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News

MiniNews

MiniNews Advertising

Featured Articles

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Home > News > January 2013 MiniNews

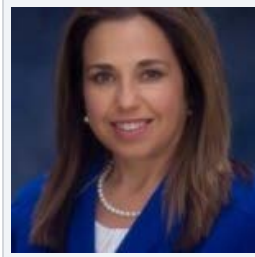
January 2013 MiniNews

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*Please note that updates are continually made to the Job Board section of the MiniNews (PDF format) after its original release. Check the [Job Board](#) regularly.

President's Message

By: Laura Nomura, City of Riverside



HAPPY NEW YEAR!

I hope all of you had an amazing holiday season. Even though I worked most of the holidays (newbie at the job), I really had a wonderful Christmas and New Year's surrounded by my family and close friends.

The holidays and the New Year are a time for reflection and introspection. I reached out to three leaders in municipal finance who "retired" at the end of 2012 (I put that in quotations because I really don't think we have heard the last from these talented individuals). I posed two questions to them:

1. Serving as a Finance Director/Administrative Services Director in municipal government, what has this meant to you?
2. What words of wisdom do you have for our up and comers?

Zane Johnston has served thirty years in municipal finance; the last twenty-seven with the City of Tracy (different titles over the years: Finance Manager, Finance Director, and Finance & Administrative Services Director). At 26, he served two years as Mayor of the City of Waterford. Zane served as CSMFO President in 2003. Zane offered the following:

"I have had the opportunity to keep our organization in good fiscal condition knowing that without such, the community will not be well served. Sometimes this has meant having to put up opposition against what seemed like well-intentioned programs. For a person like me who loves to be on stage, I was very content all these years to be part of the "stealth" city department. While others cut ribbons on new city facilities or became the public faces of important community services, I nevertheless took great satisfaction in knowing that my work and my ideas were often responsible for enabling those things to occur. Working toward the city's fiscal stability both today and for tomorrow has not always been easy – in fact at times it has been exhausting – but as I retire I leave knowing I made a difference and that our community is better for it.



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PFM Asset Management LLC



No one in your organization is going to look out for the long term except you. Most politics – even those at the local level – are always short term. Sometimes you will be the lone wolf; it simply is your cross to bear. Be a force to reckon with not because you enjoy power or confrontation but because you are likely the only one that asks critical questions. Often those questions will result in revisions or alternatives that end up being far better than the original proposal. But at the same time be flexible as there is often more than one way to get from point A to point B. Be willing to help your colleagues in other jurisdictions and share information between all of you. At the end of the day, leave work matters at work and enjoy the other things important to you in your life. You will be better off for it and so will the organization you serve.”

David Cain has worked in the public sector for almost 20 years. He was the Assistant City Manager/Finance Director for the City of Sierra Madre for five years; Director of Finance for the City of Chino for 11 years; and lastly, three years at Moulton Niguel Water District as their Director of Finance. He also worked 25 years in the private sector. Dave has served in CSMFO leadership for many years and had the following to share:

“Over the years I have had the opportunity to serve in three different organizations, and my goal was always to leave it better than I had found it. Accomplishing this goal requires hiring the best, then getting out of the way and letting staff do their jobs. It also requires making hard decisions, and in some cases having to tell a financial story elected officials and the public may not always want to hear, but that is our job.

The one area within the public arena that has been a major concern to me is the loss of public trust. Ethics in the public sector has been lacking in too many situations. Today we hear or read about the unethical decisions that have been made by staff or elected officials in cities and public agencies all over California. As a financial professional, we have a duty to go above and beyond that of anyone else in the public sector to make sure that what we do, how we do it, and with whom we work, be done in the most ethical manner possible. For the next generation of finance professionals, whenever you must make a decision, make it by answering this question: What would tomorrow’s newspaper headline read based on my decision today?”

