CMTA
dollars & $ense
California Municipal Treasurers Association www.cmta.org

The credit crunch revisited: where are we now?

In July of 2007, the financial markets ended an extended period of stability and low volatility as the subprime mortgage market collapsed leading to a broad based credit crisis. This crisis has proven to be one of the longest and most severe in memory, and has combined with housing market weakness to prompt a general economic slowdown. As we approach the mid-point of 2008, it seems an opportune time to discuss recent economic and financial developments and their effect on your investment portfolio.

—Brian Perry, Vice President, Portfolio Specialist, Chandler Asset Management

Update on recent market and economic events

2008 has witnessed an almost constant barrage of headline news, unparalleled financial market volatility, and sporadic signs of recovery. A detailed recitation of every important event would likely kill far too many trees while also boring the reader to tears. Therefore, I'll concentrate here on just a couple of recent "highlights."

First, the economy has weakened substantially this year. National economic reports reflect this, and the slowdown is even more evident in certain regions of the country such as the industrial Midwest, Florida, Arizona, Las Vegas and California. Housing market weakness seems to have finally spilled over to the broader economy, and this weakness has been exacerbated by high energy and food prices, a weakening job market, and a difficult credit environment.

Many economists believe that the economy is currently in a recessionary period and even economists that are not forecasting a recession are predicting a period of slower economic growth. The advance reading for first quarter 2008 Gross Domestic Product (GDP) showed growth of only 0.6%, and forecasts for the remainder of the year call for very weak growth or even a decline in economic activity.

Both the Federal Government and the Federal Reserve Bank (Fed) have been working hard to minimize the severity and duration of the economic slowdown. The Federal Government has passed a stimulus package designed to reinvigorate the economy. Rebate checks have been mailed out to most Americans, and this fiscal stimulus should begin to take effect by summer, hopefully providing a boost to the economy. Changes have also been made that are designed to allow the federal housing agencies to provide additional liquidity to the beleaguered mortgage market.

The Fed has been even more aggressive in fighting the credit crunch. In addition to cutting interest rates 325 basis points since September 2007, the Fed has also implemented many technical measures designed to restore liquidity to the marketplace. For the first time since the 1930s, investment banks now have access to the discount window, where financial institutions can borrow money directly from the Federal Reserve. (Previously only "traditional" banks had been granted access to this important line of credit). Although an expensive source of funding, the discount window serves as a valuable source of liquidity during

—Continued on page 4

CMTA 2008-2009 Officers

PRESIDENT
Christine Vuletich, CCMT
South Lake Tahoe, CA
Tel: (530) 542-6064
Fax: (530) 542-6041
cvuletich@cityofslt.us

PRESIDENT-ELECT
Kelley Williams, CCMT
Arcadia, CA
Tel: (626) 574-5465
Fax: (626) 447-6021
kwilliams@ci.arcadia.ca.us

VICE-PRESIDENT
Marc Puckett, CCMT
Costa Mesa, CA
Tel: (714) 574-5243
Fax: (714) 574-5040
mpuckett@ci.costa-mesa.ca.us

SECRETARY
Mary Morris, CCMT
Granite Bay, CA
Tel: (916) 791-6907
Fax: (916) 791-6957
mmorris@sjwd.org

TREASURER
Nathan Hernandez
Visalia, CA
Tel: (559) 730-7534
Fax:(559) 730-7404
nhernandez@visalia.k12.ca.us

PAST-PRESIDENT
Victoria Beatley, CCMT
Costa Mesa, CA
Tel: (949) 574-1022
Fax: (949) 574-1035
vikkib@mesawater.org

PARLIAMENTARIAN
Michael Reynolds, CCMT
Redlands, CA
Tel: (909) 798-7544
Fax: (909) 748-6411
mreynolds@cityofredlands.org

President's Message...

Happy summer everyone! It was wonderful to see so many of you at our 49th annual conference in San Francisco in April. I hope you all enjoyed the outstanding program and festivities as much as I did.

