Inventorying and Accounting for Capital Assets: A Case Study
(Accounting and Financial Reporting) (A – Accounting and Auditing, G – Government)

The San Francisco International Airport (SFO) received a recommendation from its auditors to conduct a physical inventory of its capital assets, and was also notified by the City and County of San Francisco that a new financial system would be implemented for all departments. In response, SFO embarked on a comprehensive program to do the following:

- Clean up its capital assets database in preparation for migration to the new financial system, including consolidation of parent/child assets, writing off assets with historical cost less than the capitalization threshold, and writing off fully depreciated easements and capital interest.
- Improve its policies, procedures, and practices related to constructing, capitalizing, valuing, depreciating, inventorying, and accounting for capital assets.
- Conduct a physical inventory of all capital assets for 43 divisions, representing $6.4 billion at historical cost.

Using SFO’s experience, this session will present a roadmap on how to conduct a physical inventory of capital assets and improve procedures to assure those assets are accounted for accurately. The panelists will share forms, reports, and policies developed during the project that can be tailored by other governments, including observation count sheets, reports to management, asset lists, and written policies and procedures. Practical advice and pitfalls to be avoided will be discussed.

Speakers: Shane Balanon, Process Control Manager, San Francisco International Airport
Kevin Harper, Partner, Kevin W. Harper CPA & Associates

Creating a Right Brain Culture in a Left Brain Environment
(Leadership and Management) (N – Non-technical subject areas)

Finance departments/divisions are often perceived as being too rigid, rule bound, and closed off to anything outside the box. While it is important to maintain strong fiduciary oversight of
your agency’s fiscal operations, it is also increasingly important to create a work culture that embraces collaboration, new ideas, and continuous learning. Moving beyond the technical skills and focusing on the interpersonal skills will elevate your leadership to a new level, and will help create a culture of acknowledgement, respect, and trust with both your employees and your customers.

How do you do that? You create a right brain culture. This dynamic session will provide 7 key strategies to foster a right brain culture and embrace emotional intelligence within your finance department/division. We will detail the specific actions and initiatives that the City of Redwood City has implemented; discuss the art of saying “no”; and demonstrate how to enhance communication and engagement for the benefit of your operations.

Speakers: Kimbra McCarthy, Assistant City Manager of Administrative Services, City of Redwood City
Derek Rampone, Financial Services Manager, City of Redwood City

**Gone in 24 hours – Paradise Lost and the Camp Fire’s Lasting Effects**
(Financial Management) (T – Technical subject areas)

On November 8, 2018, the Camp Fire, the deadliest, most devastating wildfire in California history, hit Butte County, destroying over 14,000 homes, including most of the Town of Paradise, and killing 85 people. Many of the 26,000 Paradise residents relocated to Chico and other nearby cities overnight. This tragedy forever changed the lives of all Butte County residents. As such, it has dramatically affected the economy and finances of the Town of Paradise, Butte County, the City of Chico, and other nearby towns. This session will provide a firsthand account of the Camp Fire and its effects from a local government financial and information technology perspective. Questions discussed will include the following:

- What happens when your tax basis is eliminated overnight?
- What happens when your City’s population grows by 20,000 overnight?
- Will your information systems backups operate upon an emergency relocation?
- How to work with CalOES and FEMA?
- Are you prepared for a large-scale disaster?

Speakers: Scott Dowell, Administrative Services Director, City of Chico
Meegan Jessee, Deputy Administrative Officer, County of Butte
Josh Marquis, Information Systems Manager, City of Chico

**The Coleman Report (will be repeated)**
(Financial Management) (T – Technical subject areas)

In his annual update on local municipal financial conditions and issues, Michael Coleman will discuss the latest hot legislative and budget issues in the Capitol, important legal developments, current trends and issues in key local revenues, including sales tax, property tax, and highway users tax, and the latest on municipal financial health and bankruptcy.

Speaker: Michael Coleman, Fiscal Policy Advisor, CSMFO and League of California Cities
Who is Watching the Hen House? The 457 Nest Egg Dilemma
(Financial Management) (T – Technical subject areas)

Many cities have a better understanding of their 457 plan fees and fiduciary duties than ever before in the past. Implementing best practices are important, but without understanding the roles and responsibilities of all the players, such as consultants, third-party record-keepers, and investment oversight committees, the fight to protect and deliver this benefit is caught in the crosshairs of new hidden fees in plain sight. Understanding the role of all the 457 plan relationships is key to establishing best practices and providing proper oversight, not just for the plan, but also for those watching the “hen house” itself.

Speakers: David Bilby, Director of Finance/Treasurer, City of Chula Vista
Jeff Chang, Partner, Best Best & Krieger LLP
Maribel Larios, Chief Executive Officer, Fiduciary Experts LLC

Purposeful Positioning for Positive Debt Issuance Results
(Treasury and Debt Management) (T – Technical subject areas)

Public agencies contemplating the issuance of debt to finance either new infrastructure improvements or to refinance existing debt must ensure that they are securing the lowest costs and best possible terms. Successful debt issuance is a result of many factors, not the least of which is pre-planning and strategizing to get your agency in top fiscal shape. Have you reviewed and updated your financial policies, such as debt management, reserve, and investment policies, and do they follow best practices and meet current regulatory requirements? Are your audits not only up to date, but are they thorough and do they provide the information a rating agency, lender, or other potential investor is looking for, including supplementary information such as debt coverage ratios, appropriate demographic data, or other information that may be required under continuing disclosure undertakings? Do you have adequate revenues to fund the debt service; if not, what do you need to do to increase revenues or decrease costs? Learn how you can positively position yourself from leaders in the field of public debt issuance.

Speakers: Jeffrey Meyer, Retired Director of Administrative Services, Calaveras County Water District
Todd Smith, Managing Director, Hilltop Securities
Cameron Weist, Partner, The Weist Law Firm

SB 998 – The Do’s, The Don’ts, and the “It Depends”!
(Financial Management) (T – Technical subject areas)

Are you prepared to comply with SB 998 on February 1, 2020? SB 998 puts restrictions on shutting off water customers within certain time periods and other criteria. Water agencies face severe fines for not complying, so come get educated on what you need to do to protect your agency! Even if you are prepared, come listen to the best practices of other agencies regarding compliance with SB 998 and strategies to minimize the impact on your organization. This session is designed to be interactive, with participant and attendee questions, insights, and compliance tips.
Speakers:  
Kristy Mincey, Customer Service Billing Manager, Eastern Municipal Water District  
Cindy Byerrum, President, Platinum Consulting Group  
Jim Ciampa, Managing Partner, Lagerlof, Senecal, Gosney & Kruse LLP

**Actuarial Information/Valuations 101**  
(Budget and Financial Planning) (T – Technical subject areas)

With the recent attention on pension reform and Governmental Accounting Standards Board (GASB) reporting requirements for pensions, finance practitioners need to become well versed in how to read actuarial reports, including basic terms, methodology, and information essential to determining your pension plan contribution and funded status. This session will explain what you need to know in clear terms, and will help you translate this complex information for decision makers, employees, bargaining units, and the public.