Paul Rankin has worked for government agencies for the past 32 years. He started his career as an intern with the City of Claremont, then working for the Cities of Rosemead and Dublin, the East Bay Regional Park District and Delta Diablo Sanitation District. He finished his career with the City of Dublin as Administrative Services Director serving a total of 22 years with the City. Paul’s thoughts about the profession are:

“Serving as an Administrative Services Director has given me a chance to contribute to building a better community and delivering important services. Local government is truly a “team effort” and support functions like Finance and IT need to be there each and every day. Think about what would get accomplished if bills were not paid, payroll was not processed, or computer systems did not operate. Not to mention the public outcry if financial reporting was in disarray. Another rewarding aspect of “public service” is that there is an opportunity to see the impact of your contribution. It may seem like a cliché, however, for me, it has been a true honor and a lifestyle.

I would also offer to those who are at an earlier stage in their career a reminder that facing challenges is not a new phenomenon. I started in municipal government less than two years after the passage of Proposition 13, which some suggested would devastate local government. It meant that governments could not continue to do business in the same way. Today’s challenges are not all that different. As long as we approach any challenge with a high regard for ethics, transparency and a plan we will find a solution.”

I would like to thank each of these gentlemen for taking the time to contribute to this article and for their many years of service to our organization and profession. Congratulations on your retirement!

In closing, I hope 2013 brings you much success, good health and happiness. I hope to see all of you at our Annual Conference next month in Oakland!

Executive Director’s Message

By: Melissa Dixon, CAE

HAPPY NEW YEAR!

Can you believe it’s already a new year?? It seems hard to believe that the holidays are already over...I was musing a few weeks ago that, for me, Christmas gets shorter and shorter each year. When you’re a kid, the holidays seem to fill the entire month of December—school projects, letters



to Santa and countless hours spent dreaming of Christmas morning. These days, I'm lucky if I get two whole days off to focus on the holidays. And then when I do—BAM! It's over, and we're back to the grindstone of just another workweek.

I like to start my new year of MiniNews messages to you with my resolutions for the coming year...this year, my resolution—in my personal life as well as with work—is to take the time to appreciate what I have when I have it. So what if Christmas is shorter? I will make the most out of the time I have; more than that, I'll do my best to schedule my time to give the maximum allotment to my family. But that's not just for Christmas—no, that will be an every-day-of-the-year priority. I will pause in typing up the email so I can hear about my son's new digital tree house or look at my daughter's new drawing of our cat...because those two minutes of focus now will speak volumes to them later on, as well as help me remember what is truly important.

Likewise with CSMFO. The leadership changes so much in this organization—in an effective and healthy way, to be sure, but it changes all the same. I have had a wonderful time partnering this year with your current President Laura Nomura and I'm having trouble grasping that that's coming to a close next month. I've enjoyed helping plan the conference with this year's Host Committee; so enjoyed picking the 2014 conference site with this year's Site Selection Committee... A number of truly wonderful volunteers are either retiring or otherwise leaving their current volunteer positions, and I fear I took their tutelage, passionate discussion and even friendship for granted. To those of you (and you know who you are), know that I am so glad I was given the chance to know and work with you. CSMFO is a better organization because of your input and participation.

To the rest of you—the ones not yet done with your terms and those new to the 'fold'—I look forward to making every moment of 2013 with you count!

Conference Registration Open!

California Finance...And All That Jazz

February 20-22, 2013
Marriott City Center Hotel and Convention Center
Oakland, CA

Highlights:

- Alan Milligan, Chief Actuary, CalPERS
- Michael Coleman, League of California Cities' Principal Fiscal Policy Advisor
- Tim Schaefer, Founder and Principal Owner – Magis Advisors
- Christopher Thornberg, Founding Partner – Beacon Economics
- 36 concurrent educational sessions
- Earn up to 18.5 CPEs
- Plus network with over 600 peers and vendors

Once again this year, we are pleased to help you with those tight training budgets by offering an early government member's registration fee for only \$325! This reduced fee is only available until January 11, 2013. The member rate then goes to \$375 until February 6, 2013.*

CSMFO is continuing its commitment to going "Green" and therefore will NOT be mailing out a registration brochure. Everything you need to know regarding the conference and registration will be available at conference.csmfo.org.

For non-members this is your time to join CSMFO. The early registration fee for non-members is \$460 and has been extended until January 11, 2013. But, think about it...if you join now for \$110 and then register for the conference at the early rate of \$325 you save \$25 and you will be part of the largest government finance sector professional group in California. So join CSMFO now and start reaping the benefits of membership!