Christine Vuletich
President

At the conference State Treasurer Lockyer spoke about his efforts to convince the rating agencies to consider the municipal bond rating scale. He discussed how historically, municipal bonds have significantly lower levels of default than corporate bonds. However, public agencies typically receive lower bond ratings, and are often required to secure expensive bond insurance to obtain ratings comparable to those of debt issued by private corporations, which has resulted in substantial and unnecessary costs at the expense of taxpayers across the nation. The CMTA Board voted to support Treasurer Lockyer's efforts at its April 25 Board meeting, and a letter of support has been sent to all three rating agencies.

State Treasurer Bill Lockyer and CMTA President Christine Vuletich

It was a true honor for me to present the very first CMTA Distinguished Service Award to Helga Amado on behalf of her husband Vince Amado who passed away in December 2007. Vince served as Treasurer for the City of Rocklin for 24 years and was very active on the CMTA Board. He was a dear friend to many of us, whose endearing smile and positive spirit we will never forget.

Helga Amado and
CMTA President Christine Vuletich

The San Francisco conference was also the perfect setting for our "Summer of Love" banquet theme this year. Our own Kelley Williams, CMTA President Elect, happens to be an excellent photographer. See her photos in this edition (pages 2 and 7) and also on the website.

I would also like to recognize the Conference Committee, consisting of Linda Lorenzetti, City of Concord; Bill Gallardo City of Brea; Vikki Beatley of Mesa Consolidated Water District; Dale Belcher, City of Oxnard; Michael Reynolds, City of Redlands; and Adair Patterson, Sustaining Member. They work so hard to make each year's conference better than the last. Thank you!

—Christine

Special recognition is also in order for all of our commercial associate sponsors. Thanks to all of you, without whose contributions we would not be able to provide the quality educational sessions and venue that we do:

Bank of America, Bank of New York, Bank of the West, Bond Logistix, Calamos Investments, Cal Trust, Chandler Asset Management, Citizens Business Bank, Comerica Bank, D.A. Davidson and Company, FTN Financial, Great-West Retirement, ICMA Retirement Services, MBIA Asset Management, Morgan Keegan and Co., Muni Financial, NBS, Public Asset Management Group, PFM Asset Management, Safechecks, Stanford Group Company, Stone and Youngberg, SymPro, UBS, Union Bank of California, U.S. Bank, Utility Cost Management, Wachovia Portfolio Services, Washington Mutual Bank and Wells Fargo Bank.

Division news…

Division II's meeting

The CMTA Division II held a joint meeting with Channel Counties Chapter of CSMFO on December 13, 2007. It was held in Simi Valley at the Reagan Library in the Presidential Learning Center. The City of Santa Clarita presented guidelines and information on their Helen Putnam Award-winning Mentoring Program. Our speakers were Ken Striplin, Assistant City Manager and Tina Hadad, Assistant to the City Manager. The mentoring program was a perfect topic for this time of the year. Ken and Tina put on an excellent and informative presentation. Our RSVP totaled 70. A nice turnout!

Our lunch included an upscale tour experience. We traced Ronald Reagan in the time before he entered politics: "Dutch" Reagan's youth growing up in Dixon, Illinois; his college days; and a lively career in radio broadcasting—and then in Hollywood he came alive through artifacts, images, and audiovisual presentations. We followed Reagan's active duty during World War II in the U.S. Air Forces with the First Motion Picture Unit, his return to the entertainment industry at the end of the war, and his marriage to Nancy Davis. President Reagan's dream was that one day Air Force One would be shared with the American people. The new Air Force One Pavilion celebrates President Reagan's vision and tells the story of his important achievements during his presidential years.