Speaker:  
Julian Robinson, Senior Pension Actuary, California Public Employees’ Retirement System

**Interview Quick Takes – Nailing Your Chance to Shine**  
(Leadership and Management) (N – Non-technical subject areas)

Do you want to hone your interview skills in a low-risk environment? Have you ever wondered what interview panelists were thinking during an interview? Do you want constructive and useful feedback regarding what you do well and what you could improve? Your effectiveness in interviewing can make or break your success in getting a senior finance position. Attendees who registered in advance will have an opportunity to participate in a simulated interview panel setting and get immediate feedback from top recruiter firms and seasoned finance professionals who have served on numerous interview panels. Each segment will consist of 15 minutes of handling interview questions and opportunities to note how you would like to strengthen your presentation and 5 minutes for feedback, including helpful suggestions from the panelists. Want to multiply the benefits for yourself? Bring your smartphone and record your session to review how you come across. Up to three other CSMFO members may attend each session as observers.

Speakers:  
Richard Lee, Finance Director, City of San Mateo  
Sarah Ragsdale, Administrative Services Director, Mountain House Community Services District  
Bobbi Peckham, President, Peckham & McKenney, Inc.

**Wednesday, January 29, 2020**  
**10:15 am – 11:30 am**

**The Leader’s Toolkit: Maximizing Your Daily Leadership Effectiveness**  
(Leadership and Management) (N – Non-technical subject areas)

The successful leader’s day starts with “Good morning” and ends with “Thank you.” In between, there are dozens of interactions, behaviors, and decisions that will determine the success of that leader and their team for that day and in the future. Daily leadership actions we will explore in detail include body language, importance of a positive attitude, displaying
authenticity, and playing up your skills and knowledge. Emphasis will be on 15 actions you can take daily, like articulating vision and goals, teaching and engaging others, staying calm and level headed, and being a positive role model. We can all add tools to our leadership toolbox, and you will be able to use these immediately on the job.

Speaker: Neil Kupchin, Management & Training Consultant

Lease Accounting, Part Deux
(Accounting and Financial Reporting) (A – Accounting and Auditing, G – Government)

GASB Statement No. 87, Leases, establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This is a significant change from current guidance and will most likely have a material impact on your financial statements. At the 2019 CSMFO Conference in Palm Springs, we presented the “Top 10” implementation issues arising from GASB Statement No. 87. While the implementation issues were an important part of getting started, the next step is practical guidance. Let’s discuss the outcomes of implementing lease standards, walk through numerous types of leases likely to be encountered, and review how leases will end up in the financial statements and note disclosures. Most governmental agencies within California will be implementing these standards in fiscal year 2020/21, so time is of the essence!

Speakers: Craig Boyer, Assistant Controller, County of Alameda
David Bullock, Partner, Macias, Gini & O’Connell LLP

Navigating the Uncertain Waters: CalPERS’ New Pension Outlook For Public Agencies
(Budget and Financial Planning) (T – Technical subject areas)

The California Public Employees’ Retirement System (CalPERS) has developed a new tool for employers to help plan for future pension costs. Called “Pension Outlook,” this free program, available through the CalPERS portal, allows employers to adjust key variables in the pension cost equation and see what it would mean for their agency’s pension obligations over time. Attendees at this session will see a demonstration of the tool and learn how to adjust hypothetical investment returns, factor in possible future discount rate changes, and incorporate hypothetical additional discretionary payments to see the impact to your plans’ funded status, contribution rates, and total dollar costs. This is an exciting new tool for you and your agency to use to extrapolate the budgetary impacts that could arise given various market events and employer contribution scenarios.

Speaker: Kerry Worgan, Supervising Pension Actuary, California Public Employees’ Retirement System

Why Every Local Government Needs a Long-Term Financial Plan
(Budget and Financial Planning) (T – Technical subject areas)

With increasing talk of an “imminent recession” and rising financial pressures confronting all levels of public service, the value of preparing a long-term financial plan continues to spread across the California local government landscape. However, there are many different types of financial plans. Some plans have worked well. Others did not quite live up to their expectations. Three seasoned local government professionals will explain what a long-term
financial plan is, how such plans have worked to turn around some distressed local
governments, and how they may be used to navigate future financial stress.

Speakers: Tom Haynes, Assistant Chief Financial Officer, County of Yolo
Scott Mitnick, City Manager, City of El Segundo
Matt Paulin, Chief Financial Officer, City of Stockton

Star Wars, Splash Mountain, Cars – All Are Good Options!
(Treasury and Debt Management) (T – Technical subject areas)
The Water Infrastructure Finance and Innovation Act (WIFIA), grants, the Clean Water State
Revolving Fund (SRF), debt, and/or internally generated cash – this session will discuss how a
practitioner/issuer maximizes project funding to get the project built. Learn from the panel
about the right mix to maintain flexibility and preserve future debt capacity. You will also
hear from the financing community about available state and federal programs and how these
sources may be the right option for you.

Speakers: Jorianne Jernberg, WIFIA Program Director, U.S. Environmental Protection
Agency
Brian Mandell, Debt Manager, City of San Diego
Christopher Stevens, Supervising Engineer, California State Water Resources
Control Board
Shannon Groff, Director, Fitch Ratings

Local Government Investment Considerations under the California Government Code
(Treasury and Debt Management) (T – Technical subject areas)
This session reviews the types of investments and investment practices that are permitted
and prohibited for California public agencies. We will also discuss a history of key changes to
the California Government Code over the years and provide a comprehensive list of
investment guidance and policy resources. At the conclusion of this session, you should be
able to (1) determine which investments are permitted or prohibited for California public
agencies, (2) list four ways the Code has changed within the past 4 years, and (3) identify and
apply investment policy best practices.

Speakers: Christina Valencia, Executive Manager of Finance and Administration/Assistant
General Manager, Inland Empire Utilities Agency
Sarah Meacham, Managing Director, PFM Asset Management LLC, and Program
Administrator, California Asset Management Program (CAMP)

Optimizing Water Revenues with Advanced Metering Infrastructure
(Financial Management) (T – Technical subject areas)
Water agencies face reduced revenues and higher enforcement costs when implementing
conservation polices to preserve limited water resources. Many water agency boards have
required local water agencies to submit conservation plans in exchange for financial
assistance, which often compels them to modify their business plans. Many water agencies
are looking for new ideas to boost revenues and optimize performance. Some of these
strategies consist of the following:
• Replace aging pipes and install new water meters
• Install new advanced meter reader/advanced meter infrastructure (AMR/AMI) technology to improve customer billing and revenue collection
• Finance total project costs and reduce outstanding loan balances with future grant dollars

You will hear from the financing partner, the technology provider, and an agency that has implemented a fixed network AMI.