** On site registration fees will be in effect after that date.*

Professional Analysis and Reporting Remains Vitally Important

By: Jason Stilwell, City Administrator of Carmel-by-the-Sea

As our communities begin to limp out of the most recent economic downturn, our residents are beginning to recognize the ongoing impacts the budget cuts and service level reductions are having on their community. At the same time we are seeing an increase in acceptance of revenue increases to maintain community services and quality of life. The financial analysis and reporting prepared by staff remain a vitally important link between diagnosing a community's health and setting the stage for voter approval of new revenues.

Voters are approving

The November 2012 election was a turning point for many governments in California. Voters approved Proposition 30 which promises to provide some stability to the state budget. The Legislative Analyst's Office in its most recent fiscal outlook report finds "The state's economic recovery, prior budget cuts, and the additional, temporary taxes provided by Proposition 30 have combined to bring California to a promising moment: the possible end of a decade of acute state budget challenges" (LAO, 1). Locally in California there were "240 measures seeking approval for taxes, bonds or fees, including three by initiative" (Coleman, 1). Seventy-three percent of these measures were approved by voters. Local non-school majority vote tax measures did somewhat better this election than in prior years with 52 of 66 passing (Coleman, 2) and "General purpose tax measures fared especially well, especially add-on sales taxes (local transactions and use taxes)" (Coleman, 3). We'll have to see if this is a trend or isolated uptick of support, but in either case the results are noteworthy.

Professional Analysis Provides Required Information

The heavy lifting of financial professionals provides the information necessary for voters to support tax increases. The analysis and reporting is the basis of the community debate about revenues and expenditures, enables the legislative body to argue for or against particular paths forward, and provide the data necessary for constituents to argue for or against tax proposals.

At the beginning of the economic downturn it was often difficult for residents to understand why services were being cut more than simply the proportion of revenue shortfalls. It took detailed analysis and reporting to explain how the growth in pension contributions and other personnel costs were requiring cuts beyond the amount of revenue shortfalls. It wasn't as simple as saying "we have less revenue and therefore need to make cuts to maintain a balanced budget." As the recessionary economy lingered cuts continued even as revenues began to stabilize.

Three primary financial planning documents have been instrumental in enabling financial professionals to articulate the financial constraints and the choices available to community leaders.

Financial Forecasts

The financial forecast is a financial planning document that provides a current and long-range assessment of financial conditions and costs. The primary objective of a forecast is to provide the legislative body and the community with context to identify significant issues that need to be addressed. The National Advisory Council on State and Local Budgeting has endorsed the forecasting of revenues and the forecasting of expenditures in its recommended budget practices (NACSLB 1). The Government Finance Officers Association recommends "a government should have a financial planning process that assesses long-term financial implications of current and proposed policies, programs, and assumptions that develop appropriate strategies to achieve its goals" (GFOA 1999 1).

Practically speaking, the forecast enables the legislative body to better understand the decision making environment and the impact that current policies will have on a future environment. The forecast was a vital document for many of the governments that recently sought voter approval for tax increases. Residents were able to see what the future environment looked like; often the forecast demonstrated that there was not expected to be a rebounding economy that would remedy the budget cuts recently experienced. As a result the voters had a choice of keeping the fragile current state of affairs or strengthening service levels.

Financial Planning Documents

Financial planning documents, including capital improvement and multi-year operating plans and budgets demonstrate expected service levels and funding requirements. Capital improvement plans highlight deferred maintenance needs and can focus a discussion on the choice of a community paying less now for preventative maintenance or significantly more down the road. A comprehensive capital improvement plan can also provide the opportunity for decision makers to re-evaluate the services being provided; does the community really need to keep that non-performing asset that will require much maintenance in the future?

Operating plan and budget documents can focus on service levels. Looking at only dollar amounts one may wonder why a department that has a relatively stable budget is not able to provide its historic levels of service. Digging into the details it is possible to show that the costs per unit are increasing therefore fewer units are available to perform the job. Taken a step further this translates to a lower level of service. Focusing the community on service levels rather than budget allocation can

demonstrate how the recession coupled with rising costs has over time bled the government's ability to provide a consistent level of service. Service levels have dropped due to both revenue decreases and a sharp increase in the costs of providing service.