Our Valentine's Day meeting on February 14, 2008, was held at the Carson Community Center. Safe Checks, Greg Lister was scheduled to speak on "Check Fraud in a Paperless World." This seemed to be a good topic as the world becomes "greener." Ernie O'Dell spoke to us about APT and its conference and Michelle Ballard from Broadway Federal Bank shared information on minority financing and their work in the Carson community. The meeting was dedicated to Vince

Ernie O'Dell, Ana Rubalcaba, Thim, Mary and Ralph (El Segundo staff)

Amado, CMTA's executive Vice President, who passed away suddenly this past December. Vince was an inspiration to us all and epitomized the concept of giving 110% and living life to its fullest. A flier was presented with encouragement to participate on the division II board. "Give a little…Gain a lot!"

Division II held a meeting on April 10, 2008 which was hosted by the City of Vernon. Our incoming president, Sharon Duckworth invited her Mayor Leonis Malburg to give us a brief history on the City. It is almost entirely industrial with only 90 actual residents. Bob Ridley, outgoing President installed the new board and asked for members to volunteer for our vacant Vice President position. Mia Corral from Chandler Asset Management asked Brian Perry, Vice President, Portfolio Specialist to speak to us on "Credit crisis and how it will affect the economy and your portfolio." He emphasized having a plan and sticking to the plan throughout market cycles. He also said you need to pass the "sleep test." Your investing shouldn't keep you up nights.

The next few meetings are scheduled for June 12, 2008 at the San Antonio Winery in Los Angeles. The speaker will be John Curtis from Bank of the West. On August 14, 2008, we meet at the Ports O' Call waterfront in San Pedro. The speaker will be Jose Matamoros from Bank of New York. On October 9, 2009 in Burbank CalPers. And in December, we will enjoy El Monte's Historical Museum.

Dollars & $ense
Is the quarterly newsletter of the California Municipal Treasurers Association,
www.cmta.org

Direct all correspondence to:
Kelley Williams, CCMT
Revenue Collection Specialist
City of Arcadia
P.O. Box 60021, Arcadia, CA 91066
Tel: (626) 574-5465, Fax: (626) 447-6021
kwilliams@ci.arcadia.ca.us

Design by: Donaghu Graphic Designs (925-937-8283),

Division Chairs

I
Nadine Mandery
City of Chula Vista
Tel: (619) 691-5051
Fax: (619) 585-5685
nmandery@ci.chula-vista.ca.us

II
Sharon Duckworth
City of Vernon, CA
Tel: (323) 826-1491
Fax: (323) 826-1491
sduckworth@ci.vernon.ca.us

III
Cass Cook
City of Dinuba
Tel: (559) 591-5900
Fax: (559) 591-5902
ccook@dunaba.ca.gov

IV
Marissa Duran
City of Watsonville
Tel: (831) 768-3471
Fax: (831) 769-4066
mduran@ci.watsonville.us

V
Richard Loomis
City of Pinole
Pinole, CA 94564
Tel: (510) 724-9823
Fax: (510) 724-9826
rloomis@ci.pinole.ca.us

VI
Sue Clive
San Juan Water District, CA
Tel: (707) 543-3119
Fax: (707) 543-3139
sclive@srcity.org

VII
Mary Asturias

Burlingame, CA
Tel: (650) 558-7221
Fax: (650) 342-8386
masturias@burlingame.org

IX
Terry Loomis
Irvine Ranch Water District
Tel: (949) 453-5340
Fax: (949) 453-0128
loomis@irwd.com

X
Vacant

Committees

EDUCATION
Mary Asturias
City of Burlingame, CA
Tel: (650) 558-7221
FAX: (650) 342-8386
masturias@burlingame.org

LEGISLATION
Laura Parisi
Laguna Beach, CA
Tel: (949)497-0327
Fax: (949)497-0771
lparisi@lagunabeachcity.net

GENERAL CONFERENCE AND SITE SELECTION
Linda Lorenzetti, CCMT
City of Concord
Tel: (925) 671-3183
Fax: (925) 671-3198
linda@ci.concord.ca.us

CERTIFICATION
Bill Gallardo, CCMT
City of Brea, CA
Tel: (714) 671-4418
Fax: (714) 671-4484
billga@cityofbrea.net

