% to a total of 2,491 members.
- An ad hoc committee worked to update the CSMFO bylaws for presentation to the membership in 2020.
- Board actions are now summarized and made available online at the CSMFO website for easy access to members.
- This annual report will mark the first time that highlights will be included from our Executive Director.
- Launched Knowledge Base



2019 PRESIDENT-ELECT REPORT

Steve Heide, Chino Valley Fire District

As your 2019 president-elect, it has been my privilege to chair the Annual Conference Host Committee for our upcoming 2020 annual conference. I was also responsible for facilitating our 2019 strategic leadership planning session in October.

2020 ANNUAL CONFERENCE PLANNING

As I complete this annual report, we are on the eve of our 2020 CSMFO Annual Conference, taking place at the Disneyland Hotel in Anaheim during the last week of January. As with substantially all of CSMFO's major undertakings, annual conference planning is a team sport, so to speak, with the roster consisting of numerous dedicated volunteer CSMFO members and our invaluable contracted professional staff.

Our conference volunteer program and annual conference host committee members, as well as professional staff, have been meeting on an ongoing basis throughout 2019 to plan for our upcoming conference. Being held in the shadows of the Happiest Place on Earth, I'm very excited about the magical possibilities for our 2020 conference. Inspired by the bronze plaque mounted over the train tunnel in Disneyland Park as you enter into the town square area, our conference theme is Yesterday, Tomorrow and Finance.

HERE ARE A FEW HIGHLIGHTS OF THE UPCOMING CONFERENCE:

- On Tuesday, January 28, friendly pre-conference golf and tennis/pickleball tournaments;
- Full complement of pre-conference sessions on Tuesday as well;
- New this year and included in the price of full conference registration, early bird educational sessions scheduled for Wednesday morning;

- Mid-day official conference kick-off on Wednesday with lunchtime keynote speaker Dr. Jeffrey Barnes, best-selling author of *The Wisdom of Walt: Leadership Lessons from the Happiest Place on Earth* and *Beyond the Wisdom of Walt: Life Lessons from the Most Magical Place on Earth*;
- 50+ timely and relevant concurrent educational break-out sessions over three days;
- 24 hours of available high quality continuing professional education;
- Wednesday and Thursday late afternoon general sessions with well-known economist Christopher Thornberg of Beacon Economics and California State Treasurer Fiona Ma, respectively;
- Wednesday late evening private social event at Disney California Adventure;
- Futurist and economist Rebecca Ryan will share insight at our Thursday keynote luncheon regarding her views on the future of our communities;
- And closing out the conference, inspirational keynote speaker Steve Gross, founder of the Life is Good Kids Foundation, will motivate us on Friday morning to be more serious about having "play" in our lives.

Needless to say, none of this would be possible were it not for the countless hours spent in planning by our dedicated all-star team, including Program Committee Chair Ronnie Campbell and his committee members Dennis Kauffman, Karan Reid, Viki Copeland, Richard Lee, Mary Bradley, Laura Nomura, Scott Catlett, Margaret Moggia, and staff member Harriet Commons. Additionally, host committee dream team members include Joan Michaels Aguilar, Margaret Moggia, Carrie Guarino, Stephanie Reimer, James Russell-Field, Terry Shea, Mia Corral, Matt Kirschenman, Grace Castaneda, John Adams, Stephen Parker, David Cain and Marcus Pimentel. Professional staff include Executive Director Melissa Manchester, Teri Anticevich, Janet Salvetti, Marisa Anticevich, Candy Retamoza, and the team at Smith Moore Associates.

Finally, I would be remiss if I did not highlight that the 2020 Host Committee has proudly integrated a CSMFO Gives Back to the Community concept into the upcoming conference. Throughout the conference, CSMFO will provide opportunities to give back by supporting children and youth here and around the world. From the purchase of conference bags from FEED Projects, to our support of the O'Dell Scholarship Fund as well as to the Orangewood Foundation, our efforts will help deserving youth excel in their academics by providing meals, scholarships and school supplies.

2019 STRATEGIC PLANNING SESSION

Annually, CSMFO hosts a strategic planning session in the fall. Mike Messina of Messina and Associates, a southern California-based management consultant, facilitated a full day of strategic planning meetings for the roughly 45 CSMFO board, committee, chapter chair leaders and CSMFO staff in attendance. Although Mike works with local government, this was his first time providing services to CSMFO. The member feedback received regarding Mike's strategic planning work was excellent.

As 2019 marked the third year of our current three-year strategic plan, our Strategic Planning Session at the Disneyland Hotel in October afforded the CSMFO leadership team the opportunity to compile a new three-year strategic plan. The new plan is currently in draft form, and will be reviewed and likely approved by the CSMFO Board at the January Board meeting.

I look forward to the implementation of our new strategic plan as we set the tone for CSMFO's strategic direction for the next three years. It has been my pleasure to serve as your president-elect for 2019, and I look forward to serving as your CSMFO president in 2020.



2019 PAST PRESIDENT REPORT

Margaret Moggia, West Basin Municipal Water District

As I reflect on my time serving on the CSMFO Board, I am appreciative I was given the time to serve the members. Serving this association has given me the opportunity to give my time and my ideas to meet CSMFO's mission while also allowing me to flourish both professionally and personally. I am very keen on meeting the goals outlined in the strategic plan, and it is through these goals of strategic growth, member engagement, and professional development that I worked with others to create new opportunities that will continue to demonstrate the value of one's membership at CSMFO.

In my role as past president, I had the privilege to serve on the Nominating Committee to identify candidates to serve on the Board. Through the current and new Board members, they will work with other CSMFO leaders to lead this organization through a critical time as we evaluate our role with expanding our activities on student engagement, exploring our own certification program, and continuing to deliver content through webinars and live courses. In addition, I participated in a working group established to review CSMFO's current bylaws to provide recommendations for the Board's review and to present to the members for their consideration. I also lead another working group to review the management contract services and association's processes and policies to ensure that we are effectively delivering and managing CSMFO services. This role has been expanded to evaluate future demands on the association and should those needs be met by volunteer or an expanded role of management contracts.

The most important role of the past president is to be a liaison for 20 chapters throughout the state. On a bi-monthly basis, the chapter chairs and the past president connected to have a roundtable discussion to discuss upcoming chapter meetings and identify if additional resources were needed to support the local chapter. Through these shared experiences it is important to share from the experienced chapters with those chapters that are still looking for ways to engage with its members. During the year, we were able to find a chapter chair for a few dormant chapters, and some even hosted their first and second chapter meetings. Come support your local chapter; they work hard to find speakers to educate and motivate us.

To better understand how to support the local chapters, I surveyed the chapter chairs on meetings, pricing, leadership, and outreach. Through this feedback, CSMFO will focus on the following areas:

1. Schedule training for chapter leaders from onboarding and the building out a chapter toolkit
2. Pair chapter chairs in a mentor-mentee relationship
3. Coordinate student engagement efforts
4. Explore ways to outreach to new members
5. Consider roles where local members can support the local chapter meeting to become more involved in CMSFO
6. Utilize chapter funding to encourage joint meetings, bring key speakers and support less active chapters.
7. Encourage planning for the full year to earmark dates
8. Encourage past presidents to serve in an advisory role.

For the full report, see the board report presented on July 25, 2019 located on the website.

As previously mentioned, one of the ways we can help the local chapters is to provide financial support. What we found is that there was a handful of individual chapters that had a negative balance. While most speakers provide their presentation at no cost, we do have some paid speaker fees that may be covered by the luncheon fee. The Board had developed a policy for chapter sponsorships to borne some of the costs and while some chapters have used these funds to offset some of the chapter expense, other chapters have not. The more noticeable reason for negative balances was new chapter engagement. To encourage participation for the chapters who have recently re-engaged, CSMFO has provided the resources at no cost to the chapter participants and I want to say thank you to the chapter leadership and the board liaison Make It Happen. For some agencies, the negative balance is a result of multiple years based on the reasons stated above, and so the Board acted to develop a policy to annually review the chapter accounts and apply those accounts with a negative balance to the Chapter Support funding established in the previous year. The Board values the chapter relationships as it is the grass roots efforts to engage with the members where they are. The Chapters are opportunities to grow and connect with others and be able to apply those lessons learned back into our agencies.

I am thankful to those who asked me to join them to be a part of committee 15 years ago that has led me on a journey to be more fully engage at all levels. So, it is now my turn to ask you – where do you want to be involved? You will find that the time spent is invaluable.

Looking ahead to 2020, I am excited to see what is in store for CSMFO.







CORE STRATEGIES, GOALS & PRIORITY ACTIONS

STRATEGIC GROWTH: 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. New Technology	1. Evaluate User Experience <ol style="list-style-type: none"> Zoom Branded Email Poll Everywhere Present to board 	Technology Committee	August 2019	<u>In Progress:</u> User guides have been developed and further user experience is being captured.
2. 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. Expand Chapter Tool Kit to include Chapter Meeting Effectiveness template	Chapter Engagement Working Group, led by Past President Staff	2018 (#1-5) 2019	
3. Engage Past Presidents	1. Establish Past Presidents Advisory Committee (potential oversee DSA) with purpose and goals	Past President to chair	2019	
4. Update Bylaws	1. Review Bylaws 2. Consider retaining legal counsel for thorough review	Administration	August 2019	
5. Hire a professional production manager/editor for CSMFO Magazine	Define scope Execute Contract	Communications Committee (contract to Admin)	December 2019 for Board proposal	Scope being defined for SMA proposal
6. Technology Committee Expansion	Increase number of members on the Technology Committee	Technology Committee	Feb 2019	<u>Completed:</u> Went from 10 members to 14 members!
7. Database Training	Establish "how to" documents for the new database; share and post to members.	Staff	March 2019	N/A?
8. Knowledge Base	Implement new Knowledge Base and release to all members	Technology Committee	Nov. 2019	<u>Almost Complete:</u> On schedule for release to all members on November 4, 2019.