Performance measures

Performance measures can demonstrate how outcomes have changed and how efficiency or effectiveness has evolved. Coupled with financial data, performance measures can be a powerful indicator of a government's service and can focus a discussion around desired goals. Is a community satisfied with how long it takes a planning application to be reviewed? Is the pavement condition index falling? Are emergency response times satisfactory? In many cases, as a result of the recession, these performance indicators have suffered. The finance professional managing this valuable data can enable a community to discuss what it wants as a core service, core value, and community character.

All summarized to "what does this all mean?"

Good planning and policymaking depends on good data. Finance professionals play an important role in managing data that enables policymakers to chart a desired course. In Carmel-by-the-Sea, for example, the City Council utilized financial reporting to develop a Service Level Sustainability Plan that charted a path for the future. A primary aspect of the plan was to provide a stable level of service and while, in order to do so, asking voters to consider a tax increase. A community debate ensued and the reported financial data became imperative for all sides to discuss the pros and cons of the plan. In the end 75% of the electorate voted in favor of the tax increase. The hard work of the financial professionals was instrumental in enabling the community to vote for its future.

Coleman, Michael. "Local Revenue Measures in California: November 2012 Results," CaliforniaCityFinance.com December 3, 2012.

Government Finance Officers Association. "Financial Forecasting in the Budget Preparation Process." 1999.

Legislative Analyst's Office. "The 2013-14 Budget: California's Fiscal Outlook." November 14, 2012.

National Advisory Council on State and Local Budgeting. "Recommended Budget Practices": A Framework for Improved State and Local Government Budgeting." 1998.

Jason Stilwell is City Administrator of Carmel-by-the-Sea and a twenty year member of the Government Finance Officers Association.

Be a Host for CSMFO's Accounting and Fiscal Policy Classes

Do you want to be more involved with CSMFO? Consider hosting one of our classes in 2013!

In case you didn't know, CSMFO offers Introductory, Intermediate Governmental Accounting and Fiscal Policy Training classes throughout the year. Each class is taught separately by highly respected instructors.

The Accounting classes are appropriate for individuals that have some accounting background, but may be new to the government sector or for employees who have recently assumed responsibility for financial and accounting reporting. The classes are also appropriate for anyone interested in brushing up on basic government accounting skills. Once a basic understanding of accounting concepts is reached, these concepts can easily be applied to the unique requirements of the governmental area.

Host Site Requirements for the Accounting classes include:

- A minimum of 20 registrants
- Seating for 60 participants with tables and chairs
- 1 rectangular table up front for speaker
- Table and chair in back for registration
- ***Room open and available at 8:00 a.m. for set-up (** 7:30 a.m. for Intermediate classes)
- Parking alternatives for up to 60 participants, preferably free parking
- A computer with a remote to advance PowerPoint slides
- A port to allow for a USB flash drive
- A screen and projector

The host site will need to provide lunch (with beverages) and light morning/afternoon refreshments for the attendees. The host site will be reimbursed actual costs up to \$15 per attendee, including the

instructor, by CSMFO.

The Fiscal Policy Training classes are offered as ½ or 1 day sessions. Good times come and go, but your values shouldn't – which is what fiscal policies are all about. Setting clearly articulated fiscal policies builds a strong foundation for protecting your agency's long-term fiscal health. As recent economic events have shown, no agency is immune to economic downturns. But agencies with clear fiscal policies in place with a tradition of following them have a significant strategic edge over those that don't. Policies make tough decisions easier by providing guidance both when times are good by preventing problems to begin with, as well as when the inevitable tough times do arrive.

Host Site Requirements for the Fiscal Policy Training classes include:

- A minimum of 10 registrants
- Seating for 60 participants with tables and chairs
- 1 rectangular table up front for speaker
- Table and chair in back for registration
- ***Room open and available at 7:30 a.m. for set-up (***) 12:30 p.m. for afternoon sessions)
- Parking alternatives for up to 60 participants, preferably free parking
- A computer with a remote to advance PowerPoint slides
- A port to allow for a USB flash drive
- A screen and projector
- Location convenient to lunch options for attendees (preferred).