MEMBERSHIP/BUDGET
See Treasurer

NEWSLETTER/ PUBLIC RELATIONS
See Dollars & Sense on page 3

STANDING RULES /BY-LAWS
See Past-President

LEAGUE LIAISON
Kanat Tibet
Sacramento, CA
Tel: (916) 658-8226
Fax: (916) 658-8240
kanattibet@cacities.org

COMMERCIAL ASSOCIATE LIAISON
Don W. Collins
Wedbush Securities
Newport Beach, CA
Tel: (949) 719-3237
don.collins@wedbush.com

2009 CONFERENCE
Palm Springs, CA
April 22-24, 2009

The credit crunch revisited —continued from page 1

times of stress, and is not subject to changes in market sentiment.

During the month of March, the forced sale of Bear Stearns, a Wall Street investment bank, to JP Morgan represented perhaps the most tenuous period of the credit crisis. In the span of 72 hours, Bear Stearns went from a wounded but still profitable entity to the verge of bankruptcy. This was due to a lack of liquidity and a loss of confidence—a refusal of many counterparties to conduct business with Bear. Fearful that a Bear Stearns collapse would severely damage the entire financial system, the Fed orchestrated a purchase of Bear by JP Morgan, even going so far as to guarantee some of Bear's liabilities. This action coincided with the opening of the discount window to other investment banks and it is generally believed that if the discount window had been opened sooner, Bear Stearns would not have been forced into selling to JP Morgan at a fire-sale price. Although controversial, the opening of the discount window and the sale of Bear Stearns have reduced financial market volatility, at least temporarily.

With this brief synopsis of the credit crisis out of the way, let's take a closer look at what really matters: the impact of the credit crisis on your portfolio, and what lessons we can learn from recent events.

Impact on your portfolio

First of all, let me show you a couple of financial market "highlights" that have occurred as a result of the credit crisis and economic slowdown. Since July 2007:

- Two-year treasury yields have fallen from 5.10% to 2.48% (5/27/08)
- Additional compensation required to invest in risky assets has increased
- There is a lack of liquidity for risky assets and general risk aversion

Fortunately, not all of the news has been bad for investors in high-quality fixed income. As treasury yields fell sharply, prices increased, and high quality portfolios posted very strong returns. The Merrill Lynch 1-5 Year Government Index, a popular benchmark that represents the investment universe of local agencies, returned 8.43% over the twelve months ending April 30, 2008. While treasuries have been the best performing fixed income asset class, government agencies have also performed well. Despite mortgage market turmoil, the financial health of the housing agencies remains strong, and both Fannie Mae (FNMA) and Freddie Mac (FHLMC) continue to represent a core component of many investors' portfolios. Prudence also leads many investors to diversify their agency holdings by including Federal Farm Credit Bank (FFCB) and Federal Home Loan Bank (FHLB) securities.

The news for investors in high grade corporate bonds has not been as good. Spreads on 5 year corporate bonds rated "A" or "AA" widened significantly during the past six months, moving from approximately 75 basis points (0.75%) to more than 200 basis points (2.0%) above treasuries. Many individual issuers performed even worse. While this underperformance might cause some investors to re-evaluate their decision to invest in corporate bonds, there are several reasons that this might not be prudent.

The reason that corporate bonds pay a higher yield is that they are more risky than government securities. In the long run, though, we know that corporates offer a higher expected return. To be effective, a strategy that includes corporate securities must be in place through both good and bad markets. Furthermore, from a valuation standpoint, corporate securities yielding 200 basis points over treasuries are plainly more attractive then when they were trading at just 75 basis points over treasuries. The historical record shows that corporate bonds add value to portfolios over time, *for those investors with the resources to properly evaluate and monitor their corporate holdings.* It is important to remember that if you lack the proper resources, it is ok to choose not to buy corporate bonds.