Speakers:  Craig Jones, Management Analyst II, City of Ventura
Kevin Barnes, Senior AMI Solution Specialist, Ferguson
Lance Holman, President/Chief Executive Officer, Holman Capital

**Speed Coaching**

(Leadership and Management) (N – Non-technical subject areas)

This session gives you a lively and engaging way to tap multiple perspectives and instantly broaden your network. CSMFO has a great team of talented volunteer senior professionals who are pleased to help colleagues and rising stars find resources to answer their questions and enjoy their careers. In the course of the session, you will have opportunities to rotate from one coach to another in segments of about 15 minutes each. Learn what you can do to address key issues and grow.

Speakers:  Don Maruska, Master Coach
CSMFO Volunteer Coaches

**Interview Quick Takes – Nailing Your Chance to Shine**

(Leadership and Management) (N – Non-technical subject areas)

Do you want to hone your interview skills in a low-risk environment? Have you ever wondered what interview panelists were thinking during an interview? Do you want constructive and useful feedback regarding what you do well and what you could improve? Your effectiveness in interviewing can make or break your success in getting a senior finance position. Attendees who registered in advance will have an opportunity to participate in a simulated interview panel setting and get immediate feedback from top recruiter firms and seasoned finance professionals who have served on numerous interview panels. Each segment will consist of 15 minutes of handling interview questions and opportunities to note how you would like to strengthen your presentation and 5 minutes for feedback, including helpful suggestions from the panelists. Want to multiply the benefits for yourself? Bring your smartphone and record your session to review how you come across. Up to three other CSMFO members may attend each session as observers.

Speakers:  Jennifer Callaway, Finance Director, City of Morro Bay
Dustin Claussen, Director of Finance, City of Hayward
Valerie Gaeta Phillips, President, Bob Murray & Associates
Wednesday, January 29, 2020
2:00 pm – 3:15 pm

7 Solutions to Addressing Pension Liabilities
(Financial Management) (T – Technical subject areas)

This session will provide a brief background on CalPERS amortization bases and how to apply targeting strategies (i.e., select specific amortization bases to achieve your financial objectives). The focus of this session will be to discuss 7 practical solutions for addressing your pension and other postemployment benefit (OPEB) liabilities and the practical considerations of their implementation. These solutions include the following:

1. Full cost recovery – allocation to all funds
2. Invest reserves/one-time monies (internal loans)
4. Adjust benefit levels and eligibility for OPEB
5. Tax-exempt exchange
6. Synthetic fresh start
7. Pension Obligation Bonds (POB)

The participants will discuss the benefits and risks for each option, but more importantly will focus on the process they took in evaluating their options and the steps needed to implement their recommended pathway. Because each agency has a different liability/financial position and policy context, we will provide two perspectives from cities that have begun to address their unfunded retirement cost. The dialogue will discuss the practical steps needed to get their councils to a decision.

Speakers:  
Samantha Argabrite, Deputy City Manager, City of Simi Valley
Adam Raymond, City Manager, City of Glendora
Julio Morales, Director, Urban Futures, Inc.

Hiring CalPERS Retirees the Right Way
(Financial Management) (T – Technical subject areas)

CalPERS contracting agencies are using retirees more and more to provide needed services. The restrictions on hiring retirees have become stricter and enforcement of those rules has increased. The result is that public agencies and the retirees they hire are increasingly getting hit with penalties for violating the rules. Hiring retirees the right way is not easy, but it is possible – and we will show you how! Topics to be covered include the following:

- What retirees can be hired to do
- Limits on hours, salary, benefits, and duration of appointment
- Penalties for violating the rules
- “Extra help” assignments and the limits on filling a vacant position
- The difference between independent contractors and employees

Speakers:  
Renee Ostrander, Chief, Employer Account Management Division, California Public Employees’ Retirement System
Steven Berliner, Partner, Liebert Cassidy Whitmore
**One Day you Wake up and Have Material Weaknesses in Internal Control**  
(Accounting and Financial Reporting) (A – Accounting and Auditing, G – Government)

Is it possible to one day wake up and realize you have numerous deficiencies in internal controls and other related challenges? If the answer to that question is yes, then the larger question is how to respond and manage a significant undertaking to correct years of unidentified control deficiencies, gain enough support to institute change, and focus the organization on moving forward by offering solutions to governance bodies and stakeholders. Our panel of speakers will guide you through how, at multiple governmental entities, management, internal audit, and external audit collaboratively worked together to offer solutions, build transparency into the transition process, and provide accountability in order to build a stronger and more resilient organization through its internal controls, policies, and procedures. They will share with you their experience with best practices and how to use the principles found in the Committee of Sponsoring Organizations (COSO) authored internal control framework, which was developed to provide thought leadership through the framework and guidance on internal control, enterprise risk management, and fraud.

Speakers:  
Elena Adair, Finance Director, City of Alameda  
Tom Hennig, Director of Administration, Rancho Murieta Community Services District  
Vanessa Burke, Partner, The Pun Group LLP, Accountants and Advisors  
Mark Steranka, Partner, Moss Adams

**Are you Ready for the New Fiduciary Activities Rules?**  
(Accounting and Financial Reporting) (A – Accounting and Auditing, G – Government)

GASB Statement No. 84, *Fiduciary Activities*, was effective July 1, 2019 for most California local governments and requires a review of fiduciary funds and other potential fiduciary activities. This session will review the new criteria for identifying fiduciary activities and the four fiduciary fund types that should be reported. Agency funds have retired. Custodial funds are the new generation of fiduciary activities. This session will provide an overview of the accounting and financial reporting requirements for fiduciary activities, as well as some California-specific examples.

Speakers:  
Michele Mark Levine, Director of Technical Services, Government Finance Officers Association  
Amy Meyer, Shareholder, Maze & Associates

**Hot Topics from the Rating Agency Desks**  
(Treasury and Debt Management) (T – Technical subject areas)

In this session, you will get an update about the hot topics rating agencies are discussing with local governments. Whether you are considering issuing new debt or are about to undergo your annual rating agency surveillance call, you will want to know what to expect from the rating agencies. The hot topics include cybersecurity, wildfire risks, LIBOR transition, infrastructure financing, economic development, preparing for the next recession/slowdown in the economy, as well as ESG (Environment, Social, and Governance).
Health Care Challenges and Outlook
(Financial Management) (T – Technical subject areas)

Hear from two leading policy experts in the health care space: Doug McKeever from Covered California, and Donald Moulds from the California Public Employees’ Retirement System (CalPERS). Learn about health care trends at the federal, state, and local levels, including factors influencing costs, access, and quality of care. Special attention will be paid to efforts to understand and address the cost drivers that continue to result in rising health care costs for individuals and employers, such as pharmaceutical costs, hospitalization, and regional differences across our vast state.