The host site will NOT need to provide lunch or refreshments for the attendees. Attendees are on their own for lunch.

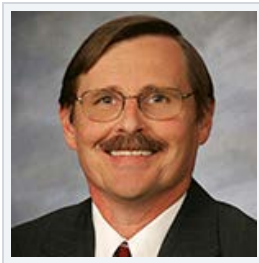
For all classes, the host site gets two free attendees. Unless otherwise provided by the Hosting Agency, one of the attendees will be designated to registering participants, checking room set-up, assisting the presenter, assisting with food, and assisting with set-up as needed.

CSMFO will handle the online registrations and fees for the classes.

CSMFO and the host site will be responsible for marketing and promoting the courses. The host site is strongly encouraged to market and promote the courses to local agencies and chapters to maximize attendance.

If you are interested and able to host any of the classes in 2013 or for more information, please contact Margaret Moggia, Chair of the Career Development Committee at margaretm@westbasin.org.

CSMFO MiniNews Committee Member Feature



Name: David Cain

Agency: Formerly with Moulton Niguel Water District (Now retired)

Committee Vice-Chair of: Annual Conference Site Selection Committee

Q: How long have you been in the municipal finance profession?

Why did you choose this profession?

I have been involved at the executive level of three public sector agencies over the last twenty years. I became involved in the public sector because I wanted to make a difference. I wanted to work for organizations where I could make a positive influence on not just the finances, but also on the

people. I wanted to leave each organization in a better place than when I had arrived. Organizations get better when their people get better. That's why investing in people always gives the greatest return to an organization and it was always my desire as a leader to guide, energize, and excite.

Q: How long have you been a CSMFO member? Served on a CSMFO committee? What committee are you a part of now?

I have been a CSMFO member since 1993, but "actively" involved since 1998 when another CSMFO member asked me to be a part of the Budget Review Committee (now the Professional Standards & Recognition Committee). The following year I became the Chair of the Budget Review Committee and began to ask other CSMFO members to become involved and pass the Budget Committee torch on other CSMFO members. Next, I served for several years on Administration Committee, two years as a CSMFO Board member, last year as a member of the Annual Conference Committee for the CSMFO 2011 Anaheim Conference and most recently on the Annual Seminar Site Selection Committee.

Being a CSMFO "member" is different than being actively "involved" in the day-to-day activities of CSMFO. I encourage everyone to get "involved" in some way with CSMFO, but don't wait to be asked. There is so much more to be gained from your active involvement in the best public sector finance officers group in the US!

Q: How did you come to be involved in the leadership of CSMFO? Why did you become involved with CSMFO's committee(s)?

I remember standing in my office back in 1998 surrounded by four sets of budgets documents for 140 California agencies, with boxes of new budgets arriving daily, wondering what I had gotten myself into. I was now involved in CSMFO because someone asked. Once I became involved, I was hooked because it was really about the people who were the active leaders in CSMFO. The volunteer leadership is what makes CSMFO so successful.

Q: What are your goals for the committee for the coming year, and how do they relate to the overall organization's goals?

One of the most important functions that CSMFO offers its members is the annual conference. The Anaheim conference saw over 900 members attend and be a part of outstanding training sessions, keynote speakers, and networking opportunities with fellow CSMFO members.

As they say in the real estate business, it is all about the "location." Well the same can be said for the annual CSMFO conference – it is all about the "location." This coming year we will be gathering in Oakland where the theme is "California Finance and all that Jazz". In 2014 we will be meeting in Palm Springs at the Convention Center and Renaissance Hotel.

Our goal on the Site Selection Committee is to find the ideal location that meets the many needs of both our members and vendors. Both are required to make a conference successful. We look forward to selecting the Northern California CSMFO conference site for 2015 in just a few months.

Coaching Corner

"Start Now to Make 2013 Be Your Best Year Yet"

Are you looking for more excitement and fulfillment in your career?

Interested in best practices you can use? Wondering how to slice through your workload more efficiently? Looking to find answers to key questions for your work? Want to expand your network with a seasoned CSMFO volunteer to support you?