The recent decline in market yields has also demonstrated why most investors should hold the majority of their portfolio in non-callable securities. Chances are that if you own callable securities, some of them have been called in the past six months, forcing you to re-invest at lower yields. This is because callable securities display negative convexity, which is just a fancy way of saying that they usually get called when interest rates are falling—right when you don't want them to get called (they also tend *not* to get called when you wish they would be—when rates are rising.) Sophisticated evaluation of callable securities needs to go beyond yield comparisons; investors without the resources to do so should generally avoid callable securities.

—Continued on page 5

The credit crunch revisited —continued from page 4

What comes next?

The recent actions of the Federal Reserve have gone a long way towards easing concern about systemic risk to the US financial system. However, the impact of the credit crisis and housing downturn continues to reverberate throughout the economy. Any hopes for an economic rebound are predicated upon several factors. First of all, it generally takes six months for interest rate cuts to work their way through the economy, so by the second half of the year we should benefit from the cumulative effects of more than 300 basis points of easing. A second positive event is the arrival of IRS rebate checks. As Americans begin to spend this money, the economy should receive a boost. Finally, outside of the US, economic growth remains relatively strong. Strong overseas growth, aided by a weaker dollar, should boost exports, providing a source of strength for the US economy.

Lessons for your investment portfolio

The first and most important thing to remember in managing your investment portfolio is to have a well thought out, long-term plan. This point is so important that I am going to repeat it: regardless of market volatility or economic uncertainty, it's important not to deviate from your long-term investment plan.

As markets fluctuate and new information becomes available, you can re-evaluate your investment program and your holdings. A change in your investment goals, risk tolerance, return objectives or legal constraints might prompt changes in your investment program. So too can fundamental changes in any of the securities that you hold. The important thing is too make sure that fundamental changes are actually occurring, and that you are not simply altering your investment program because of market volatility or guesses on the future course of the market.

Maintaining a disciplined investment program in volatile markets can be very difficult. Your financial partners can be helpful in this regard, since talking with them can help you to evaluate whether your decisions are based upon changing fundamentals or discomfort with the level of market volatility.

Some key points to remember when investing:

- Have a plan and stick to the plan
- Avoid market timing or attempting to guess the future direction of interest rates
- After providing for liquidity needs, choose the longest duration portfolio that satisfies your risk/return profile
- Make sure you have available sufficient resources to analyze and monitor your investments; never rely solely on credit rating agencies
- Make sure you can pass the "sleep test" – if you are having trouble sleeping because you are worried about your investments, you are probably taking on too much risk

Sub-Committees

EDUCATION
Chair: Mary Asturias
Members:
Dale Belcher
Bill Blackwill
Don Collins
Kelley Williams

BUDGET & MEMBERSHIP
Chair: See Treasurer
Members:
President
League Liaison

GENERAL CONFERENCE AND SITE SELECTION
Chair: Linda Lorenzetti

Members:
Dale Belcher
Vikki Beatley
Bill Gallardo
Adair Patterson
Mike Reynolds
Christine Vuletich

LEGISLATION
Chair: Laura Parisi
Members:
Kay Chandler
Gay Eichhoff
Tony Garcia, CFA
Thomas Jefferies
Mike Reynolds
Kim Sarkovich

NOMINATING
Chair: Vikki Beatley
Members:
Christine Vuletich
Mary Asturias

2009 CONFERENCE
Palm Springs, CA
April 22-24, 2009

Congratulations on the following certifications

A whopping total of 17 CMTA members received their CCMT certification plaques or recertification bars at the annual conference in San Francisco.

Those awarded Certification for the first time included:

Mary Stapp
City of Barstow

Henry K.C. Chan
City of Cathedral City

Tina K. Norrdin
Jurupa Community Services District

Timothy J. Lilligren
City of Manhattan Beach

Mary L. Asturias
City of Burlingame

Richard H. Loomis
City of Pinole

Receiving their Recertification bars were:

Karen Avila
City of Carson

Doris Koo
City of San Mateo

Fred Schulenburg
City of Santa Clara

Michael J. Galvin
City of San Carlos

John T. Janosik
City of San Gabriel

Thomas C. Marston
City of San Gabriel

Mary M. Kobus
City of El Segundo

Michael Reynolds
City of Redlands

Linda A. Lorenzetti
City of Concord

Suzanne J. Salter
City of Pleasant Hill

Pauline Marx
City/County of San Francisco

CMTA welcomes the following new members...