Speakers: Doug McKeever, Chief Deputy Executive Director, Program, Covered California
Donald Moulds, Chief Health Director, California Public Employees’ Retirement System

Flying in Clouds: How to Gain Visibility of Outsourced Information Services
(Innovation and IT) (T – Technical subject areas)

Organizations, including governments, are moving their data, accounting, and management information systems to the cloud by contracting with infrastructure, platform, and software-as-a-service providers. While shifting operations responsibilities to service organizations and vendors, the ultimate bottom line, “the buck stops here” responsibility, remains with the government. Learn what steps you should take to increase your cyber resilience and control your external audit costs. Best practices and tools exist to gain insight and practice oversight of your contractors and vendors, including their suppliers that are providing services to your City indirectly. This session will cover the cybersecurity triad, related reporting risks at a high level, and what your financial statement auditors should be evaluating. Then dive deeper into questions you and your external auditors should be asking your outsourced service management concerning cybersecurity frameworks, information security management, and how to proactively use service organization control (SOC) reports to help you evaluate how well your service provider is maintaining the confidentiality, integrity, and availability of your organization’s data and information. Finally, this session will cover the documentation needed to manage your outsourced services and support your annual financial statement audits.

Speakers: Brian Kelleher, Chief Financial Officer, Contra Costa Transportation Authority
Jasmine Costa, IT Audit Manager, Macias, Gini & O’Connell LLP
Michele McDonald, IT/Cyber Security Manager, Macias, Gini & O’Connell LLP

Rate-setting with a Divining Rod – Groundwater Fees with the Sustainable Groundwater Management Act (SGMA)
(Financial Management) (T – Technical subject areas)

In the midst of a major drought, California Governor Jerry Brown signed what was perhaps the most significant water legislative initiative in California in half a century: the Sustainable
Groundwater Management Act (SGMA). The legislation provides a framework for long-term sustainable groundwater management by requiring local and regional authorities within common groundwater basins to form Groundwater Sustainability Agencies (GSAs), which are then required to prepare and implement local Groundwater Sustainability Plans (GSPs). While the SGMA has catapulted California forward in its quest to sustainably manage its most precious resource, the law was passed in a state that struggles with complicated rate-setting requirements, emboldened utility rate watchdog organizations, a massive agricultural community with high operating costs, and many questions regarding the future costs of actually implementing the SGMA.

While the SGMA dearly gives GSAs the authority to collect revenue from groundwater extractors, the law does not specify which existing California fee authorit(ies) is/are applicable in regulating groundwater extraction charges. GSAs across the state have already adopted a wide diversity of SGMA-related fees and they have cited a wide variety of legal justifications for those groundwater extraction fees. This panel will examine various examples of those fees and explore some case studies in more detail.

This presentation will help simplify the myriad of potential legal interpretations that face GSAs and their member agencies. The panel will review what the SGMA says about GSAs’ fee authority, how that authority relates to other fee authorities, and the best legal vehicles for adopting a sustainable revenue source for GSAs. This presentation will be of interest to all GSAs as well as any water utilities, cities, and/or counties that are tied to a GSA, which implicates a vast majority of the municipal governments across California.

Speakers: Tyrell Staheli, Chief Financial Officer, Indian Wells Valley Water District
Jena Shoaf Acos, Associate, Brownstein Hyatt Farber Schreck
Mark Hildebrand, Owner, Hildebrand Consulting LLC

Interview Quick Takes – Nailing Your Chance to Shine
(Leadership and Management) (N – Non-technical subject areas)

Do you want to hone your interview skills in a low-risk environment? Have you ever wondered what interview panelists were thinking during an interview? Do you want constructive and useful feedback regarding what you do well and what you could improve? Your effectiveness in interviewing can make or break your success in getting a senior finance position. Attendees who registered in advance will have an opportunity to participate in a simulated interview panel setting and get immediate feedback from top recruiter firms and seasoned finance professionals who have served on numerous interview panels. Each segment will consist of 15 minutes of handling interview questions and opportunities to note how you would like to strengthen your presentation and 5 minutes for feedback, including helpful suggestions from the panelists. Want to multiply the benefits for yourself? Bring your smartphone and record your session to review how you come across. Up to three other CSMFO members may attend each session as observers.

Speakers: Keith DeMartini, Finance Director, City of San Bruno
Karan Reid, Director of Finance, City of Concord
Teri Black, President, Teri Black and Company
Wednesday, January 29, 2020
3:30 pm – 4:45 pm

It's the Housing Supply, Stupid!
(Budget and Financial Planning) (T – Technical subject areas)

The ongoing handwringing about an impending recession and the recent volatility of financial markets stand in stark contrast to an economy that just keeps trucking along at 2.5% growth despite trade wars, a real estate slowdown, and the inverted yield curve. But all is not as well in the Golden State, where job and output growth have slowed to national averages after years of being far and away above those levels. The reason for the slowing is basic economics – a labor scarcity that leaves too many job openings in the state unfilled. That scarcity is, in turn, being largely driven by a lack of housing supply and, unfortunately, Governor Newsom has not secured even basic reforms to help expand supply. As such, next year will be even tougher for California businesses as they struggle to find the workers they need to take advantage of the otherwise robust U.S. economy.

Speaker: Christopher Thornberg, Founding Partner, Beacon Economics

Thursday, January 30, 2020
8:30 am – 9:45 am

Protecting Your Entity from Fraud
(Financial Management) (F – Fraud)

While advances in technology have brought greater transparency and efficiency to how public entities operate, they have also exposed them to a pervasive barrage of sophisticated attacks to deceive and defraud them of public funds. This session will feature practitioners’ efforts to recognize and manage these attacks, and a security professional who will share the genesis, evolution, and anticipated future trends of these fraudulent attacks.

Speakers: Douglas Alessio, Administrative Services Director, City of Livermore
Richard Lee, Finance Director, City of San Mateo
Kellyn Wagner Ramsdell, Intelligence Analyst, Northern California Regional Intelligence Center

The Coleman Report (REPEAT)
(Financial Management) (T – Technical subject areas)

In his annual update on local municipal financial conditions and issues, Michael Coleman will discuss the latest hot legislative and budget issues in the Capitol, important legal developments, current trends and issues in key local revenues, including sales tax, property tax, and highway users tax, and the latest on municipal financial health and bankruptcy.

