



July 2, 2012

CMTA Executive Board
C/o Ms. Debbie Welch
Via E-mail: dwelch@cmta.org

Re: Quarterly Activities Report – Division 5 (06/30/12)

Members of the Executive Board:

Division Activities

Division 5 held a joint meeting with the East Bay Chapter of CSMFO at the Back Forty Texas BBQ (in the City of Pleasant Hill), on May 10, 2012. There were 46 attendees at the meeting representing 12 cities, 4 special districts and 7 business affiliates. The categories of attendees were weighted in favor of association members (30), with 14 commercial associates and 2 speakers participating in the meeting. The luncheon meeting featured two disparate topics. Mr. Carlos Oblites (Public Financial Management) spoke first providing attendees of his assessment of fixed income investment opportunities and strategies given recent economic events. Our 2nd Speaker was Mr. David Bullock (Macias, Gini & O’Connell, LLP) provided an overview on auditing and financial reporting issues related to the dissolution of the State’s 400 Redevelopment Agencies.

One of the more interesting discussion points in Carlos’ presentation was the description of an analytical model for valuation of Agency Spreads on callable securities, designed to evaluate the pricing discount (yield enhancement / or lack thereof) related to the call structure of these securities. In contrast Mr. Bullock offered some genuine insight into the rigors of building consensus amongst financial professionals regarding the accounting and financial reporting nuances of reconfiguration of assets/liabilities of dissolved public agencies.

Division Finances

Beginning Bank Balance (12/31/11):	\$3,606.12
Event Revenues (net of refunds)	1,255.00
Event Expenses (catering)	<u>(1,118.52)</u>
Ending Bank Balance (06/30/12):	<u>\$3,742.60</u>

Plans for Next Quarter

As is the case throughout California, northern California cities are struggling with cash flow management issues related to the proposed accelerated disposition of residual redevelopment tax increment, anticipated as one of the financial outcomes of the dissolution of California’s redevelopment agencies. Because of the breath of financial issues related to this unprecedented restructuring of local government (from cash management concerns to conformance with GASB financial reporting standards), I expect that the “redevelopment transition” issue will continue to be a topic of interest to both the CMTA and CSMFO members in the immediate future.

We haven't selected an alternate meeting facility yet, but we are still interested in trying to secure the Association of Bay Area Governments (ABAG) meeting facility in downtown Oakland for a morning meeting this coming year, as it is easily accessible to both East Bay and Peninsula members by mass transit (BART), and could accommodate a large attendance (as was the case with our meeting in Hayward City Hall last August).

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Richard Loomis". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Richard Loomis
Division 5, Chairperson