SALVADOR ALATORRE
City Treasurer
Lynwood

MAIDA ALCANTARA
Finance Director and Admin. Services Officer
Signal Hill

SUE AMENTLER
Accountant
San Juan Water District

ARN ANDREWS
Banking & Treasury Operations Manager
San Jose

TESSA ANDREWS
Treasury Supervisor
Bakersfield

KATHY ANZAI
Senior Account Clerk
Gardena

RITA ARWINE
Chief Financial Officer
Fairfield-Suisun Sewer District

PETER BAKONYVARI
Vice President of Sales
JP Morgan Sympro

LENETTE J. BALL
Principal Accountant
Anaheim

CORRINA BARBARITE
Accountant Auditor II
Fresno

TEDDIE BIDOU
City Treasurer
Benicia

MARK BRESOLIN
Finance Director
Folsom

LARAE BROWN
Finance Director
Millbrae

KAREN BRUST
City Manager
Del Mar

ERIN BURNS
Accounting Technician
Marina

VINCE CABRIETO
Financial Analyst
Metropolitan Transportation Commission

RUTH CHAVEZ
Accounting Operations Supervisor
Monrovia

CASS COOK
Financial Services Manager
Dinuba

LIZ COTTRELL
Finance Office Manager
Anderson

REBECCA CRAIG
Finance Director
Elk Grove

JOSHUA CROWELL
Administrative Analyst
Kern County Water Agency

JENNIFER CRUMMEL
Deputy City Treasurer
Hemet

JOHN DECKER
Executive Director
CA Debt and Investment Advisory Commission

JOHN DELERAY
Vice President, Dir. of CA Sales and Marketing
Wells Fargo Bank

DELIA DELGADO
Deputy City Treasurer
Montebello

MAGGIE DEMAURO
Director of Finance/City Treasurer
Lake Forest

TRICY DIENST
Finance Analyst
Santa Barbara

CELIA DODDS
Accounting Technician
Yountville

SENKA DORN
Treasury Assistant
Mission Viejo

KATHRYN DOWNS
Deputy Director of Finance & IT
Rancho Palos Verdes

MARY FREITAS
Senior Accounting Technician
Auburn

CHERYL FREY
Treasury Specialist
Irvine

CAREN B. GALLOWAY
Regional Manager
US Bank

MICHAEL GARCELL
Financial Manager
Children & Families Commission of Orange County

TERESA GONZALEZ
Accountant
Costa Mesa Sanitary District

PAUL GORMAN
Chief Assistant–Treasurer–Tax Collector
Orange County Treasurer –Tax Collector

ZARA GREENLAW
Accountant I
Ventura

JUANITY C. GUZMAN
Financial Analyst
Port Hueneme

LOU HAMPEL
Treasurer
Modesto Irrigation District

JON HANSEN
Inst Brokerage Sales Rep, VP
Wells Fargo

PHILLIP HARDCASTLE
Principal Accountant
Fresno

CLAIRE HONCK
Accountant
Lakewood

KATHLEEN JACKSON
Principal Investment Officer
San Jose

GEOFFREY KIEHL
Director of Finance/Treasurer
Palm Springs

KATHY KITTERMAN
Senior Accountant
Pleasanton

VERONICA LANDEROS
Investment Officer
Orange Cove

NORMA M. LOPEZ
City Treasurer
Montebello

HEATHER MACDONNELL
Deputy Treasurer
Alturas

DEBBIE MALICOAT
Finance Manager
San Luis Obispo

BRENDA MANRIQUEZ, CPA
Director of Finance
Children & Families Commission of Orange County