MEMBER ENGAGEMENT: CSMFO will respond to our members' needs, increase active participation and promote strategic growth.

Goal/Objective	Action Plan & Deliverable	Responsible Parties	Target Dates	Progress
1. Refine volunteer utilization plan and appreciate and recognize volunteers	1. Develop policy to formally recognize Chapter and Committee Chairs to create uniformity across CSMFO.	Membership Committee	1. 2018	Continuous. Jackets for certain leadership and pins for budget/CAFR reviewers were introduced in 2018.
2. 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	Done. In-person focus group comprised of executive-level members conducted during 2019 Annual Conference. Survey with similar questions from the focus group sent out to entry- and mid-level members in 2019.
3. Develop student engagement plan	1. Get booth at "career night"/"meet the firm" at college campuses, or attend university's finance society meetings 2. Recommend and implement engagement plan (e.g. offer free attendance to chapter meetings, hold chapter meetings at local universities to attract students) 3. Formulate formal program to visit colleges and universities (do presentations) 4. Set up on campus for CSMFO meetings (chapters, other?) 5. Contact MPA/Finance/Econ/MBA departments/programs and offer to attend/present	Membership Committee Student Engagement Working Group	1. 2019 2. 2019	Done. Obtained Board approval on free student memberships, free chapter meetings and in-person trainings for students. Introduced student scholarships for the 2020 Annual Conference. (Student Engagement Working Group may have additional updates... there were 4 campus events along with a slew of other accomplishments done by the group)
4. CSMFO should add value without advocating	1. Develop guidelines for the Board regarding advocacy: -Define responsibilities -Develop policy statements -Engage our most experienced members	Advocacy Working Group	2018	Guidelines completed. Next steps?

PROFESSIONAL DEVELOPMENT: CSMFO will deliver the highest quality training and expanded educational opportunities to further develop the knowledge and skills of finance professionals at all levels throughout California.

Goal/Objective	Action Plan & Deliverable	Responsible Parties	Target Dates	Progress
1. Establish CSMFO Resource Room	1. Professional Standards members are creating inventories in six different topic areas. Members need time to research existing resources and develop a comprehensive inventory.	Professional Standards	By 12/31/19, publish 10-12 "Committee Highlights". (To-date, 8 "Committee Highlights" have been published from March 2019 through September 2019.)	May 2018 Update 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. September 2019 Update The inventory of professional standards largely consisted of GFOA best practices, which was redundant of resources readily available. Based on direction provided by the Board in January 2019, the Professional Standards Committee has redirected its efforts towards emerging issues and hot topics. The Committee plans to publish approximately 10-12 "Committee Highlights" in 2019, which will provide succinct information on hot topics while directing members to other resources (best practices, webinars, etc.). The goal is to ensure that members are properly informed of new laws, public policy issues, professional standards, etc., which continues to support the Board's core value of Professional Development.
2. 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. Introduce new courses throughout the State including courses particular to special districts / government enterprise funds 3. Offer training on delegation/mentoring skills	Career Development Committee	1. 2019 2. 2019	Over the past three years have implemented many new courses: Fundamentals of Revenue (2) Supervisory Courses (2) Investment Accounting Budget Course (Coming in 2020) Going forward: Continue to find opportunities, not necessary the same goal New course opportunities/ideas could be generated through development of a potential certification program.
3. Develop and copyright training materials as appropriate	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. 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.	Career Development Committee	1. December 2018 2. December 2017	1. Committee to work on finding consultant(s) to develop course objectives and material development. CDC will ensure objectives align with corresponding core courses. Intermediate course we have purchased the materials from Susan Mayer. A refresh to the materials is underway and will be used for two upcoming Intermediate Governmental & Financial Reporting course. Beginning Course materials have been reviewed and flows effectively into the intermediate course. Need to contact Ahmed to see if CSMFO purchase and own. Need funding in 2020 for the purchase of these materials. 2. Evaluation plan complete. CDC member to attend courses – TBD. CDC to develop a form for Committee members to use as starting in 2018 for in-person class evaluations
5. Develop and copyright training materials as appropriate	1. Issue RFQ for attorney Services 2. Execute contract	Administration Committee	1. TBD 2. TBD	
6. Develop focused "quick hits" on	1. Develop questions and utilize CSMFO technology for	Professional Standards &	TBD	Need to decide how to execute on quick hit videos
8. Create and execute succession transition plan for Don Maruska	1. Identify/define scope of work 2. Conduct RFP 3. Develop transition timeline 4. Execute contract	CDC (contract to Admin)	1. March 2019 2. June 2019 3. Sept 2019 4. October 2019	Completed. Board approved contract with GFOA for webinar services.
10. Create and execute succession transition plan for Michael Coleman and consider a similar service for Special Districts (county already has CSAC?)	1. Identify/define scope of work 2. Conduct RFP 3. Develop transition timeline 4. Execute contract	Admin Committee	1. March 2020 2. June 2020 3. Sept 2020 4. October 2020	
5. Develop CSMFO Leadership Academy – should be renamed to the CSMFO Certification	1. Develop RFP to develop coursework for a certification program 2. Board Approve and Contract Execution 3. Program Development Plan		1. 2. 3.	Report on certification program opportunities will be presented at the Board meeting on October 8th.





AD HOC COMMITTEES

CSMFO APP

Richard Lee, City of San Mateo

2019 was focused on bringing the CSMFO App from a “brainchild” to actuality. Thanks to support from the Board of Directors, our ad hoc group completed a guided discovery process with a developer to first determine the look and feel of the mobile app. After the guided discovery process was completed, we engaged the same consulting firm to develop the CSMFO App. With input from the ad hoc team (Grace Castaneda, Will Fuentes, and Craig Boyer), and SMA staff (Amanda Smith and Justin Lewis), as of the date of this report, the CSMFO App has been published in the Android operating system, and is being reviewed by Apple for the iOS operating system. The most valuable features include job searches, posting an RFP, and accessing CSMFO News and now available all in one place, accessible via your preferred mobile device.

There will be more formal announcements from CSMFO to promote the mobile app. If the stars align, we'll get to debut the CSMFO App at the 2020 annual conference. I'll be looking for insightful and constructive feedback from conference attendees to continue to refine and improve the app to provide valuable resources to our organization and its members. I am thankful to those who asked me to join them to be a part of committee 15 years ago that has led me on a journey to be more fully engaged at all levels. So, it is now my turn to ask you – where do you want to be involved? You will find that the time spent is invaluable.

Looking ahead to 2020, I am excited to see what is in store for CSMFO.

STUDENT ENGAGEMENT

Jennifer Wakeman, City of Lafayette

In 2018, an ad hoc working group on the topic of student engagement was established. The group set its purpose as the following:

1. reach out to the next generation (graduate and undergraduate students in political science, public administration, 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 were to identify opportunities to present to students, identify opportunities for student memberships, and research the student engagement efforts of other professional organizations. A concept diagram was developed outlining foundational pieces necessary for a solid offering of value-add programs for students within CSMFO. The diagram outlines two categories of work effort: 1) in-house items that would be necessary for CSMFO to be effective in student outreach and 2) the programmatic pieces that would support and encourage student engagement with our organization.

With the Board's support of the concept diagram, in 2019 we laid out a timeline to develop the component pieces for the first half of the calendar year and then focus on the scheduling and planning of student events in the second half. Below is a summary of the progress made on each of the component pieces:

Coordinate with professional organizations- We contacted staff from GFOA and discussed the possibility of working with them to establish student chapters, but ultimately deferred work on this. We also coordinated with MMANC on the student scholarship program.

Update student membership brochure and swag- We found that swag was not particularly of interest, as students are more interested in information and internships. A new membership brochure including student information was developed, as well as a student insert that can be used with the brochure or on its own.

Develop inventory of CA schools where members teach or are alumnus- We issued a simple survey to our membership and received back 451 responses, which provided the group with an excellent framework for bringing more members into the effort of campus outreach and will help with identifying presenters for future campus visits.

Utilize student survey results- A student survey was issued following the 2019 annual conference. While only 3 responses were collected, the group still felt that it was good to have these results as a baseline. Going forward, this same survey will be issued to student members following the annual conference.

Amend chapter handbook- One of the group's initial ideas last year was to have each chapter host a meeting on a college campus. We developed language to incorporate this expectation into the CSMFO Chapter Handbook, however while the future structure of this group was unknown; we decided to defer this effort.

Develop core group of presenters and suggested material formats- To date, we had been putting together presenters based on campus location and availability, however we are pursuing coordination with the Recognition Committee for a shared group of presenters. This year we developed a PowerPoint template that can be used to provide an overview of the presenter's career path, careers in local government, benefits of the profession, and the value of networking and CSMFO.

Internship opportunities- A program for student internships was developed, along with a timeline for various communications. This aspect of the program was under review at the end of 2019, as the group leaned toward emphasis on student and member relationships as the crux for placement opportunities.

Free membership, chapter meeting attendance, webinar- In 2018, the Student Engagement group supported the Membership Committee in attaining Board approval for free student memberships, as well as free chapter meeting, in-person trainings and webinar attendance. In 2019, the Board approved free professor memberships.

Student mentorship program- The group worked with the conference scholarship group to ensure that the mentorship program utilized at the conference would include students.

CSMFO student website- A student website, highlighting the benefits of student membership, was developed in coordination with the Membership Committee. (www.csmfo.org/students)

Student listserve- Work has begun on outlining what this benefit would look like. We are currently considering a stand-alone listserve that would have a moderator to engage students on relevant topics and to keep them in the loop on CSMFO events or opportunities.

Student scholarships at Annual Conferences- After evaluating several scholarship models, the group worked with the Membership Committee to draft a new scholarships section in the Conference Handbook, creating a program specifically for students.

