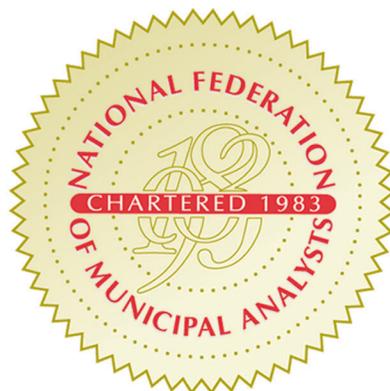




# NFMA

**32nd Annual Conference**  
**May 12-15, 2015**  
Four Seasons Las Vegas  
Las Vegas, Nevada





N F M A T H I R T Y - S E C O N D A N N U A L C O N F E R E N C E

TUESDAY, MAY 12TH

1:00 – 5:00 pm Registration

7:00 to 8:00 pm

Welcome Reception sponsored by National Public Finance Guarantee Corporation



WEDNESDAY, MAY 13TH

7:30 - 8:15 am

Registration & Continental Breakfast

8:15 - 8:30 am

Welcoming Remarks – Mary Francoeur, NFMA Annual Conference Chair, Assured Guaranty, and Jennifer Johnston, NFMA Chair, Franklin Templeton

8:30 - 9:15 am

Keynote Address – “Economic Outlook: What Muni Analysts Need to Know in 2015 and Beyond” Michael S. Hanson, Senior Economist, BofA Merrill Lynch Global Research.

Michael Hanson has nearly 20 years of experience as an economist in financial markets, the Federal Reserve System and academia. He is responsible for analysis of Federal Reserve and budgetary policy and modeling the U.S. economy, with particular emphasis on inflation. He publishes weekly commentary on economics and policy and has appeared in printed, radio and televised media. Previously, Hanson worked as an economist in the Monetary Affairs division of the Federal Reserve Board of Governors and as a senior economist at Lehman Brothers. He also has held positions at the Federal Reserve Bank of New York, Wesleyan University and Yale School of Management. He has published academic research in macroeconomics, monetary policy and econometrics. Mr. Hanson graduated cum laude with honors from the University of Pennsylvania with bachelor's degrees from both the College of Arts and Sciences and The Wharton School. He earned his master's degree in mathematics at New York University and his Ph.D. in economics from the University of Michigan.



9:15 - 10:30 am

Dart Board Budgeting: Dealing With Volatile State Tax Collections

The Great Recession has illustrated how volatile state tax revenues can directly impact the magnitude of state budget shortfalls with severe consequences in some cases. These might include major structural deficits and credit downgrades. However, some states, despite inherently volatile tax structures, have shown resiliency during the recession by implementing effective policies and practices. This panel will explore the causes and impact of forecasting errors on state budgets as well as discuss best practices for effectively managing the volatility.

Moderator: Andy Shin, CFA, Director & Senior Municipal Research Analyst, Municipal Credit Research, Northwestern Mutual Investment Management Company

Panelists: Dr. Charles Steindel, Resident Scholar, Ramapo College of New Jersey (former NJ Chief Economist); Kil Huh, Director, State and Local Fiscal Health, The Pew Charitable Trusts; Jonathan Ball, Legislative Fiscal Analyst, State of Utah



10:30 - 10:45 am

**Break**

10:45 am - Noon

**Federal Reserve Policy – Projections & Impact on the Municipal Bond Market**

What will be the biggest driver of Fed policy? What does this mean for the municipal bond market in terms of supply and demand and overall performance? Will municipal credit spreads widen with a rise in rates? As the direction of interest rates has been harder to predict, this panel will discuss where rates are today compared to what had been anticipated a year ago, where they are projected to go and their impact on the municipal bond market.