BEVERLI A. MARSHALL
Admin Services Director
Orinda

Charles H. McBride
Assistant Director of Finance
Santa Monica

TERESA MCBROOME
Accounting Manager/ City Treasurer
Del Mar

ANTHONY MCFARLANE
Senior Accountant
Pacific Grove

LINDA G. MCINTYRE
City Treasurer
San Juan Bautista

FAWN MERRILL
Senior Accountant Auditor
Citrus Heights

LES MIDDLETON
Accountant Technician II
Del Mar

ESTHER MOOSBRUGGER
Finance Manager
Santee

ANNETTE MORALES
Principal Budget Analyst-Investments
Santa Monica

new members continued...

CAMMIE MORIN
Assistant Financial Director
Coachella Valley
Water District

CARLOS OBLITES
Senior Managing Consutant
PFM Asset
Management LLC

ANIL PAUL
Accounting Manager
Saratoga

MARY ANN PERINI
Budget and Compliance
Manager
San Leandro

KEVIN D. PRELGOVISK
Administrative Services
Director
La Mirada

NEWLIN RANKIN
Chief Investment Officer
San Francisco

LOVENEL REVELDEZ
Senior Accountant
Lakewood

CAROLYN RYNDA
Controller
South Coast Water District

MANUEL SANDOVAL
Finance Director
Orange Cove

DANIEL SANTI
Management Analyst II
Redding

JESSICA SARMIENTO
Financial Analyst
Inland Empire Utilities
Agency

FARROKH SHAHAMIRI
Finance Associate/
Assistant Treasurer
Vista Irrigation District

ANNE P. SHEDD
Accountant
Corcoran

JEFFREY STORM
Assistant Secretary,
Board of Directors
Palmdale Water District

NANCY TRAN
Treasury Manager,
Investments
San Jose

PETER WONG
Financial Analyst
Metropolitan Transportation
Commission

JOHN WOODWORTH
Vice President,
Client Manager
Bank of the West

1st session of 2008 Conference with Nate Booth.

Don Collins, LInda Lorenzetti, and Bill Gallardo enjoyed the "Summer of Love" themed banquet at the annual conference in San Francisco.

Enjoying the Trolley car of San Francisco.

Standing Committees with Outside Expertise

—By Laura Parisi, CPA, CCMT, City Treasurer, Laguna Beach, Chair, Legislative Committee

There are two CMTA standing committees with members that are industry experts in addition to Treasurers.

Education Committee

This committee presently has five members and a chair who is appointed by the president. The formal duties are to plan, promote, and facilitate the continuing educational needs for the members of the organization. The programs are partially funded by CMTA and approved by the Board of Directors as beneficial and/or necessary to its members.

Current education programs include two emersion workshops held on the campus of Cal/Poly Pomona. The Essentials of Treasury Management workshop is 2 ½ days of intense training and the Advanced Investment Workshop is two solid days of training. These workshops provide training for the newly elected or appointed treasurers and the more experienced municipal investors. The information provided is beneficial for everyone who is involved in investing public funds. Additionally, continuing education is provided in seminar settings at the CMTA Annual Conference and at quarterly Division luncheon meetings.

Committee members include commercial associates, experts in their field, from Citigroup Global Markets and Wedbush Morgan Securities. Treasurer members have a cumulative experience of 70 years and include both elected and appointed members.

If you have interest in this committee, please contact Mary Asturias, Education Chair, at masturias@burlingame.org.

Legislative Committee

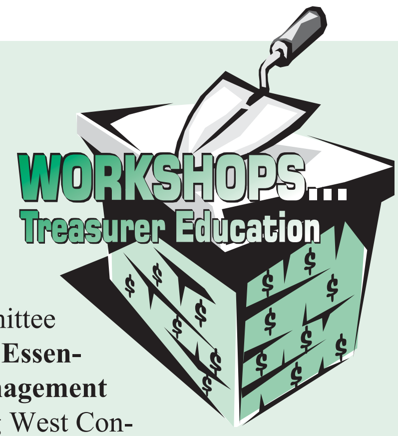
This committee presently has six members and a chair who is appointed by the president. The formal duties are to review and submit recommendations on legislation to the Board of Directors which may be necessary or beneficial to the public entities and /or to the treasurers.