Campus outreach & scheduling- Aside from the work done on the component pieces of the program, the group also hosted/participated in the following campus events:

- CSU- Long Beach, Accounting Group, 2/20/19
- Golden Gate University, Meet the Firm Event, 2/22/19
- UC Irvine, Finance Master's Program, 5/14/19
- Golden Gate University- Accounting and Auditing Groups, 7/16/19
- San Francisco State, Class panel discussion, 9/17/19
- University of La Verne, Meet the Firm Event, 9/19/19
- Cal Poly- Pomona, Meet the Firm Event, 9/24/19
- Cal State- Fullerton, Class presentation, 9/24/19

Additionally, the group reached out by phone and email to 31 campuses in the area of the Anaheim conference. Our goal was to make contact with staff at these locations and communicate information about CSMFO, free student/professor membership and benefits, and invite them to share the student scholarship applications.

At the conclusion of 2019, it was determined by CSMFO leadership that student engagement will be an organizational priority for the foreseeable future and as such, was established as a standing committee. The Student Engagement Committee's vision for a long-term goal is to create a self-reinforcing cycle for student engagement in which the overall message is one of relationship building and exposure to municipal finance- the same as we offer to all other members. The original group felt that if students take advantage of the programs that offered, they will develop a network that will help them to find a career that works for them and this relationship-based approach will enhance CSMFO's exposure on campuses and among students, thus creating momentum for more outreach.



ADMINISTRATION COMMITTEE

Chair: Kate Zawadzki, City of Dixon

Vice-Chair: Alberto Preciado, Citrus Heights Water District

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 annual tax return and other projects and analysis as directed by the CSMFO Board.

During 2019, the Administration Committee continued to perform its core functions. The Committee participated in three new contracts and two contract extensions.

The Administration Committee drafted a contract for Bill Statler to provide support for a potential CSMFO certification program. A ten-month contract was executed effective March 1, 2019. The Committee also reviewed the Irwin Bornstein contract for instructor services and the GFOA contract for webinar services drafted by the Career Development Committee.

During the year, the board approved a contract amendment with Probolsky Research to continue to provide survey services to CSMFO for an additional three years. The Administration Committee also drafted an amendment for Bill Statler for a time extension for the contract executed earlier in the year.

Two focus group sessions were held at the 2019 Annual Conference in Palm Springs. CSMFO Committees provided discussion topics and 79 members, selected by the Membership Committee based upon years of membership and organization type, were invited to participate. Eighteen members elected to participate and the results were presented to the Board by Adam Probolsky. While the new contract with Probolsky Research includes a focus group session each year, no focus group has been scheduled for the 2020 annual conference. It is anticipated that the focus group will be held at a 2020 chapter meeting.

The Administration Committee has been working towards presenting a records retention policy. Information was gathered from other CSMFO committees regarding the records that are currently stored, the recommended retention period and the current method of storage. This draft is expected to be presented at the January 2020 meeting for approval.

This year marked the first year that the Administration Committee did not conduct an annual consultant satisfactions survey. These surveys will now only occur in the year that a consultant contract is scheduled for expiration.

The Administration Committee would like to thank Stephen Parker for his many years of contribution as he moves into his position as a Board Member. We would also like to acknowledge the volunteers that worked hard to make this committee run smoothly: Bob Biery, Melissa Manchester, Richard Lee, Alberto Preciado, Kim Sao, and Jeannine Thrash.

CAREER DEVELOPMENT COMMITTEE

Chair: Laura Nomura, Eastern Municipal Water District

Vice Chair: Pam Arends-King, South Coast 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 2019 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 2019 CSMFO offered 16 in-person training courses to 634 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/Irwin Bornstein
- 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 2019, we estimate participation in the webinars reached over 4,500 individuals (including participation from Alaska, Oregon, Washington and Nevada State Associations). Total participation includes the number of locations participating, the estimated number of additional members attending at each location (based on poll questions) and those viewing the webinar recordings on the CSMFO website. The following were the 2019 webinar offerings:

- Clearing Away the Clouds--where to host your programs and data
- Strategies to Manage Increasing Pension Costs
- Accounting & Reporting for Debt
- Congratulations, You Are a Finance Director! Now What?
- GASB Update – The Big Three
- Reserves: How Much is Enough?
- Interpreting and Communicating the New CalPERS Actuarial Report

- Making the FLSA Work for You!
- Investment Reporting
- A Reinvention of GFOA's Approach to Ethics

As part of the Career Development Committee, the Coaching Program offered two successful sessions at the 2019 Annual Conference in Palm Springs: Speed Coaching and "Telling Your Story – from Resume to Interview to Results", both of which continue to be very popular and were solidly attended.

The Weekend Training takes place in mid-November and alternates annually between locations in Northern and Southern California. In 2019, the 3-day training event was held in Orange County. Attendance is limited to 40 students in order to enhance the learning experience and ensure a more interactive session, this year we had the maximum 40 attendees. Sessions were led by the following knowledgeable instructors:

- Legislative Update and Overview – Michael Coleman
- The Speculation Miscalculation – Jason Klinghoffer
- Revenue Enhancements – Tim Seufert
- Ethics and the Finance Professional – AJ Wilson
- Bond Financing – Time Schaefer
- Communicating Public Information – Joshua Schare
- Financial Analysis & Reporting – Bill Statler
- Long-Term Financial Planning – Bill Statler
- Developing and Presentation of an Operating Budget – Jay Goldstone



COMMITTEE REPORTS

A couple of years back, 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 2019, the Career Development Committee featured one Quick Hits on Ransomware featuring Donald E. Hester, Director, Cybersecurity & Information Systems from Maze and Associates.

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 execution of strategic goals assigned were as follows: 1) Expand CSMFO Core Training; 2) Develop and Copyright Training Programs; 3) Creating and executing a succession plan for Don Maruska (consultant for webinar and coaching program) and 4) Develop CSMFO certification program (Phase 1). All goals were achieved which included: creation of a new Budgeting course which will include four modules (the first two modules were held as pre-conference at the 2020 conference in Anaheim); CSMFO purchased the Beginning and Intermediate course syllabuses from the instructors; CSMFO Board approved a contract with the Government Finance Officers Association (GFOA) to provide webinar services for three years with an option to extend two additional years; and lastly Phase 1 (Design Phase) of a proposed CSMFO Certification Program was presented to the Board and the CDC was provided direction for starting the next phase of this project.

I would like to thank the officers listed above and the other members of the CDC for their contributions to making 2019 successful: Carol Bouchard, City of Monterey; Harriet Commons, Retired; Brad Farmer, City of Pittsburgh; Nick Kurns, Scotts Valley Water District; Margaret Moggia, West Basin Municipal Water District; Lorena Quijano, City of West Hollywood; Terri Willoughby, Douglas County, Nevada; Grace Zheng, City of Sunnyvale.

Lastly, as the CDC Chair, I would like to recognize Don Maruska who has been a catalyst and change agent to help CSMFO elevate communications, coaching and training programs for our members since 1995. Take a moment to read the wonderful article “How Great Decisions in CSMFO Got Made” written by Pam Arends-King in the CSMFO News (January 10, 2020) that highlights Don’s years supporting CSMFO. On behalf of the current and past members of the Career Development Committee, Don - we thank you profusely for your steadfast dedication and service to CSMFO. You will truly be missed and we wish you the best in your future endeavors!

COMMUNICATIONS COMMITTEE

Chair: Marcus Pimentel, Health Services Agency of Santa Cruz County

Vice Chairs: Karla Romero, City of La Quinta and James Russell-Field, City of Benicia

Senior Advisor: David Cain

Board Liaison: Ernie Reyna, City of Perris

The Communication Committee successfully reached its objectives laid out in CSMFO's Strategic Plan and work plan, while exceeding our internal goals for the new CSMFO News platform.

PRIMARY GOALS & STATUS

- Go Live with a new online, weekly magazine platform by May 2019
- Hire a professional production manager/editor
- Create an online resource page to provide guidelines and tips to future authors
- Completed first annual CSMFO News survey
- Created some new member engagement features for CSMFO News (partial)
- Roll out guidance and education on proper use of CSMFO's Logo, email practices, and branding (not completed)

BY THE NUMBERS

- \$150,000 in approximate ad revenue (Budget was \$139k)
- 9,674 visits in 2019 to CSMFO news
- 559 visits from our Facebook page (14, 10 and 2 from LinkedIn, Twitter & Instagram respectively)
- 89 feature articles published within CSMFO News (May-Dec 2019)
- Most clicked features:
 - 1,514 – Article on conference registration opens
 - 577 views of the section for advertiser's information
 - 488 – Article on Top 9 State Bills impacting agencies
 - 441 – Editor's Alley with prizes for taking CSMFO News survey

MORE DETAILS

Go Live with a new online, weekly magazine platform by May 2019.

After the CSMFO Board gave their support on October 2, 2018 to convert the "every other month" CSMFO Magazine to a weekly platform, the Communication Committee and SMA partnered to develop CSMFO News.

CSMFO News went live in May 2019 and has exceeded all expectations as far as readership, sponsorship, and advertisements.

Hire a professional production manager/editor

The 2019 CSMFO Strategic Plan directed that the Communication Committee present to the CSMFO Board for consideration a contract to support the success of CSMFO News. On December 5, 2019, the Board approved a contract supplement with SMA to serve as CSMFO News professional manager.

Create an online resource page to provide guidelines and tips to future authors

Our committee recently finalized a 2pg primer to guide new potential authors on how easy it can be to become a published author. You can find this and other CSMFO guidance and policies in our online Policies & Procedures Manual section.

Created some new member engagement features for CSMFO News (partial)

While we partially hit the mark by introducing a new feature on highlighting CSMFO Board meetings and published a few features on CSMFO Member career changes, we still have more to do. We look forward to introducing you to Coach Ella in 2020 who will step in as a virtual coach and give advice and tips to questions or challenges our members are facing. And we will look to return to celebrating our member's career milestones, from promotions and retirements, to moving to other agencies.