**Moderator:** *Nick Sourbis*, Managing Director-Fixed Income Investor Relations, National Public Finance Guarantee

**Panelists:** *Jeffrey Burger*, CFA, Senior Fixed Income Portfolio Manager, Standish Mellon Asset Management; *Thomas McLoughlin*, Head of Fixed Income Research, UBS Wealth Management; *Roberto Perli*, Partner, Cornerstone Macro

12:15 – 2:00 pm

**Luncheon and Awards Presentation** - The NFMA continues its 32-year tradition of presenting awards for outstanding contributions to the industry.

2:15 - 3:30 pm

**Affordable Care Act: Credit Implications on U.S. Hospitals**

What are the credit implications on U.S. hospitals and healthcare systems of the Affordable Care Act? How do the implications differ in states that have expanded Medicaid to states that have not, and for academic medical centers? This panel will address those details that should be the focus of bond investors now that the ACA has been implemented.

**Moderator:** *Jim Gilliland*, Senior Vice President, Diversified Trust

**Panelists:** *Chris McLean*, CFO, Methodist Le Bonheur Healthcare (TN); *Lisa Zuckerman*, Senior Vice President, Treasury & Strategic Investments, Dignity Health; *Anu R. Singh*, Managing Director, Kaufman Hall

3:30 - 3:45 pm

**Break**

3:45 - 5:00 pm

**Industry Roundtable**

Join the NFMA Chair as well as representatives from several industry groups as they discuss several of the pressing issues facing the industry. How can we work together as an industry to ensure that disclosure is timely, accurate and meets the needs of investors? Are bank loans and pension risk being adequately disclosed? And what can the NFMA as well as individual members do to ensure that disclosure requirements keep up with industry changes.

**Moderator:** *Jennifer Johnston*, Vice President/Analyst, Franklin Templeton, NFMA Chair

**Panelists:** *Lynnette Kelly*, Executive Director, Municipal Securities Rulemaking Board; *David Bean*, Director of Research and Technical Activities, Governmental Accounting Standards Board; *J. Ben Watkins*, Director, State of Florida, Division of Bond Finance, GFOA Representative; *Dee Wisor*, Partner, Butler Snow, LLP, NABL Representative.

**Free evening**





# N F M A T H I R T Y - S E C O N D A N N U A L C O N F E R E N C E

THURSDAY, MAY 14TH

7:00 - 8:00 **Continental Breakfast sponsored by Mintz L Levin**

8:00 - 9:00 **Breakout Sessions 1,2,3,4**

and

9:30 - 10:30 **Breakout Sessions 1,2,5,6**

and

11:00 - Noon **Breakout Sessions 3,4,5,6**



## **Breakout #1 Economic Competitiveness and the Battle for Jobs**

States have increasingly made high profile attempts to lure companies and the valuable jobs they provide. From Boeing to Tesla, companies have been able to lock in preferential tax treatment for years in exchange for a promise to bring good paying jobs. This panel will take a look at the impact and effectiveness of these deals, as well as a higher level look at what generally makes one state's business and tax climate more competitive than others. This will include a discussion on whether a tipping point exists in tax levels that would cause an outmigration for businesses or residents.

**Moderator:** *Bryan Laing*, Credit Analyst, Samson Capital Advisors

**Panelists:** *Dan Breen*, Executive Vice President, Business and Economic Incentives; Jones Lang LaSalle; *Scott Drenkard*, Economist & Manager of State Projects, Tax Foundation; *Toby Rittner*, President & CEO, Council of Development Finance Agencies

## **Breakout #2 All Dried Up**

Dependable and sustainable water service remains one of the key elements for a healthy, sustainable economy. The ongoing drought, punishing portions of the western United States, coupled with increasingly thirsty metropolitan and agricultural regions, is severely testing the sufficiency of existing water infrastructure. In order to meet growing demand and mitigate current and future declines in supply, western states are tackling the issue through a combination of conservation, water transfers, and capital investments. California's Bay-Delta project and the Lone Star State's Texas Water Development Board are both undertaking massive water infrastructure projects to quench their state's thirst for dependable water supplies. The panel will discuss what can and is being done with existing infrastructure and future investments to meet the needs and challenges of current and future generations.