Speaker: Michael Coleman, Fiscal Policy Advisor, CSMFO and League of California Cities
**GASB Update – The Implementation Guides are Here**  
(Accounting and Financial Reporting) (A – Accounting and Auditing, G – Government)

The wait is over with the issuance of new implementation guides on fiduciary activities and leases. Those guides are being supplemented with a proposed implementation update that connects the dots on some important issues, such as how to assess a potential fiduciary component unit that has no board and how to determine whether a government controls a right to use asset in contract that could be a lease. This session will address those issues and more as California governments face implementation issues associated with new GASB standards.

Speaker: David R. Bean, Director of Research and Technical Activities, Governmental Accounting Standards Board

**California Burning: Fight Wild Fire...But How to Pay For It?**  
(Budget and Financial Planning) (T – Technical subject areas)

One of California’s most pressing and potentially devastating challenges is the management of uncontrolled wild land fires, especially considering the now-recognized potential to spread to urban areas and even suburban subdivisions. Expert thought-leaders are developing key strategies, including the essential three-pronged approach to wild land fire management: fire suppression, vegetation management, and structure resiliency. Several different funding approaches for these essential services will be presented, including Proposition 218-compliant special taxes, property-related fees, and benefit assessments. The City of Santa Barbara’s unique and very successful funding approach will be presented as a case study.

Speakers: Christopher Braden, Fire Services Specialist, City of Santa Barbara  
John Bliss, President, SCI Consulting Group

**Yesterday-Cannabis, Tomorrow-Hemp, and Finance-Fiscal Trends**  
(Budget and Financial Planning) (T – Technical subject areas)

Since the passage of Proposition 64, cities in California have dealt with the fiscal impacts and benefits of allowing cannabis businesses to operate in their communities. This presentation will discuss how one agency has adopted community economic benefits and how the City’s Chief of Police marketed it. In addition, the panel will discuss the lessons learned from the collection of taxes, audits, the challenges of tax apportionment, the impacts of delivery services on retail store revenues, mergers and acquisitions, and the red flags of projecting revenues from cannabis operations in the budget process. Finally, the panel will examine how the “impacts of hemp” will reshape the economic development of cannabis businesses in California.

Speakers: Joanna Altman, Assistant to the City Manager, City of Vallejo  
Andrew Salinas, Chief of Police, City of Port Hueneme  
David McPherson, Cannabis Compliance Director, HdL Companies
Inclusion, Diversity and Equity: Building a Culture of Excellence in the Workplace
(Leadership and Management) (N – Non-technical subject areas)

This session will focus on how to enhance your workforce by embracing diversity of thought, age, gender, and cultural background, while establishing equity and promoting an inclusive environment. Dan McAllister, San Diego County Treasurer-Tax Collector, and Lisa Marie Harris, Director of Finance/Treasurer at San Diego County Water Authority, both advocate for these practices within their agencies and on behalf of their workforce. As managers, they value and seek to promote inclusive practices of engagement with staff from different backgrounds, be advocates for their staff’s professional growth and development, and develop mentoring opportunities. This pursuit of inclusiveness at their agencies supports better management and decision-making, and enhances the public’s overall experience with their respective agencies. Together, Dan and Lisa Marie will focus on their experience implementing inclusion in the public sector by sharing best practices and experience, as well as providing guidance to other professionals charged with growing their staff for future generations.

Speakers:  
Lisa Marie Harris, Director of Finance/Treasurer, San Diego County Water Authority  
Dan McAllister, Treasurer-Tax Collector, County of San Diego

Do More with Less: The Power of Automation
(Innovation & IT) (T – Technical subject areas)

As budgets tighten, agency management is compelled to wring efficiency (and cash) out of programs, while improving services to constituents. In early 2019, the Mendocino County Board of Supervisors made increased efficiency a formal goal. Session panelists will discuss the return-on-investment (ROI) related to application improvement and business process projects. They will examine practical business approaches that agencies can implement to save staff time and money, and they will discuss the basics of calculating ROI, as well as technology best practices that increase efficiency of use. This session is designed to spark the interest of agency management, financial officers, and technologists in implementing process improvements using technology. It will give you recommendations for projects, and a methodology to measure the effectiveness of your projects.

Speakers:  
Janelle Rau, Deputy Chief Executive Officer, County of Mendocino  
Tom Jakobsen, Senior Partner, ClientFirst Technology Consulting

7 Habits of Highly Effective Investment Programs
(Treasury and Debt Management) (T – Technical subject areas)

Public fund investment programs are one of the only places where revenue can be generated without charging taxes or fees to taxpayers or rate payers. Having key fundamentals in place helps ensure the three primary investment program objectives of safety, liquidity, and income are met. This session will discuss seven aspects of a successful investment program, which are the following:

1. A detailed asset/liability matching (cash flow) model
2. A responsible amount of interest rate risk and credit risk
3. Do not try to time the market
4. You love losses and hate gains
5. The program follows generally accepted accounting principles (GAAP)
6. Benchmark your investment program and portfolio in multiple ways
7. Provide quality, timely, and transparent reporting

Speakers:  
Tom Juarez, Chief Investment Officer, City of Los Angeles  
Rick Phillips, President/Chief Investment Officer, FTN Financial Main Street Advisors

Thursday, January 30, 2020  
10:15 am – 11:30 am

Leading Successful Team and Organizational Culture Change  
(Leadership and Management) (N – Non-technical subject areas)

“This is a great place to work!” We would all like our team members to articulate this sentiment, and there is a way every leader can create or change their current culture to achieve this goal. Organizational culture is made up of a combination of goals, values, expectations, and ethics that help influence behaviors. In this action-packed session, we will present specific actions to take to create or change your organizational culture from “go along to get along” to fully engaged. This transformation begins with successful finance department on-boarding and continues with recognition-driven leadership, recognizing what matters most, and practicing performance-based urgency, all of which will be explored so you can make your team and organization “a great place to work” quickly and effectively.

Speaker:  
Neil Kupchin, Management & Training Consultant

Transforming Local Government Finances Through Innovative Use of Special Taxes  
(Financial Management) (T – Technical subject areas)

The panel will discuss the various ways the use of special taxes is transforming local government finance to help enhance local jurisdictions’ revenue, promote innovative development projects, and fund core infrastructure and services. Community facility districts (CFDs) have long been used to fund infrastructure for “greenfield” developments in suburban areas. Over the last decade, this tool has expanded in scope to fund services and has been increasingly applied to urban settings. The modernization of the CFD tool still promotes development, but now also helps mitigate development’s strain on a local jurisdiction’s budget and infrastructure. The panel will primarily cover two topics relating to special taxes:

- City-wide Services Special Tax: The first part of the panel will highlight one city’s innovative approach to implementing a services special tax on all future development within the city’s boundaries.
- Urban Community Facilities Districts: The next portion will focus on creative applications of CFDs for infrastructure.