Completed first annual CSMFO News survey

We built on feedback and inspiration of the 2019 Focus Groups to push out an August 2019 survey to members to gain insights to drive CSMFO News.

- Survey respondents were largely experienced CSMFO'ers with 5 or more years as a member (46%). But 32% were members for 2 or less years.
- Most get information to support their job through internet searching or their own agency or peers.
- Readers are most interested in topics on CSMFO training, career growth, technical accounting/budgeting, strategic planning, pensions, and administration and staff supervision.
- Readers associated credibility as CSMFO top attribute, followed by an essential three-way tie for second in quality of images, ease of reading, and quality of content/features.



- Most felt CSMFO News enhanced their career or connection to CSMFO by (1) helping them feel a part of CSMFO; (2) provided them personal or professional development; and (3) provided them continuing education.
- Most (83%) read CSMFO News content monthly.

Roll out guidance and education on proper use of CSMFO's Logo, email practices, and branding (not completed)

One of the Communication Committee's responsibility is to ensure a common branding experience for all CSMFO members. A future initiative will be to provide regular updates on the guidelines within our 2018 CSMFO Style Guide.

Our success is only due to our team who walked along our path together. So, we thank our entire 2019 committee for helping create a wonderfully joyful and successful year mixed with hard work and quirky fun.

Chair/Editor – Marcus Pimentel (County of Santa Cruz)

Vice Chair - James Russell-Field (City of Benicia)

Vice Chair - Karla Romero (City of La Quinta)

Senior Advisor - David Cain (CSMFO Lifer)

Board Liaison - Ernie Reyna (City of Perris)

Publication Lead - David Garrison (SMA)

Ad & Logistics - Dayna Dixon (SMA)

Committee Members:

Andrew Ruiz (Western Riverside Council of Governments)

Carol Williams (City of Ontario)

Darrylenn Prudholme-Brockington (Riverside County Flood Control & Water Conservation District)

Maria Blanco (City of Ontario)

Matt Schenk (March Joint Powers Authority)

Nitish Sharma (Cosumnes Community Services District)

Pamela Arends-King (South Coast Water District)

Wing-See Fox (Urban Futures Inc.)

MEMBERSHIP COMMITTEE

Chair: Grace Castaneda, City of San Mateo

Vice Chair: Gilbert Punsalan

Senior Advisor: Stephen Parker, City of West Covina

Board Liaison: Jennifer Wakeman, City of Lafayette

The Membership Committee had a very active and productive year. 2019 represents year three of the three-year CSMFO Strategic Plan, from which the committee took action and made significant progress.

STUDENT ENGAGEMENT

The committee undertook a big effort in 2019 to create CSMFO's first student webpage. Partnering with the Student Engagement Ad Hoc Working Group and Smith Moore & Associates technical staff, the committee incorporated elements into the student webpage that included free membership, internship opportunities, professional development, chapter events, scholarship opportunities, social media, and CSMFO News.

To further student engagement, the committee sought and received Board approval to waive the cost of in-person training and chapter events for student members. Together with the free membership that was approved last year, and the conference scholarship program that was introduced this year by the Host Committee, the Board has effectively eliminated financial obstacles for our student members.

COMPREHENSIVE MEMBER SURVEY

Focus group surveys on member priorities were conducted during the 2019 Palm Springs Conference, and participants consisted mostly of high- or executive-level positions. CSMFO member composition comprised of 35% executive-level (Finance Directors and General Managers), 40% mid-level (managers and senior staff), and 25% entry-level (junior staff). In order to better understand priorities comprehensively from all levels of our members, the committee worked with Probolsky Research to conduct an online survey on members with mid- and entry-level positions, with questions complementing those of the high-level positions from the focus group surveys. Results showed the following highlights:

- Majority of executive-level members attend local chapter meetings regularly; however, majority of entry- and mid-level members do not, citing lack of time as the main reason.
- Access to webinars and registration for trainings are top features utilized on the CSMFO website.
- Most are unsure whether they would like to be more involved in CSMFO, citing lack of time as well as communication challenges with current leadership as main reasons.
- Majority do not use the Resource Room feature on CSMFO website; however, most would like to have easier access on the website to find future/archived training resources and to find sample RFP's and policies.
- Majority agree to more outreach efforts to attract the next generation to careers in government.

Results were presented during the annual Planning Session to help in discussion for setting strategies and priorities moving forward.

CONCLUDING REMARKS

The Membership Committee feels tremendously grateful for the Board's support throughout the year. The committee would also like to thank CSMFO Executive Director, Melissa Manchester, and SMA staff, Zach Seals, for their support to the committee. Finally, the committee thanks its members for their tireless dedication in making 2019 a successful and productive year: Allison Tong, Christine Paras, Craig Boyer, David Glasser, Derek Rampone, Gilbert Punsalan, Jennifer Wakeman, Marcus Pimentel, Mark Petrasso, Margaret O'Brien, Stephanie Reimer, and Stephen Parker.



PROFESSIONAL STANDARDS COMMITTEE

Chair: Jason Al-Imam, City of Fountain Valley

Vice Chair: Christine Paras, City of Palo Alto

Senior Advisor: Craig Boyer, County of Alameda

Board Liaison: Carrie Guarino,
Cucamonga Valley Water District

The Professional Standards Committee operates as a technical resource to CSMFO members by keeping CSMFO members informed of emerging issues and best practices through "Committee Highlights". Committee Highlights provide succinct information (approximately 250 words or less) on hot topics, while directing members to other resources such as a GFOA Best Practice, a CSMFO webinar, etc.

The Committee is comprised of municipal and commercial members that are assigned to one of the following six practice areas:

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

The Committee published Committee Highlights on the following topics in 2019:

- Fraud Hotlines
- CCMA White Paper on GASB 75 (OPEB)
- Annual Debt Transparency Report
- SEC Rule 15c2-12
- Collateralizing Public Deposits
- New GASB Exposure Drafts and Implementation Guidance:
 1. Exposure Draft on Proposed Implementation Guidance on GASB 87 (Leases)
 2. GASB Implementation Guide No. 2019-1
 3. Omnibus Exposure Draft
 4. Deferred Compensation Plans Exposure Draft
 5. GASB Implementation Guide No. 2019-2 on Fiduciary Activities
 6. GASB Implementation Guide No. 2019-3 on Lease Accounting

In 2020, the Committee will continue to direct its efforts on emerging issues and best practices through Committee Highlights. The goal is to publish at least ten (10) Committee Highlights in 2020.

ANNUAL CONFERENCE PROGRAM COMMITTEE

Chair: Ronnie Campbell, Southern California Regional Rail Authority

Vice Chair: Viki Copeland, City of Hermosa Beach

Board Liaison: Karan Reid, City of Concord

Senior Advisor: Mary Bradley, City of Fremont

The 59th Annual CSMFO Conference, “Guardians of the Finance Galaxy,” was held January 8-11, 2019, at the Palm Springs Convention Center and Marriott Hotel in Palm Springs. There were 1,432 registered attendees, along with 125 exhibitors/sponsors. There were three pre-conference sessions on Tuesday, The Art of Public Speaking for Finance Officers: Can You Hear Me Now?, Everything You Ever Wanted to Know About Bonds (but Were Afraid to Ask), and Fundamentals of Municipal Revenues: Taxes, all of which were well attended.

The conference format offered 57 concurrent sessions over the three days, with a variety of topics and speakers from which to choose. There was also a broad selection of sessions for special districts, in recognition of their growing attendance at our annual conference. In addition, Phil Bertolini presented a general session about public speaking (Numbers are My Friend: Why Do I Need to Talk about Them?) on Thursday afternoon.

Overall, conference attendees had the opportunity to earn 23 hours of Continuing Professional Education (CPE) credits on a wide variety of topics, while building their professional networking resources. Special thanks to all the officers listed above and the hard-working members of the Program Committee who made the 2019 Annual Conference a success: Scott Catlett, City of Yorba Linda; Dennis Kauffman, City of Roseville; Margaret Moggia, West Basin Municipal Water District; Laura Nomura, Eastern Municipal Water District.



RECOGNITION COMMITTEE

Chair: Sara Roush

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

Senior Advisor: Craig Boyer, County of
Alameda

Board Liaison: Carrie Guarino,
Cucamonga Valley Water District

GOALS ACHIEVED IN 2019

Despite the challenges the Recognition Committee faced due to leadership changes during 2019, the Committee team was able to process and pair 124 applications from agencies to volunteer budget reviewers, of which one-hundred four (104) applications were for the Operating Budget Award Program, eighteen (18) for the Capital Budget Award Program, and two for the Innovation Award Program. Seven (7) were first time applicants, which required two reviews. There were no qualifying CAFR applications for 2019.

The volunteer outreach efforts by Committee members during the 2019 CSMFO Conference as well as the outreach to agencies notifying them that an agency applying for the award program must also provide a volunteer for budget reviews, proved to be successful. The Recognition Committee had a pool of 161 volunteers. Volunteer pins were created by CSMFO as a thank you token for their time and participation in the Budget Review Program.

In 2019 the Committee continued enhancing the Quality Control document and the Succession Plan, which includes a Manual for the Committee members and Leadership. The enhancement of these documents will continue in 2020 to ensure transition in Committee members and Leadership flow smoothly. Additionally, Press Releases language for award winners and Magazine articles for Innovation awards were started and completed in 2019, which will be put into place in 2020.

In an effort to work more efficiently and provide agencies with more accessibility to their awards, the Committee not only emailed the awards to winning agencies, but also attached the award to their agency in the Awards Force System; this is particular useful to agencies as staff changes occur within the agency. The agency will now have access to their awards by login in to CSMFO Awards Force System regardless of the year. The Recognition Committee continues to seek more efficient processes and easier accessibility for agencies.

