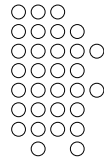


Fiscal First Aid

CSMFO 2010



Financial Condition

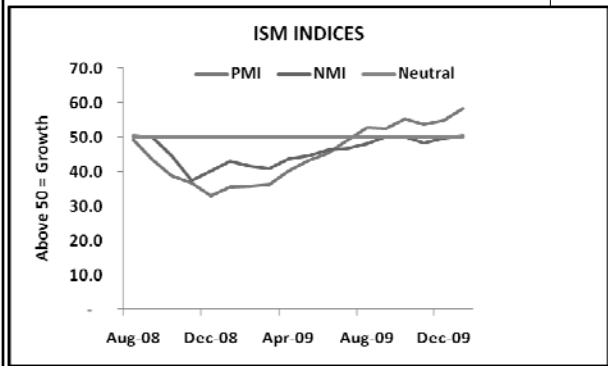


- The national economy is on a “modest growth path that will be accompanied by extraordinarily high rates of unemployment.”
- "Slight" growth in California in 2010 before more normal growth rates return in 2011
 - UCLA Anderson Forecast

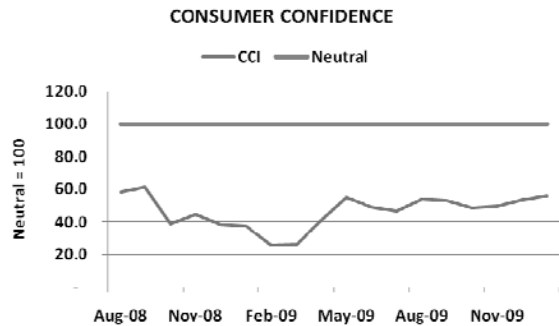
Unemployment



ISM Indices



Consumer Confidence



Government Conditions Follow

- Munis will likely face a shortfall between \$56B & \$83B from 2010-12
- The low point for city fiscal conditions typically follows the low point of an economic downturn by at least two years,
 - Indicates the low for cities will come sometime in 2011
- Cities are responding with layoffs, furloughs and payroll reductions; delaying and canceling capital projects; and cutting city services.
- From NLC Fiscal Condition Survey

Today's Session

- Help you cope with economic conditions...
 - Introduce a process for recovery
 - Provide leadership
 - Develop information for decision-making
 - Diagnose causes of distress
 - Develop strategies and tactics for recovery

Today's Presenters

- Jay Goldstone
 - Chief Operating Officer, City of San Diego
- Shayne Kavanagh
 - Sr. Manager of Research, GFOA
- Chris Swanson
 - Local government forecasting and Excel expert

Agenda

- Introduction to the Recovery Process
- Leadership in Difficult Times
- Developing a Fiscal Health Model
- Financial Modeling & Forecasting Smart Practices
- Fiscal First Tactics & Fiscal First Aid Shopping Cart Exercise



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