Attend this session to find out if these tools might provide some increased financial flexibility for your jurisdiction.
Speakers: Luke Brewer, Debt Specialist, City and County of San Francisco
        Matt Paulin, Chief Financial Officer, City of Stockton
        Ken Dieker, Principal, Del Rio Advisors LLC
        Eric McKean, Director, Stifel

**GASB Update – Projects Under Construction**
(Accounting and Financial Reporting) (A – Accounting and Auditing, G – Government)

The GASB Big Three continue to grab the accounting and financial reporting headlines, but there is more to the GASB’s technical agenda. In addition to providing participants with the latest on the financial reporting model, revenue and expense recognition, and the disclosure framework, this session will provide insights on forthcoming standards that address public private partnerships, availability payment arrangements, subscription-based information technology arrangements (cloud computing), and many other topics on the current and research agendas.

Speaker: David R. Bean, Director of Research and Technical Activities, Governmental Accounting Standards Board

**The Salinas Plan: Creatively Addressing Budget Deficits, the Cost of Services, and Affordable Housing**
(Budget and Financial Planning) (T – Technical subject areas)

As costs for CalPERS retirement are projected to almost double over the next seven years, cities throughout California face increasingly unsustainable structural deficits. Cities are forced to grapple with difficult questions about maintaining vital services while also finding resources to tackle newer challenges, such as housing affordability, in an environment where employee and construction costs are rapidly rising and outside aid is static or declining. Recognizing this challenge, at the end of 2018, the City of Salinas completed a plan to address forthcoming budget deficits (through new revenue, internal efficiencies, and cost reductions) and to establish new and expanded initiatives that address the growing housing crisis. The Salinas Plan includes over 30 recommendations covering seven action areas, designed to be implemented over a multi-year period. Over the last year, the City has been actively working to implement the recommended actions.

This session provides an overview of the Salinas Plan, an update on how the (sometimes controversial) implementation of recommendations has progressed, and how the plan has evolved. Presenters will also discuss the pros and cons of a large, public-facing study in changing the conversation within the community, as well as the City’s ability to provide services and still take a leadership role in addressing difficult housing issues. This session will also demonstrate how a city’s financial plan should focus on more than just financial sustainability; ultimately, the quantity, quality, and cost of services provided are the measures by which the community judges its officials, and service level preservation (or prioritization) needs to be a vital component to any financial plan.
Change Is Coming: Needs Assessments and Software Planning  
(Innovation & IT) (T – Technical subject areas)

Do you find it increasingly difficult to meet the needs of management and governing board members with your current software? Is your IT staff warning that your financial software has reached end-of-life status? Is your vendor requiring that you conduct a major upgrade that sounds more like an implementation than a simple update? These are just some of the factors that can cause an organization to evaluate whether an upgrade of current software or implementation of new software is needed. If selecting new software may be on the horizon for you, join us to discuss strategies that will equip you to determine whether an upgrade of your current system or implementation of a new system is the best option for your organization. The session will then explore best practices in project management and change management that will lay a strong foundation for evaluating your current environment and planning for an implementation or major upgrade.

Navigating the Raging Rivers of Debt Management  
(Treasury and Debt Management) (T – Technical subject areas)

In recent years, the California legislature, the Securities and Exchange Commission (SEC), and the Internal Revenue Service (IRS) have taken actions to encourage issuers of debt to adopt policies and procedures concerning the debt issuance process and post-issuance compliance for both federal tax and securities law purposes. This session will cover development and implementation of policies and procedures to comply with California law. The speakers will provide insight regarding best practices, priorities, and pitfalls in adopting or amending policies and procedures as they relate to both small and large issuers of debt. Issues addressed will include California Government Code section 8855(i), the recent amendments to SEC Rule 15c2-12, assigning responsibilities, and establishing training.

Taking a Policy-Based Approach to Setting User Fees  
(Financial Management) (T – Technical subject areas)

It is essential to have a strong analytical foundation when setting user fees for General Fund services like planning applications, building permits, and recreation programs; and that they meet State requirements under AB 1600 and Propositions 218 and 26. But this is not enough for effective fee setting. That is best accomplished by taking a policy-based approach to determining appropriate cost recovery. Stated simply, services are either funded by general
purpose taxes or by some form of user fees. And setting user fees – determining cost recovery levels – is one of the few remaining areas for local elected official judgment. In setting fees, if there are areas where services fees are not assessed where they legitimately could be, then general purpose revenues are making-up the difference. The direct consequence of this is lower levels of service (and in tough times, deeper cuts) in essential programs that have no significant user fee potential, such as police, fire, streets, libraries, and parks.

Full cost recovery is not warranted in all circumstances: there can be legitimate policy reasons for subsidizing some services. But those circumstances of partial or no cost recovery should be clearly articulated through adopted Council policy, along with those circumstances where the goal is full cost recovery. This session will present strategies for taking a policy-based approach to rate setting that will result in a more effective and productive process for the governing body, community, and organization.

Speaker: Bill Statler, Consultant/Retired Director of Finance & Information Technology, City of San Luis Obispo

Let’s Get Digital: Understanding Recent Advancements in Banking Technology
(Treasury and Debt Management) (T – Technical subject areas)

Banking services are a cornerstone of cash management for local governments and there is no “one size fits all.” In recent years, banks have heavily invested in technology to promote digital processes, each with its own set of opportunities and challenges that change depending on your agency. With many new and interesting digital capabilities out there, how can you determine what fits well within your treasury process? This session will demystify new banking technologies by outlining the possible advantages and disadvantages for your agency, and will prepare you with questions to ask if presented with these options. We will also highlight some of the key features of most banking relationships, such as your earnings credit rate (ECR), and what you should expect when evaluating your services. The discussion will include a public agency’s recent experience with rebidding its banking relationship and the impact on its cash management.

Speakers: Dan Matusiewicz, Finance Director/Treasurer, City of Newport Beach
David Calvert, Director, PFM Asset Management LLC

Thursday, January 30, 2020
1:45 pm – 3:00 pm

Financial Foundations for Thriving Communities
(Financial Management) (T – Technical subject areas)

Over the past few years, GFOA has been researching a new formula for how local governments can maintain their financial health and thereby contribute to a thriving community. This new formula is based on a Nobel-prize winning body of work about how communities can make better decisions about shared resources, such as a public budget. It builds on the concepts of long-term financial planning and financial policies. It also raises new concepts that are vital to financial health. At this session, you will be introduced to these financial foundations and find
out how you can start to put them into practice. Attendees will walk away having learned the following:

- The five foundations of financial health
- What to look for in your community to see if these foundations are in place
- The leadership strategies needed to strengthen your organization’s financial foundation

Speakers: Jaime Boscarino, Finance Director, City of Thousand Oaks  
Shayne Kavanagh, Senior Manager, Research, Government Finance Officers Association

Public Speaking for Financial Folks  
(Leadership and Management) (N – Non-technical subject areas)

Impactful and memorable public speaking is both an art and a skill. Without it, your message can be ignored, diluted, or not taken as seriously. In addition, it is an essential part of leadership! Learn what it takes to overcome your fear of public speaking and to be more effective at it. As a financial professional, you need people to listen to you! This presentation breaks down into bite-size and actionable chunks what to do. The session is engaging, with exercises that move you around and interact with others. Here are some major take-aways from the session:

- Master how to be more calm and confident before, during, and after a presentation.
- Understand what your body is conveying to the audience without you even realizing it.
- Do these three things before every presentation to feel more confident.
- Learn how to express yourself as a leader that others will want to follow.