The Recognition Committee has five key goals for 2020, a few were started in 2019 and will be completed in 2020:

- 1. Transparency Award:** Develop a set of criteria for a Transparency Award, which would promote transparency in the operations and governance of an agency.
- 2. Transition to Physical Award:** Although the Committee has begun the process of providing the awards electronically and has now attached the awards to the agency's application in Awards Force System, some applicants have voiced the desire of receiving a plaque. The Committee intends to create a survey for agencies to determine if agencies are willing to pay a higher fee for the plaque. Based on those results the Committee will move forward, or not with recommendation of a plaque award versus an electronic award document.
- 3. Succession Plan:** Manuals and Quality Control documents will be enhanced in 2020 to ensure a smooth transition is in place for new Committee members and leaders
- 4. Budget Award Qualifying Question:** Review and Update: The Committee intends to prepare an updated document for Board review and approval. The Budget Award qualifying questions have not been reviewed nor updated in several years. Questions and requests for Quality Control reviews seem to come up every year. The Committee intends to review the questions and update the language if needed and provide clarity for current practices.
- 5. Volunteer Outreach:** The Recognition Committee continues to proactively seek volunteers. In 2020, the Committee will be working on several outreach methods as well as providing volunteer education on the Budget Review process. The goal is to help hesitant volunteers understand the process and guidance given by the CSMFO Recognition Committee members.

The Recognition Committee is very excited and full of energy to begin the work in 2020.

TECHNOLOGY COMMITTEE

Chair: Matt N. Pressey, CPA, City Salinas

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

Senior Advisor: Jesse Takahashi, City of Mountain View

Board Liaison: Will Fuentes, City of Campbell

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; (now Knowledge Base), 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:

Knowledge Base (replace Listserv)

The new Knowledge Base was deployed to all members. Where survey questions, that once were asked through the Listserv, are now captured with responses and searchable online. As members use it, knowledge can be shared for all members to find.

Technology Committee Handbook

The committee handbook was prepared and approved by the Board in July 2019.

Cyber Article

Members of the committee collaborated with MGO to write and article on cyber security.

CPE Certificate Mail Merge

A prototype mail merge was developed with Google Gmail for preparing and sending CSMFO Certificates, which would assist and streamline CSMFO staff work.

CSMFO App

Provided feedback to Rich Lee on the wire frames of the app after he presented the app at one of the committee meetings.

Records Retention

The Technology Committee assisted the Administration Committee in looking at how Higher Logic could be used to store, manage and retrieve CSMFO documents. The committee discussed the use of Higher Logic and will demo how it can be used at the in-person meeting at the 2020 annual conference in January 2020.

Polling Software

As recommended in by the Technology Committee in late 2018, the Board approved a year subscription to Poll Everywhere for Chapters, trainers, conference speakers and volunteer leadership to use at their committee meetings. A user guide was developed, and the software was used at on chapter meeting. Since demand was low, the subscription was not renewed and canceled by the board in late 2019.

Zoom Conferencing

Continue to monitor Zoom video conferencing user experience and provide instruction on how best to use it.

Branded email

Follow-up on user experience with the branded email and monitor user adoption.









CENTRAL LOS ANGELES & SOUTH-BAY CHAPTERS

Chairs: Monica Lo, City of Whittier; Joe Lillio, City of El Segundo

Vice Chair: Jeff Muir, City of Beverly Hills

The Central-LA & South-Bay chapters continued to host joint meetings in 2019, 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 25, 2019 with Danny Yoo, Liebert Cassidy Whitmore. Mr. Yoo presented the “Legal Updates”, which discussed the most critical court decisions and laws that impacted public agency employers in the past year. 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 August 8, 2019, 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 65 (includes municipal and commercial members), which was up from the prior year of 52 attendees.

On October 24, 2019, Eric Johnson, President, and Chu Thai, Vice President, of Revenue & Cost Specialist provided “The Nuts and Bolts of User Fee Studies”, which included information on cost allocation plans and user fee studies to help recover costs from providing city services to help generate several hundred thousand dollars to the General Fund annually. The meeting was held at the City of Paramount’s Progress Park Plaza West with an attendance of 44 municipal and commercial members.

On December 12, 2019, the Chapters held the annual holiday luncheon at the Cheesecake Factory in Redondo Beach. The presenter was motivational speaker Neil Kupchin who provided a presentation on “Expressing Appreciation, Recognition, and Thankfulness in the Workplace”. There were 71 municipal and commercial members in attendance, which is an increase in attendance from the prior year of 61.

Monica will continue to volunteer and serve as Chapter Chair for the Central LA chapter for 2020. Joe will continue to serve as the Chapter Chair for South Bay (LA) in 2020, with Jeff serving as the Vice Chair.

CENTRAL VALLEY CHAPTER

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, networking, and promoting collaboration by accessing hands-on expertise around our region.

In 2019, the Central Valley Chapter held a total of five (5) meetings with an average attendance of 25 people including commercial members and guests.

Following are the highlights of the 2019 meetings:

- **March 2019.** “Fraud Trends & Fraudsters” presented by Andrew Leal with Wells Fargo Bank. Following current trends of email hacks of vendors and Cities around, our chapter’s first meeting provided helpful tools to mitigate these risks. We had an engaged group where ideas were shared on different processes put in place in different agencies to lower the risk of being the victims of a hacking scam. We got to celebrate collaboration!
- **May 2019.** “Working Together to Increase Local Tax Revenues” presented by Robin Sturdivant of HdL Companies. This training provided simple and yet powerful ideas on how to maximize local tax revenues through the collection of direct local tax from eligible projects. Many non-finance professionals joined our meeting since they serve as a liaison between projects and moneys collected! It was a wonderful meeting with to realize team work is a crucial element of our agencies’ success.
- **July 2019.** “Addressing the Contemporary Issues of Leadership and Management Today” presented by Victor Shin of Bank of the West. This training gave very insightful information to be able to understand our agency’s culture and how to better approach our teams and peers. Most importantly, the session provided a self-assessment tool where we were able to evaluate ourselves and the behaviors we default to when approaching different situations. It was a great self-discovery session!
- **September 2019.** “GASB Update 2019” presented by Amy Meyers with Maze and Associates. This meeting provided an update of several GASB pronouncements affecting the way financial statements are prepared. It was a very timely meeting for all agencies going through year-end and audits.
- **November 2019.** “Winning with Teamwork” presented by Gary Greeno, Motivational Speaker. Our Annual Holiday Luncheon was held at a local event venue in Lathrop. Besides the Winter Wonderland feel, our presenter, Gary Greeno, brought inspiration and cheer through the selected topic. This meeting brought an uplifting message on how each member holds a key role (big or small) in the agency’s success. We were honored to have our CSMFO Board Liaison, Will Fuentes, join our luncheon. Bank of the West graciously sponsored our meeting’s dessert table.





COACHELLA VALLEY CHAPTER

Chair: Karla Romero, City of La Quinta

Vice Chair: Kofi Antobam, City of Rancho Mirage

In 2019, the Chapter was pleased to announce new leadership with two Chapter Vice-Chairs. Kofi Antobam, Director of Administrative Services with the City of Rancho Mirage and Claudia Martinez, Senior Accountant with the City of La Quinta. Succession planning, new ideas, and talent are always a dynamic part of keeping chapters alive and prospering. The chapter thanks them both for their willingness to serve, promote CSMFO, and keep the momentum high in the Coachella Valley.

After dipping his toes in the CSMFO water, in 2020, Kofi will assume the Chapter Chair role and Claudia will remain the Chapter Vice-Chair. I, Karla Romero, will continue to actively participate and assist the chapter. Congratulations to both for being remarkable leaders.

The Chapters vitality is centered on providing valuable training sessions to local government financiers at a reasonable cost. This would not be possible without our engaging speakers who are willing to share with knowledge, passion, and support the organization. Thank you to all our speakers for making these meetings possible.

In addition, the Chapter wants to thank CSMFO Board Members Margaret Moggia, Past President for attending a session and Ernie Reyna, Director for moderating, presenting, and attending several sessions. Your support of the Chapter is greatly appreciated and admired by all members.

A summary of 2019 meetings is provided below. The Chapter looks forward to a prosperous and engaging 2020.

January 23, 2019 in Palm Desert

The chapter got resourceful and creative by co-hosting a lunch meeting with the Utility Finance Officers of Orange County. The event was held at Coachella Valley Water District in Palm Desert and Chandler Asset Management fully sponsoring the session, lunch was provided at no charge to attendees. The topic and free lunch were alluring. Registration overflowed the room capacity and a few attendees were diverted to another similar training session nearby.

CSMFO recognizes that special districts have unique needs and therefore provide suitable training sessions to meet those needs. The chapter discussion centered on upcoming water shut-off restrictions and 60-day notification mandates which are changing effective February 1, 2020 with the passage of Senate Bill 998. The status of Assembly Bill 401, the Low-Income Water Rate Assistance Act was also discussed.

March 7, 2019 in Palm Springs

Mike LaDuke, Regional Vice President of FISCAL Technologies joined the chapter for a dynamic session focused on accounts payables fraud detection and prevention. Through case studies, attendees learned how to assess potential financial system failure points which leave organizations exposed. Discussions included available risk management solutions to protect agencies from payment risks and fraud, supporting internal and external compliance and reducing your agencies exposure to reputational damage caused by these circumstances.

May 8, 2019 in Rancho Mirage

FACT – Information Technology (IT) fraud is on the rise. Agencies are being attacked by email, phone, through cyber systems and mobile devices to name a few. But is it worth the money and trouble to invest in IT fraud prevention? How and what should the Public sector re-enforce! Have you recently received a fraudulent email? How are you training staff to identify and prevent IT fraud from occurring? These hot topics were discussed and presented by Amanda Gutierrez Ph.D., Senior Vice President of Etech-360 at the Spring 2019 meeting. Although, participants were a little afraid of social media and how every move is being tracked, it was equally important to be aware of our actions and how tracking could be used against us. Amanda provided relevant context, current examples, and professional references to ensure our agencies monitor and attempt to avoid hacking of our systems.