**Moderator:** *Mark J. Capell*, Vice President, Build America Mutual

**Panelists:** *Carlos Rubinstein*, Chairman, Texas Water Development Board; *Tom Birmingham*, General Manager, Westlands Water District; *David G. Houston*, Managing Director, Citigroup Global Markets

## **Breakout #3 What's Next For Puerto Rico?**

The panel will consider the current status of the Puerto Rican economy and the viability of a recovery, and will address the potential impact of structural changes such as taxes, the Jones Act and minimum wage. Panelists will evaluate the feasibility of future budget proposals considering high pension costs, escalating debt service, and a vulnerable liquidity position requiring continued access to credit markets. Discussion will include reviewing the status of public corporation restructurings and the consequences for Puerto Rico and bondholders. In addition, panelists will look at how Puerto Rico compares to other distressed sovereigns. The panel will examine the breadth of market participation and how higher cross over participation can effect traditional muni buyers. Finally, the panel will review past and potential returns on Puerto Rico debt.

**Moderator:** *Derek Gabrish*, CFA, Investment Analyst, Federated Investors





**Panelists:** *Hector Negroni*, Principal, Fundamental Advisors; *Luis Fortuño*, Partner, Steptoe & Johnson LLP (Former Governor of Puerto Rico); *Jude Arena*, Head of Municipal Derivative Trading, Citigroup

**Breakout #4 At the Intersection of the Volcker Rule and TOBs: A Case Study in Industry Cooperation, Lessons Learned and the Impact on the Municipal Market**

The Volcker Rule places limitations on banking entities that own or sponsor covered funds, such as tender option bond (“TOB”) vehicles that banks have traditionally sponsored in order to finance both bank and 3rd party positions in municipal bonds. While industry efforts to find viable Volcker-compliant solutions are underway, and the Fed granted an extension of the conformance period, the clock is ticking. The 3rd party TOB market has only just begun to convert to a Volcker-compliant format even as solution(s) for the bank portion of the market remain largely conceptual. An inability to preserve TOBs in their present form could have supply and yield ramifications for both the front-end and long-end of the municipal markets, as investment and financing opportunities would suffer. This breakout session will provide a case study of industry efforts to find a path forward, involving the “who’s who” of the municipal market, even as the solutions proposed are in flux. The session will highlight the successes and failures that have occurred thus far in the process and this case study should benefit attendees as they face other industry-wide challenges.

**Moderator:** *John M. Vetter*, CFA, Municipal Structured Analyst, Fidelity Management & Research

**Panelists:** *Sean B. Saroya*, CFA, Executive Director, Public Finance, J.P. Morgan Securities LLC; *Steven M. Hlavin*, Senior Vice President, Portfolio Manager, Nuveen Asset Management

**Breakout #5 Gambling on Gaming: Are Casinos a Safe Bet for State Revenue?**

Today’s environment of rising expenses is driving state officials to grow revenues at levels that outpace the soaring costs of pension and healthcare liabilities. Is the legalization and expansion of gaming still a reasonable way to boost state revenues? Or do most markets end up flush with oversaturation? The Mid-Atlantic region watched the Pennsylvania gaming market climb to the 2nd largest in the nation after Nevada, but was it at the expense of ailing Atlantic City and other neighboring states (West Virginia, Delaware and Massachusetts)? This panel will highlight Pennsylvania’s gaming market to compare and contrast the successes and failures across gaming regions in an effort to analyze whether states should roll the dice and game their budgets on gambling.