Learn, master, and have fun!

Speaker: Steve Yu, Chief Financial Officer/Assistant Dean, UCLA School of Law

Putting Foresight to Work: Are you Future-Ready?  
(Leadership and Management) (N – Non-technical subject areas)

In this roll-up-your-sleeves session, attendees will practice some of the foresight tools they learned in Rebecca Ryan’s general keynote session. Attendees will participate in The Big Sort, a tabletop card game, to discuss and debate the trends most likely to affect our agencies in the future. Materials will also be available on the conference app.

Speaker: Rebecca Ryan, Futurist

Read All About It: The Blue Book Has Been Updated! (will be repeated)  
(Accounting and Financial Reporting) (A – Accounting and Auditing, G – Government)

Join the Director of GFOA’s Technical Services Center for an informative session about the updated version of GFOA’s Governmental Accounting, Auditing, and Financial Reporting (GAAFR), fondly known as “The Blue Book.” The new Blue Book is actually the tenth edition in a series of publications that extends all the way back to 1936. In this session, you will learn
about the new content from recent GASB pronouncements, other exciting changes, such as the transition to citing the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards rather than original pronouncements, and the upcoming subscription model.

Speaker: Michele Mark Levine, Director of Technical Services, Government Finance Officers Association

Not Just Another ERP Presentation: Two Agencies’ Experiences
(Innovation & IT) (T – Technical subject areas)

In the era of big data, with ever-increasing community and customer expectations, many municipal agencies are still living with antiquated financial and information systems. As these agencies face competing pressures for limited resources, upgrading enterprise platforms is often cost and time prohibitive. For the Santa Margarita Water District (SMWD) and the South Coast Water District (SCWD), their outdated and inefficient systems provided a unique opportunity for each agency to implement a contemporary, cross-departmental platform with a common management objective.

SMWD developed a Technology Enterprise Resources Program (TERP) to upgrade and implement a portfolio of systems – accounting system; customer billing system; Computer Maintenance Management System (CMMS); and Geographic Information System (GIS). These upgrades were undertaken as a single, comprehensive process that involved all departments within the agency. In doing so, the District was able to implement a common schema across its different information systems and reduce data silos, and improve collaboration and work efficiencies. The District continues to find opportunities to streamline business processes and is implementing data analytics across the platform. This presentation will discuss both agencies’ approach to undertaking these upgrades, the cross-departmental collaboration and challenges, and benefits gained.

Speakers: Pamela Arends-King, Chief Financial Officer, South Coast Water District
Robb Grantham, Assistant General Manager, Santa Margarita Water District
Christine McIlrevey, Accounting Supervisor, Santa Margarita Water District
Dustin Navarro, Information Technology Manager, Santa Margarita Water District

Water Rates and Trends – Where Are We Going?
(Financial Management) (T – Technical subject areas)

The cost of water services is rising much faster than customers’ incomes and there is no end in sight. In 2003, the average 15 hundred-cubic-feet (hcf) water bill was $30 a month. In 2015, that same bill was over $50. While increases have been averaging 6% per year for water service, some California communities are headed into the dreaded double-digit territory with much needed increases of more than 10% annually.

No one likes a rate increase, and California’s penchant for regulation, mandatory hearings, and litigation means that water rates are a contentious issue in many communities. An added complication is that both the water industry and the public sector itself have received a lot of attention over the last several years – water quality crises, failing infrastructure, massive
droughts, and affordability concerns here and across the nation have been the focus of ongoing national media coverage. Consumers are engaged and responding on social media and showing up at public meetings to voice concerns. This means utilities’ governing bodies are challenged with increasing rates in a way that balances these concerns with the very real need to invest in infrastructure at a level not seen before. This panel will discuss how rates have changed in the past, how future regulation will affect rates in the future, and how to develop communication strategies that bring customers along as we work to explain these complex issues and gain their acceptance.

Speakers: Kevin Mascaro, Director of Finance, Western Municipal Water District
Melissa Elliott, Director of Strategic Communication Services, Raftelis Financial Consultants
Sanjay Gaur, Vice President, Raftelis Financial Consultants

Investment Portfolio Solutions: Working With an Advisor or Going It Alone, and Other Themes in Public Investments
(Treasury and Debt Management) (T – Technical subject areas)

This session will examine the pros and cons of in-house investment management with the help of brokers, as well as outsourced solutions from a registered investment advisor. Of special note are discussions around limits to each approach, pitfalls to be avoided, and advantages to both solutions. In either case, both approaches will require understanding how shifting rates, changing Fed policy, and fluid economic conditions will affect portfolio volatility and return. Come and learn how to mitigate risk and capture excess return through changing conditions under either option.

Speakers: Venus Rodriguez, Finance Officer, City of Merced
Lauren Warrem, Chief Deputy Treasurer, County of San Diego
Carlos Oblites, Senior Vice President, Chandler Asset Management

Understanding the LIBOR Transition
(Treasury and Debt Management) (T – Technical subject areas)

The financial industry is preparing for a seismic shift away from the London Interbank Offered Rate (LIBOR), a benchmark rate that underlies the vast majority of floating rate financial transactions, toward a new alternative. On a global basis, roughly $350 trillion worth of financial products are linked to LIBOR, ranging from institutional products such as derivatives, and floating rate notes and loans, to consumer products such as student loans, adjustable rate home mortgages, and some credit cards. During this session, we will discuss why LIBOR is transitioning, what the endorsed alternative rate is (Secured Overnight Finance Rate – SOFR), and how the market is planning for a smooth transition away from LIBOR.

Speakers: Peggy Arrivas, Associate Vice President/Systemwide Controller, University of California, Office of the President
Emily Brock, Director, Federal Liaison Center, Government Finance Officers Association
Readie Callahan, LIBOR Transition Office, Head of Communications Strategy, Wells Fargo & Company
Thursday, January 30, 2020
4:00 pm – 5:15 pm

Yesterday Is A Dream, But Tomorrow Is A Vision
(Financial Management) (T – Technical subject areas)

Treasurer Fiona Ma will present her views on what the State can do to address some of California’s most challenging issues: affordable housing, creation of good jobs, and protection of our environment. Fiona shares the same pursuit of excellence in the stewardship of the public’s resources and trust as does CSMFO. The infrastructure and services that are the backbone of California’s economy and communities depend on our collective commitment to seek out and employ the best practices in financial management. She will share what her office is doing to meet those goals and be an effective partner with CSMFO and its constituents.