July 10, 2019 in Indio

Back by popular demand - Bryan Gruber, CPA and Partner with LSL. Attendees enjoyed a technical yet lighthearted discussion of upcoming accounting regulations. Storytelling, examples, and inter-agency sharing allowed for a comfortable space to be vulnerable and learn from one another. Bryan and LSL continued to provide support to CSMFO members by bringing their popular annual GASB update to the Coachella Valley, where there is no local GASB update provided. Their support of our region and professional development is greatly admired and appreciated.

September 12, 2019 in La Quinta

All in a day's work. The September Coachella Valley Chapter meeting featured a three panel speakers forum, which included Ernie Reyna from the City of Eastvale, Ruby Walla from the City of Indian Wells, and Veronica Tapia from the City of Palm Desert. Speakers were full of energy and willing to share past struggles and triumphs throughout their careers. Topics discussed included being a leader at any level in the organization, timing and being prepared for anything and everything, overcoming political waves, staying humble and open minded, and the uncertain future of government finance. Many attendees stayed after the meeting to talk one-on-one with our distinguished panelist and one another - effective networking was a big bonus during this meeting.

October 23, 2019 in La Quinta

Thank you to our presenter, Michael Coleman, Fiscal Policy Advisor aka all things government finance – none of the attendees wanted to leave. Four hours seemed like one hour. Everyone was ready to sign up for the after-school program. Coleman is a true wealth of knowledge, a passionate speaker, and a gift to government finance. Michael, thank you for all your hard work and dedication to the profession, we appreciate you. Attendees learned about new regulatory requirements derived from Assembly and Senate Bills, fiscal impacts from an economic slowdown, and about the State's economic well-being. Lunch was served and in between bites attendees got to know one another and share successes and heartaches from their agencies. This intimate session was a true delight for attendees.

December 11, 2019 in Rancho Mirage

The year ended with popcorn, pizza, ice cream, candy, and a great movie. Attendees enjoyed watching All the Queens Horses, a movie directed and produced by Kelly Richmond Pope, which decodes the largest municipal fraud case in American history. The plot involves the embezzlement of \$53 million of public funds over 20-years in Dixon, Illinois masterminded by the former Finance Director. Attendees were provided a handout with talking points to consider as they watched how the fraud was accomplished and later detected, how the City attempted to recover stolen revenues, and who was convicted of wrongdoing. This educational movie is great as an internal finance team building activity, recognizing fraud exists, evaluating auditor and banking services, and for Council or Board members to watch.





DESERT MOUNTAIN CHAPTER

Chair: Kim Scott, City of Victorville

Vice-Chair: Lori Lowrance, Phelan-Piñon Hills Community Services District

The Desert Mountain chapter is the largest, geographically, of the CSMFO chapters. Generally located East of the Sierras and North of San Bernardino, it also includes the highest (Mt. Whitney) and lowest (Death Valley) points in the state. The Desert-Mountain chapter has been fairly inactive for many years and when the chair and vice chair both left for other regions, a call went out to fill the vacancies. Knowing that we wanted to have meetings and become an active chapter, we volunteered to get this chapter restarted. It has been quite a long undertaking these past several months, but the chapter meetings and topics for the next year will hopefully be satisfying and interesting to all of our members – cities, special districts, and commercial members alike.

With our chapter encompassing the largest area in square miles, the challenge is often in justifying attendance for a worthwhile topic with the commute time. The chapter plans in 2020 to offer four quarterly meetings, with longer meetings of four to five hours to make it worth the trip for those further away. Segments will be broken up with lunch in the middle for those who cannot stay the full time to be able to earn CPE credits for the time attended. Meetings will be held at Victorville City Hall training rooms to start as this location is easily accessible to most, being just off the I-15 freeway.

After recovering from an expected stellar 2020 Annual Conference in Anaheim, our first meeting will be in mid-March with a presentation by White Nelson Diehl Evans LLP covering upcoming GASB implementation and internal controls issues. Other planned speakers will include Wells Fargo Bank, Michael Coleman with his economic update, Paula Cone of HdL Companies will offer a property tax update while the remainder of the morning topic will cover sales tax, and Association of San Bernardino Special Districts will give us an update on current and upcoming information to keep an eye on. Our goal is to create a strong connection throughout cities, districts, and our commercial partners in the area to promote growth through communication and involvement.

EAST BAY CHAPTER (SF BAY AREA)

Chair: Margaret O'Brien, City of Oakland

Vice Chair: Craig Boyer, County of Alameda

During 2019, the Eastbay Chapter held six 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 Fleming's Prime Steakhouse and Wine Bar in Palo Alto.

The meetings held were:

February 20, 2019 at the Hayward Veterans' Memorial Building (Super Chapter Meeting), Local Finance Update with Mr. Michael Coleman. Afterwards, he continued with special sessions on Sales & Use Taxes, Evaluating Financial Health, and the History of the State-Local Fiscal Relationship in California.

April 10, 2019 at Back Forty Texas BBQ in Pleasant Hill, our very own Victor Shin helped us work on our "necessary" skills, speaking to us about Why Leadership Matters.

On June 12, 2019, at the Alameda County Training & Education Center, we discussed Financial Wellness in the Workplace, with Matt Bahl and Javier Obando of Prudential.

August 14, 2019, at the Alameda County Training & Education Center, we enjoyed 2 sessions; Local Government Finance & Emergency Management – A Finance Officer's Role with Steve Flaherty, Nelson Ho, and Alec Tune of the City and County of San Francisco.

October 2, 2019 at Centre Concord, Hit the Ground Running: A Finance Director's Guide to Implementing Pension Funding Policies with Stuart Schillinger and Matt Goss of GovInvest, followed by, a GASB Update, with Ahmad Gharaigen and Vavrinek Trine Day.

We ended the year with a Super Chapter Meeting on December 5, 2019, at Fleming's Steakhouse and Wine Bar in Palo Alto, learning about Showing Recognition and Appreciation in the Workplace with Neil Kupchin.





MONTEREY BAY CHAPTER

Chair: Tori Hannah, City of Pacific Grove

Vice Chair: Cheryl Fyfe, City of Santa Cruz

Calendar year 2019 was a resounding success for the CSMFO Monterey Bay chapter. We started in the spring with a presentation about an innovative, award-winning method of using “action labs” comprised of employees, to cut millions of dollars from the annual budget. Tim Peek of the Conscious Leadership Group, also provided us with tips on how to commit to success.

Michael Coleman joined us in the summer to provide the State and local government update, and we were able to get a closer look at a Priority Based Budgeting tool.

In autumn, we experienced an “unplugged” meeting due to PG&E’s Public Safety Power Shutdown program, and were introduced to an interactive game of how to prepare your investment portfolio for the next economic recession (courtesy of PFM’s Ellen Clark). Ahmad Gharaibeh of Eide Bailly then provided us with an essential GASB Update.

We had a strong finish with our winter program—a meeting devoted to sharing the future of our regional water supply, relaying the need for costly water supply infrastructure investments, and their impact on water rates. We then toured Monterey One Water’s Pure Water Monterey Demonstration Site, where we enjoyed refreshing and safe to drink recycled water for the grand finale! Based on the post-meeting comments and compliments we received, it proved to be the most popular quarterly event of the year.

With an average attendance ranging from 40 -55, our meeting registrations continued to be strong and included representatives from various local cities, counties, special districts, and private vendors. Although 2019 meetings were especially successful, our goal is to exceed expectations in 2020!

The Monterey Bay Chapter mission is to provide membership with topics that are “regionally relevant”, academic, and fiscally strategic. Our 2019 quarterly events are listed below:

April: How to get a YES on a Fiscal Solution without Consultants • Committing to Conscious Leadership: Practical Skill for Committing to Sustainable Success

July: State of the State and Local Government—The Michael Coleman Report • Priority Based Budgeting—A Tool to Fund What Matters Most

October: Your Investment Portfolio—Prepare for the Next Economic Recession • GASB Update—the New and on the Horizon

December: The Regional Future of Water • Impact of Water Rates and Finances • Monterey One Water’s Pure Water Monterey Demonstration Site tour

We would like to thank our presenters (many of them volunteers) for their continued sharing of knowledge and new ideas. We would also like to thank our private vendors for their kind support and sponsorship. Most importantly, we thank our members and their commitment to continuous improvement and the pursuit of excellence. It is their participation that enriches our chapter meetings.

The ability and opportunity for members to use local meetings to network and form lasting relationships is the cornerstone of CSMFO’s success. It is the reason that CSMFO is becoming the top provider of governmental administration and financial education and support.

ORANGE COUNTY CHAPTER

Chair: Stephen Parker, City of West Covina

Vice Chair: Jenny Leisz, City of Tustin

2019 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 over 85 people, with 130 attending our December holiday luncheon. The meetings held were:

February 28, 2019. "7 Solutions to Pension and OPEB Issues" presented by Julio Morales and Jim Morris with Urban Futures, Inc. (86 RSVP)

April 18, 2019. "Sales and Property Tax Outlook for 2019," presented by Andy Nickerson and Paula Cone with HdL Companies. (76 RSVP)

June 20, 2019. "Legal Update," presented by Laura Kalty with Liebert Cassidy Whitmore. (64 RSVP)

August 22, 2019. "Pension Plan Valuation Update," presented by Kerry Worgan with CalPERS. (95 RSVP)

October 17, 2019. "Looking Beyond the Yield Curve: An Economic and Market Update" presented by Jason Schmitt and Shelly Henbest with Chandler Asset Management. (61 RSVP)

December 5, 2019. "4 Ways to Instantly Increase Your Influence" presented by Elise Boggs Morales with Elise Boggs Consulting. (130 RSVP) Thanks to Harris & Associates, HdL Companies, Fieldman Rolapp & Associates, Platinum Consulting Group, and Revenue & Cost Specialists 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.