Now's the time to check out the [CSMFO Coaching Corner](#) for these and more resources:

- [PPTs and recordings](#) on dozens of topics (budgeting, labor relations, tax audits, economic development, property tax, PEPR, and more).
- [Video](#) of keys to successful interviewing.
- [Coaches Gallery](#) with contact information for volunteers eager to support you.
- [Coaching Resources](#) to assess your skills, manage workloads, etc.

Enjoy these and many more resources from CSMFO to enliven your career.

Don Maruska, MBA/JD, Master Certified Coach Director, CSMFO Coaching Program

Welcome New CSMFO Members!

- Shane Spicer, Director, Inland Empire Chapter
- Arlene Wong, Accountant, East Bay Chapter
- Susan Morrow, General Manager, Central Coast Chapter
- Bonnie Puleo, Senior Accountant, Sacramento Valley Chapter
- Laurie Davis, Accountant, Coachella Valley Chapter
- Kathryn Zawadzki, Accounting Manager, Sacramento Valley Chapter
- Will Kolbow, Interim Director of Finance – Water Dept, Inland Empire Chapter
- Cindy Safe, Senior Management Analyst, Peninsula Chapter
- Jenna Moser, Management Analyst, Sacramento Valley Chapter

- Diana Gunn, Controller, Desert Mountain Chapter
- Salvador Valles, Business & Revenue Operations Manager, South Bay Chapter
- James Pugh, Director of Finance, San Diego County Chapter
- Justin Lewis, Vice President, Sacramento Valley Chapter
- Mia Lorenz, Management Analyst, Sacramento Valley Chapter
- Jedd Hampton, Management Analyst, Sacramento Valley Chapter
- Elisa Carvalho, Management Analyst, Sacramento Valley Chapter
- Tengolics Alex, Management Analyst, Sacramento Valley Chapter
- Chris Marx, Debt Officer, Sacramento Valley Chapter
- Julie Battershell, Senior Accountant, East Bay Chapter
- Tricia Fan, Senior Accountant, East Bay Chapter
- Gary Battaglia, Finance Project Manager, Peninsula Chapter
- Stacie Nerdahl, Acting Admin Svcs Director, Peninsula Chapter
- April Dunham-Filson, ITC, Central Valley Chapter
- Scott Gorzeman, Director, Central Los Angeles Chapter
- Todd Smithey, Finance Administrator, East Bay Chapter
- Carl Tregner, Accountant II, North Bay Chapter
- Isaiah Hagerman, Finance Director, Coachella Valley Chapter
- Laura Murray, Accountant, Sacramento Valley Chapter
- Benjamin Hannah, Accountant, Sacramento Valley Chapter
- April Chuan, Interim Finance Director, Central Los Angeles Chapter
- Lance Holman, President & CEO, Orange County Chapter
- Erika Westawski, CFO, Desert Mountain Chapter
- Michael Sylvia, Special District Manager, Central Valley Chapter
- Sandra Frias, Budget Manager, Central Valley Chapter
- Cari James, Accounting Manager, Central Valley Chapter
- Bruce Knopf, Director, Asset and Economic Development, North Bay Chapter

Education Opportunities

Strengthen Your Financial Management Skills (Two Half-Day Training Programs) – January 14
Power of Fiscal Policies / Long-Term Financial Planning

Chapter Updates

Central Coast Chapter Meeting – January 10
Pension Reform and the Latest Developments

- Marcus Wu, Partner – Hanson Bridgett, LLP

East Bay (S.F.) Chapter: Joint CMTA/CSMFO Business Meeting – January 11
Item 1: AB340 Actuary Perspective – Discuss the Current Facts About AB340

- John Bartel – Bartel Associates, LLC

Item 2: AB340 & GASB 67/68 Update Auditor Perspective – Discuss AB340 and the new Pension GASBs.

- Justin Williams – Mann, Urrutia, Nelson, LLP

San Gabriel Valley Chapter Luncheon – January 16

GASB Update

- Eric S. Berman – Brown Armstrong Accountancy Corporation

Inland Empire & CMTA Div 8 Meeting – January 17

2013 Inland Empire Economic Outlook

- John Husing, Ph.D

Posted: *11:42 am*