This committee acts as the agent of CMTA on legislative matters and may establish legislative positions with the approval of a two-thirds vote of the Board of Directors.

CMTA is a member of the Revenue & Taxation Committee of the League of California Cities, coordinates with CDIAC (California Debt and Investment Advisory Commission), LAIF (Local Agency Investment Fund) and CACTTC (California Association of County Treasurers and Tax Collectors). We have also coordinated efforts with APT US & C (Association of Public Treasurers of the United States and Canada).

Our committee members include commercial associates, experts in their field, from Chandler Asset Management, MBIA Asset Management and Wells Fargo Bank. The treasurer members are either CPAs or JDs and include both elected and appointed treasurers.

Don't miss the annual Treasury Management Workshop



The education Committee will be hosting the annual **Essentials of Treasury Management Workshop** at the Kellogg West Conference Center and Lodge located at Cal Poly Pomona on **September 30–October 2**.

This 2 ½ day program provides treasury professionals with the fundamentals, resources, language, and concepts that are crucial to our responsibilities. We strive to provide a diverse agenda so that experienced treasurers will also learn valuable information from the workshop.

Because CMTA places a strong emphasis on the education of its members, the cost of the workshop is subsidized to encourage participation. The workshop fee covers the workshop, two nights accommodations, and more meals and snacks than you can imagine. Additionally, scholarships are available for members who would otherwise be unable to attend.

Registration materials will be sent out in early July and will be available on the CMTA Website.

Thank You to the Sponsors of Dollars & $ense!

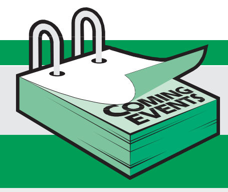
(All advertisers throughout the newsletter)

California Municipal Treasurers Association

CMTA
1400 K Street, 4th Floor
Sacramento, CA 95814

What's Inside....

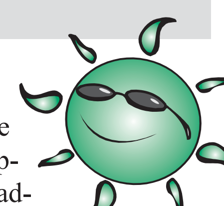
Calendar of Events



CMTA DIVISION MEETINGS	
Div I	**Jun 30**: San Diego County Assessor/Recorder, Gregory Smith, will be the guest speaker. **Aug 21**: Annual Day at the Races at Del Mar.
Div II	**Aug 14:** "Roll of the Trustee during Bond Insurer Down Grades & Failed Remarking"; Speaker: Jose Matamoros, Bank of New York; Ports O'Call, San Pedro **Oct 9:** "Calpers Funding of OPEB," Burbank Smokehouse **Dec:** El Monte Historical Museum, El Monte
Div IX	**Jul 24:** "2008 Orange County Community Indicators Report," comprehensive data on Orange County showing what is changing in the County and where it is heading. Speaker Dr. Wallace Walrod, Orange County Business Council. 11:30am-1:30pm. Dave & Buster's, Irvine Spectrum.
Div III, IV, V, VI, VII, IX, X	Dates, locations and topics tbd. Refer to website (www.cmta.org) for current information.

UPCOMING CONFERENCES/MEETINGS/WORKSHOPS	
April 22-24 2009	CMTA Annual Conference in Palm Springs,

Welcome to the summer of 2008!



As the Commercial Associate's Liaison, I would like to encourage increased interaction and participation within CMTA. We have an opportunity to sponsor the quarterly newsletter as well as the roster. In addition, many of you are excellent public speakers and have taken the time in the past to present at division meetings as well as the education conference meetings. This is a wonderful way to network and give back to the association. If you or an individual within your company can speak and give instruction on timely topics I would like to hear from you. Please contact me at your convenience for further information.

—Don Collins. 866-579-2871 Direct
dcollins23@bloomberg.net, don.Collins@Wedbush.com