Finally, Laura Nomura and Pamela Arends King asked me in the middle of 2013 if I would serve as the Orange County Chapter Chair. As I look forward to stepping onto CSMFO's Board in 2020, I look back with fondness at the experiences I've had while serving as Chapter Chair. For over 6 years I had the pleasure of helping our awesome chapter get together to hear important information pertaining to our industry, to make excellent contacts in the speakers that have presented, and enjoyed providing an opportunity for municipal and commercial members in the county to connect with one another.

I've had incredible help along the way, with support from my bosses and many on staff at Stanton, but consistently from the sweetest lady ever - Florence Ruiz, former Vice Chair Gina Tharani, and the chapter's current leadership team including Vice Chair Jenny Liesz, Veronica Villaseñor and Barbara Arenado. Thank you also to CSMFO's contract staff from Smith Moore & Associates who are always there to help make things go smoothly. It has been a pleasure. As I depart, I'm excited that Michelle Bannigan will be coming on as Chair (and ironically taking my former position at Stanton as well). I know Michelle and the rest of the leadership team will continue to represent CSMFO's Orange County Chapter with excellence.





SACRAMENTO VALLEY CHAPTER

Chapter Chair: Nitish Sharma,
Cosumnes Community Service District

Vice Chairs: Robin Bertagna (Retired),
City of Yuba City

Alberto Preciado, Citrus Heights Water
District

The Sacramento Valley Chapter (SVC)
had a very successful 2019 year.

First, we would like to recognize the
contributions from our retired Vice
Chair and former Chapter Chair, Robin
Bertagna. Robin served as a Director
of Finance for the City of Yuba City.
Her leadership and guidance have
set the stage for the Chapter success
throughout the year. We were very
successful to bring several experts
in the municipal finance to come
and speak at our events. Below are a
summary of the Chapter meetings and
the plan for the 2020 year:

QUARTER 1 MEETING

April 11, 2019, the first quarter
meeting was held by the City of
West Sacramento, California. The
first quarter meeting focused on the
pension funding and success revenue
enhancement measures. The speakers
focused was driving by increase in costs
and how to create new revenues to
offset the costs.

Topic: CalPERS Update and Path
Forward

Topic: Successful New Sales Tax
Measures and Steps Towards It

Speaker: Fran Mancia, Avenu Insights
and Analytics

QUARTER 2 MEETING

August 15, 2019, the second quarter meeting was graciously held
by the City of Citrus Heights, California. The second quarter meeting
included three speakers that covered organizational culture and
leadership, financial wellness in a workplace and modern budgeting
and performance for public sector.

Topic: Organizational Culture and Leadership

Speaker: Victor Shin, Senior Adjunct Professor at Golden Gate
University, San Francisco, California.

Topic: Financial Wellness at a Workplace

Speaker: Stephanie Anthony, Well Fargo & Company

Topic: Modern Budgeting and Performance for Public Sector

Speaker: Greg Batler, OpenGov Inc.

QUARTER 3 AND QUARTER 4 MEETING

December 5, 2019, this meeting was held at the Cosumnes
Community Services District Facility in Elk Grove, California. 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:

Topic: Pension/Other Post-Employment Benefits (OPEB) Valuation
and Funding Strategies

Speakers: Alisa Perry, Customer Outreach and Support Manager,
Prefunding Programs, CalPERS

Ira Summer, Senior Consultant, GovInvest Inc.

Jasmine Nachtigall-Fournier, President, GovInvest Inc. & AdastraGov

- A presentation from Gov Invest on strategically funding pension
and OPEB liabilities is more important than ever. The panel
discussed the universe of pension and OPEB funding strategies
from paying down specific amortization bases to setting up a
section 115 trust. The panel also discussed the California Employers
Pension Prefunding Trust (CEPPT), a Section 115 employer pension
contribution prefunding trust administered by CalPERS, and how
it relates to the CalPERS Pension Fund (PERF) that many agencies
participate in. A CalPERS representative was available to answer
frequently asked questions about the CEPPT and how it can be an
effective tool in your pension funding efforts.

Topic: Pension/Other Post-Employment Benefits (OPEB)Valuation and Funding Strategies

Speakers: Topic: The Current Banking Environment and Its Impact on Local Governments

Speaker: Monique Spyke, PFM Asset Management, LLC

Description: Banking services is an important cornerstone of cash management for local governments. In recent years, banks have heavily invested in technology to promote digital processes. The speaker discussed the advantages and disadvantages of these new technologies and recent trends in the banking industry that have resulted in decision makers consider enhancements to their banking relationships. Participants learned about new services such as same-day ACH, digital disbursements, smart-safes, and virtual cards that can be alternatives to existing processes and procedures. In addition, participants were briefly introduced on how banks charge for services on an account analysis statement and alternatives to pay for banking fees. Lastly, the participants were introduced how recent changes in the regulatory environment with Basel III and the Dodd-Frank Act have had an impact on how banks view institutional client relationships.

For 2020, the SVC is looking forward to bringing an enhanced presentation covering leadership; local economy and the impact on your Agencies revenues; diversity, equity and inclusiveness in a workplace; and various other topics related to Municipal Finance.





SAN DIEGO CHAPTER

Chair: Michelle Collett, City of Escondido

Vice Chair: Aaron Beanan, City of Poway

With a year behind our belts we fell into a groove for 2019. The San Diego Chapter hosted 4 meeting in 2019. The meetings were rotated between the Mission Valley and Carlsbad locations of Dave and Busters to balance member commutes from across the County.

Thanks to our generous sponsors: Wildan Financial, Chandler Asset Management, and Stifel we hosted our holiday meeting at the beautiful Tom Ham's Lighthouse. 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 2019 meetings, topics and attendance:

March 28th, 2019–“Economic & Market Update” presented by Bill Donnelly from Chandler Asset Management. Held at the Dave and Buster's in Carlsbad. Attendance: 45 (22 commercial; 23 local government)

June 27th, 2019– “Presentation of Locally Assessed Property Values for the 2019-20 Assessment Years” presented by Ernest J. Dronenburg, Jr. San Diego County Assessor. Held at the Dave and Buster's in Mission Valley. Attendance: 51 (15 commercial; 36 local government)

September 25th, 2019–“457 Plan Pitfalls” presented by Darren Stewart from BFSG. Held at the Dave and Buster's in Carlsbad. Attendance 27 (13 commercial; 14 local government)

December 5, 2019- “Leadership Matters: Habits of World Class Teams” presented by Sommer Kehrli. Held at Tom Ham's Lighthouse in San Diego. Attendance 79 (23commercial; 56 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 2020!

SAN GABRIEL VALLEY

Chair: June Overholt, City of Glendora

Vice Chair: Kyle Johnson, City of Glendora

The San Gabriel Valley Chapter had a great year. The Chapter met four times this year, our meetings occur on the third Wednesday of January, March, May, July, September and November. Attendance averages at 35 per meeting.

The meetings in 2019 featured the following topics and speakers:

JANUARY: No Meeting.

MARCH: Adán Ortega, Jr., president of OSG (Ortega Strategies Group), discussed SB 998 (implementation date 2/1/20), which restricts water shut-offs and mandates a 60-day waiting period for delinquents. Adán also reviewed the status of AB 401, the Low-Income Water Rate Assistance Act and the solutions that were being discussed.

MAY: Julio Morales, (Director, Urban Futures, Inc.), discussed 7 solutions to pension and OPEB Liabilities and provided a hands-on workshop helping attendees to understand their agency's CalPERS Actuarial Report (provided at the meeting to early registered attendees) and retiree medical costs. The presentation included in-depth analysis and a discussion about the inherent risks and potential benefits of each the 7 solutions.

JULY: No Meeting – Rescheduled topic to November due to lack of attendees.

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: Scott Mitnick, City Manager, City of El Segundo & David Brodsky, Managing Director, KNN Public Finance discussed their use of "Long-Term Financial Strategic Planning" over three decades and shared current trends throughout California









LEAGUE OF CALIFORNIA CITIES REVENUE & TAXATION POLICY COMMITTEE

Summary prepared by:

Marcus Pimentel, CSMFO Appointed Representative, Assistant Director, Santa Cruz County

During 2019, the Committee held three meetings.

The Committee was led by Chair Jeff Slowey, Council Member, Citrus Heights, and Vice Chair Olivia Valentine, Council Member, Hawthorne. It was supported by Dan Carrigg of the League.

The January and June meetings were held in Sacramento and the March meeting was held in Costa Mesa. In 2019, the committee did not convene at the annual League conference.

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 RECORD

The Committee heard testimony on, deliberated, and voted on a handful of actions during 2019. The following summarizes the actions taken by the committee:

- Voted to support legislation to modernize sales tax only for existing collections that go into County Pool
- Adopted 2019 League of California Cities Work Plan
- Supported staff's recommendation to oppose AB 485 (Medina) Local Economic Development Subsidies-Warehouses
- Supported staff's recommendation to oppose AB 176 (Cervantes) and SB 162 (Galgiani) CAEAFTA 10-Year Extension

RECAP OF 2019 TOPICS

2019 League & Committee work plan.

The Committee adopted on January 18, 2019. It consisted of the following priorities:

- Remain informed on developments associated with the 2019 Cal Fire ruling, and engage where necessary on legislation and administrative activity at CalPERS affecting pensions and other post-employment benefits.
- Advocate for appropriate implementation of the Wayfair decision to expand collection of use tax from remote sales.
- Monitor and engage on state budget developments, including proposals that may affect local government or provide funding opportunities.
- Support efforts to restore more robust forms of tax increment financing.