Speaker: Fiona Ma, Treasurer, State of California

Friday, January 31, 2020
9:15 am – 10:30 am

Read All About It: The Blue Book Has Been Updated! (REPEAT)
(Accounting and Financial Reporting) (A – Accounting and Auditing, G – Government)

Join the Director of GFOA’s Technical Services Center for an informative session about the updated version of GFOA’s Governmental Accounting, Auditing, and Financial Reporting (GAAFR), fondly known as “The Blue Book.” The new Blue Book is actually the tenth edition in a series of publications that extends all the way back to 1936. In this session, you will learn about the new content from recent GASB pronouncements, other exciting changes, such as the transition to citing the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards rather than original pronouncements, and the upcoming subscription model.

Speaker: Michele Mark Levine, Director of Technical Services, Government Finance Officers Association

Lessons in Cybersecurity from the Hacker’s Playbook
(Innovation & IT) (F – Fraud)

As digital technologies create huge user benefits, their use also advances the capabilities of cyber criminals. Anyone who uses the internet, email, and social media is exposed to cybersecurity risks, and nearly all data can potentially be exploited. For public agencies, this could include data that is by nature publicly available, such as investment reports or official statements for debt issuances. With more information available today than ever before, along with tools to access it, hackers are increasingly making sophisticated attempts at fraud. Popular cybersecurity attacks among public agencies are payroll fraud, business email compromises (aka email “spoofing”), vendor impersonation fraud, and ransomware, to name a few. This session will discuss what you can do to mitigate these attacks, how to recognize fraudulent attempts when they happen, and real world examples among public agencies.
Learn how you can apply these lessons in the form of practical checks and balances that could protect your agency from losses.

Speakers:  
- Carl Sandstrom, Business Projects Manager, California Joint Powers Insurance Authority  
- Kerry Benson, Managing Director/Chief Information Officer, PFM Asset Management LLC

**On the Horizon: CalPERS’ Efforts to Sustain and Protect the System**  
(Budget and Financial Planning) (T – Technical subject areas)

The most expensive line item for most cities is employee costs: salaries, pensions, and health benefits. The last two are squarely in the purview of the California Public Employees’ Retirement System (CalPERS), which administers pensions and health care benefits for 1.9 and 1.5 million members, respectively. In this session, you will hear from Marcie Frost, the Chief Executive Officer of CalPERS, on the current state of play in those fields. She will discuss key cost drivers, projections of employer costs, tools available for finance officials to help plan their budgets, and what the future landscape looks like. She will also zero in on the rules for enrolling employees as members, what differentiates an independent contractor from an employee, guidelines around hiring retired annuitants, and why it is so important to stay in contact with CalPERS to make sure information is reported correctly the first time.

Speaker:  
Marcie Frost, Chief Executive Officer, California Public Employees’ Retirement System

**Lease Accounting of Tomorrow**  
(Accounting and Financial Reporting) (A – Accounting and Auditing, G – Government)

Say goodbye to the lease accounting of yesterday, and hello to GASB Statement No. 87, *Leases:* the lease accounting of tomorrow. Erase the terms “capital lease” and “operating lease” from your memory and learn the new way to account for your leases. This session will walk you through the implementation process of the new accounting standard, including identifying the leases that will be subject to the standard, understanding the new accounting terminology, and communicating the upcoming changes to those in governance. Using real lease examples from a California city and a water district, learn how to calculate the lease asset, lease liability, lease receivable, and deferred inflow of resources. This session will also go through the journal entries and new footnote disclosures to prepare you for implementing the standard.

Speakers:  
- Aaron Beanan, Director of Finance, City of Poway  
- Kathleen Naylor, Accounting Manager, Rancho California Water District  
- Jennifer Farr, Partner, Davis Farr

**Avoid Being the “Un-happiest” Place in California**  
(Budget and Financial Planning) (T – Technical subject areas)

Some economists are worried that we are headed for a recession. Being unprepared for a recession could make your municipality the un-happiest place on earth. Learn and exchange ideas with other municipalities about how to approach the next recession through cohesive management planning, including long-term budgeting, growing and utilizing fund balances,
and community stakeholder support. Panelists will present their unique economic outlooks from various perspectives.

Speakers: Tina Olson, Director of Finance, City of Pleasanton
Anna Van Degna, Director, Controller's Office of Public Finance, City and County of San Francisco
Karen Ribble, Senior Director, Fitch Ratings

**Financial Leadership (In Difficult Situations)**
(Leadership and Management) (N – Non-technical subject areas)

By design, government makes tough decisions every day. Even well seasoned budgeteers can recall when they first learned to say “no.” This session will provide recommendations from experienced finance professionals on how to have difficult conversations; coordinate an effective process that facilitates discussion and collaboration; and involve elected officials in the decision-making process early enough to better balance competing demands in the face of varying pressures.

Speakers: Brigitte Elke, Finance Director, City of San Luis Obispo
John Gross, Finance Director/Chief Financial Officer, City of Long Beach
Carol Molina, Acting Assistant City Financial Officer, City of Huntington Beach

**How Much is Too Much: Understanding “Debt Affordability”**
(Treasury and Debt Management) (T – Technical subject areas)

State law now requires public agencies to adopt an official debt policy prior to a bond issue, but most policies avoid the most important policy question: how much debt is too much? Most California debt is issued outside the “limits” of indebtedness imposed by law – as General Fund lease revenue bonds, certificates of participation or enterprise revenue bonds. Thus, issuers must look beyond the law to other measures and other voices as to what is a reasonable amount of leverage. Capital markets participants, such as municipal advisors, rating agencies, and investors, have a perspective on affordability from that of what the market will bear, while finance officers tend to grapple with what is affordable from a budgetary perspective.

This panel is comprised of a municipal advisor with a specialty practice in debt affordability modeling, an issuer experienced with debt from a General Fund perspective, and an issuer experienced with debt secured by a revenue enterprise. The panelists will provide some concrete analytic approaches to understanding and establishing prudent limits, explore the import of debt and debt levels on ratings, and examine how all this information can be used by issuers in evaluating capacity from a budgetary perspective, dialoguing with their governing councils and boards, and crafting a policy to guide your agency through difficult decision making.

Speakers: Jim Hamilton, Auditor-Controller-Treasurer-Tax Collector, County of San Luis Obispo
Jeff Tucker, Director of Administrative Services/Chief Financial Officer, Napa Sanitation District
David Leifer, Senior Managing Director, KNN Public Finance