Oppose AB 485 (Medina) Local Economic Development Subsidies-Warehouses

The Committee voted to recommend opposing AB 485. This Bill would mandate how a local authority would provide incentives over \$100,000 to warehouse distribution center including extensive and unfunded reporting and public noticing requirements. This would be against the League, and CSFMO, policy guidelines on avoiding action that impair local control and creating more unfunded reporting mandates.

The Governor signed this bill into law in October 2019.

Oppose AB 176 (Cervantes) and SB 162 (Galgiani) CAEAFTA 10-Year Extension

Recommend opposing AB 176 and AB 162 (extending for another 10 years the energy sales tax exclusion). These bills would extend the existing California Alternative Energy and Advanced Transportation Financing Authority (CAEAFTA) Program for another decade to January 1, 2031. This program operated through the State Treasurer's Office is authorized to award \$100 million annually in sales tax rebates which affect both state and local shares.

The LAO has estimated that a ten-year extension of this program would result in a loss of \$550 million to local governments.

The Governor signed AB 176 into law in October 2019. SB 162 remains pending in the California Assembly Revenue and Taxation Committee.

GENERAL DISCUSSIONS

There was a review of many bills, but some of the biggest included:


- SB 5 (Beall, McGuire, Portantino) vetoed by Governor. This bill would have restored a more robust property tax-based financing mechanism focused on building affordable housing and infill infrastructure. While the bill was passed by both the Senate and the Assembly, the governor vetoed SB 5 in the eleventh hour.
- ACA 1 remains pending. This Constitutional Amendment would reduce from 2/3 to 55% voter approval for public infrastructure and affordable housing. While this measure is currently pending, as a constitutional amendment it doesn't fall under normal legislative timelines and may go slow.
- SB 1366 did not move forward. This would have removed local control related to retail cannabis locations. This bill would have required all agencies where Prop 64 received 50% or more voter support to permit retail cannabis sales. The total number of retail locations would be one for every six where alcohol is sold (grocery, gas station, or liquor stores).
- SB 330 (Skinner) was signed by the Governor. This was opposed by the League as it would reduce local control. This Bill prohibits a city from imposing any fee — except California Environmental Quality Act (CEQA)-related fees — after the submittal of a "preliminary" application. The concern is that this would essentially ban project-specific fees because these fees cannot be determined until a city fully analyzes the project. Given this omission, more local projects would likely require full environmental impact reports (EIRs) to ensure project-specific impacts are addressed.
- AB 1763 (Chiu) was signed by the Governor. This was opposed by the League as it would reduce local control. This Bill will allow 100 percent of affordable housing within one-half mile of a major transit stop to be up to three stories higher than other buildings with no more than one-half parking spot per unit. Such out-of-scale structures could further exacerbate community resistance to affordable housing and would undermine community-based housing plans

During the year, the following topics were discussed.

- Governor Newsome's new cabinet, impacts on local government, and his budget proposals
- Governor Newsome's last Budget, including the May revise, and adopted budget
- Continued discussions on sales tax reforms
- Discussion of possible opportunities around tax increment proposals
- Governor's priorities around health care expansion and directing more funding to support people who are unhoused

California Supreme Court decision on CalPERS airtime that has broader impact on reducing what is considered "vested"

- SB1
- Potential League efforts to fix issues on annexation and incorporation



LEAGUE OF CALIFORNIA CITIES ENVIRONMENTAL QUALITY POLICY COMMITTEE

Appointee: Arwen Wacht, City of Sacramento

The League's Environmental Quality (EQ) Policy Committee monitors proposed legislation relevant to environmental issues in California. The 2019 work program included support of the League's goals, as well as a focus on the following topics:

Storm water and water quality;

Solid waste and recycling markets;

Disaster prevention, preparedness, and resiliency; and

CEQA.

The EQ Committee met 4 times during 2019. Agendas included both informational presentations and action items. The informational presentations were made by the California Department of Conservation, the Institute for Local Government, the California Department of Resources Recycling and Recovery (CalRecycle), California's Office of Emergency Services (Cal OES), the California Grocers Association, and on SB 1383 regulation implementation and state recycling markets from an industry perspective by the California Refuse and Recycling Council.

Action Items:

- SB 54 (Allen) / AB 1080 (Gonzalez Fletcher) California Circular Economy and Plastic Pollution Reduction Act. The proposed bill would source reduce 75% of single use plastic packaging and products sold in California by 2030, require all single use plastics and packaging sold in the state to be recyclable or compostable by 2030, and require CalRecycle to develop a scoping plan to achieve this goal. EQ supported the bills nearly unanimously. SB 54 is in committee for consideration. AB 1080 was ordered to be returned to the Senate Floor for consideration.
- AB 56 (E. Garcia) Electricity: procurement by the California Alternative Energy and Advanced Transportation Financing Authority. The proposed bill would require the Public Utilities Commission (PUC) to empower the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) to undertake backstop procurement of electricity in an effort to meet state reliability and resource planning goals. EQ opposed the proposed bill. AB 56 is in committee and will be under reconsideration.

The fourth meeting of the year was scheduled during the League's annual conference. The sole purpose of the meeting was to consider the two of the League's Conference Resolutions. Resolution No 1: Amendment to Rule 20A, was a resolution of the League calling on the California Public Utility Commission to amend Rule 20A to add projects in very high fire hazard severity zones to the list of eligibility criteria and to increase funding allocations for Rule 20A projects. After much discussion, the committee voted to refer as amended to the appropriate policy committee for study. Resolution No. 2: International Transboundary Pollution Flows, was a resolution calling upon the federal and state governments to address the impacts of international transboundary pollution flows into the southernmost regions of California and the Pacific Ocean. The committee voted to pass as amended, which went on to be approved by the General Assembly during the conference.



STATEMENT OF FINANCIAL POSITION

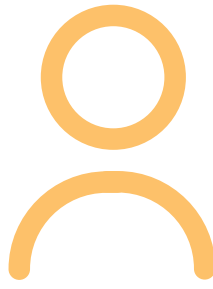
	Dec 31, 19	Dec 31, 18
ASSETS		
Current Assets		
Total Checking/Savings	1,869,459.03	1,464,147.61
Total Accounts Receivable	13,545.00	3,543.00
Total Other Current Assets	226,760.62	461,061.54
Total Current Assets	2,109,764.65	1,928,752.15
Total Other Assets	56,235.24	54,777.00
TOTAL ASSETS	2,165,999.89	1,983,529.15
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Total Accounts Payable	48,346.99	52,728.55
Total Other Current Liabilities	1,301,265.00	1,028,825.00
Total Current Liabilities	1,349,611.99	1,081,553.55
Total Liabilities	1,349,611.99	1,081,553.55
Equity		
3102 • Conference reserve	442,427.00	364,860.00
3101 • Operating reserve	192,692.00	144,139.00
3020 • Retained earnings	239,177.93	364,397.42
3100 • Net Assets-Chapters	27,678.67	29,581.01
Net Income	(85,587.70)	(1,001.83)
Total Equity	816,387.90	901,975.60
TOTAL LIABILITIES & EQUITY	2,165,999.89	1,983,529.15



STATEMENT OF ACTIVITIES

January 1 through December 31, 2018 and 2019

	2019	2018
<u>Revenue and Support</u>		
Interest income	\$17,329	\$26,041
Award Fees	\$18,200	\$16,700
Education Workshops	\$88,168	\$74,250
Chapter Income	\$93,067	\$112,433
Website Magazine Ads	\$160,095	\$138,743
Membership Dues	\$260,000	\$247,725
Annual Conference	\$1,058,198	\$911,040
Subtotal Operating Revenues	\$1,695,056	\$1,526,932
<u>Expenses</u>		
<u>Program Services</u>		
Annual Conference	\$1,025,126	\$848,529
Education Workshops	\$59,507	\$74,612
Chapter Expenses	\$97,102	\$122,627
Subtotal Program Services	\$1,181,735	\$1,045,769
<u>Operating Services</u>		
Insurance	\$1,769	\$1,219
Awards	\$4,694	\$4,572
President's expense	\$5,514	\$3,660
Magazine	\$7,123	\$15,790
Audit	\$9,570	\$9,000
Marketing/Membership	\$14,463	\$5,233
Office Supplies/Telephone/Postage/Printing/Storage	\$19,563	\$16,622
Merchant Fees	\$20,770	\$20,396
Taxes/Filings/Previous Year	\$30,490	\$36,064
Web and technology expenses	\$36,432	\$13,050
Other (Includes One Time)	\$37,918	\$9,654
GFOA Reception	\$52,250	\$20,390
Board & Leadership Support	\$78,200	\$55,696
Management Services	\$280,152	\$270,818
Subtotal Operating Services	\$598,908	\$482,165
Total Expenses	\$1,780,644	\$1,527,934
Net Income	(\$85,588)	(\$1,002)



2019 MEMBERSHIP

YEAR	MUNICIPAL MEMBER	COMMERCIAL MEMBER	OTHER GOVERNMENT MEMBER	RETIRED	STUDENT	COMPLIMENTARY	PROFESSOR MEMBERS	TOTAL
2019	2,021	269	91	65	39	6	2	2,493
2018	2,007	292	62	66	21	1	0	2,449
2017	1,940	266	54	79	14	18	0	2,371
2016	1,823	241	39	68	13	6	0	2,190
2015	1,711	243	26	67	22	19	0	2,088
2014	1,526	236	24	59	18	14	0	1,877
2013	1,449	256	18	59	13	19	0	1,814
2012	1,417	262	8	65	14	15	0	1,781
2011	1,299	232	60	60	15	21	0	1,687
2010	1,264	248	55	58	17	21	0	1,663
2009	1,288	255	45	45	14	18	0	1,665
2008	1,362	268	40	41	9	17	0	1,737
2007	1,158	204	21	28	1	14	0	1,426
2006	986	204	4	17	1	22	0	1,234

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