**Moderator:** *Andrea McKeague*, Vice President, Senior Fixed Income Analyst, McDonnell Investment Management

**Panelists:** *Dr. William N. Thompson*, APAGS Vice President, Professor Emeritus of Public Administration, University of Nevada, Las Vegas (UNLV); *Soren Reynertson*, Managing General Partner, GLC Advisors; *Peter A. Angelides*, Principal, Econsult Solutions, Inc., Faculty, Fels Institute of Government, University of Pennsylvania

**Breakout #6 Changes on the Demand Side: The Impact and Future of the Non-Traditional Investor**

Munis were the belle of the ball in 2014, catching the eye of many suitors. Hedge funds, foreign investors, and banks have come into the market en masse. These “non-traditional” buyers have provided liquidity in the high yield space, given issuers distribution options, and demanded more disclosure. Has the reality of investing in the municipal bond market matched expectations? What impact has this demand shift had on the market – positive or negative? Are these buyers here to stay? What might a rising rate environment mean for demand? This session will explore these and other questions.

**Moderator:** *Marie Autphenne*, Director, Stifel

**Panelists:** *William Huck*, Managing Director and CEO, Common Bond; *Kjerstin Hatch*, Managing Principal, Lapis Advisers; *Eric Friedland*, CFA, Portfolio Manager, US Multi Sector Fixed Income, Schroders Investment Management



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## N F M A T H I R T Y - S E C O N D A N N U A L C O N F E R E N C E

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12:15 - 1:15 pm

**Past Chairs Lunch**

**Free afternoon**

6:30 - 8:30 pm

**Cocktail Reception – Enjoy socializing and networking during an informal reception with heavy hors d'oeuvres.**

**FRIDAY, MAY 15<sup>TH</sup>**

7:30 - 8:00 am

**Continental Breakfast**

8:00 - 9:15 am

**Local Government Squeeze: Expenditure Flexibility Deep Dive**

Understanding a local government's true ability to adjust spending remains somewhat of a black box for municipal analysts. The purpose of this panel is to dive deeply into expenditure flexibility. The audience will take away an understanding of how governments consider expense reductions either generally to maintain cushion or in response to recessionary and/or systemic stress. This panel of experts and practitioners will touch on the wide disparity in spending constructs and tools available to fiscal managers across the country. Analytical focus will be emphasized through two Las Vegas area case studies managing severe recessionary revenue hits. The panel will explore labor framework constraints and the long term costs of short term fixes.

**Moderator:** *Jessalynn Moro*, Managing Director, Fitch Ratings

**Panelists:** *Mike Nadol*, Managing Director, Public Financial Management; *Darren Adair*, Director of Finance, City of North Las Vegas; *Mark Vincent*, City Manager, City of Las Vegas

9:15 - 9:30 am

**Break**

9:30 – 11:00 am

**Does the Municipal Market Need to Forget Everything it Thought it Knew about Chapter 9 Bankruptcy?**

Did Detroit and Stockton confirmations lay bare the limits of indenture security provisions in the face of political pressures? What are the limitations of a Federal Judge imposing the court's will on a municipality's treatment of creditors? Pensioners vs. capital market creditors – how do OPEBs fit into the equation? How is a restructuring attorney going to advise a distressed municipality? Will future municipal bankruptcies more closely resemble corporate bankruptcies with settlements as the norm? If so, how should municipal analysts alter their thinking with respect to distressed governments?

**Moderator:** *Ty Schoback*, Senior Analyst, Columbia Management

**Panelists:** The Honorable *Elizabeth L. Perris*, Former Chief Judge, United States Bankruptcy Court for the District of Oregon, Mediator, Detroit Bankruptcy; *Bruce Bennett*, Partner, Jones Day ; *Jeffrey E. Bjork*, Partner, Sidley Austin

11:00 – 11:15 am

**Closing Comments & 2016 Invitation**

**Scott Andreson**, NFMA Annual Conference Co-Chair, Seix Investment Advisors

**11:15 am - Conference Adjourns**

*The views expressed at the Annual Conference are those of the speakers alone and do not necessarily represent those of the National Federation of Municipal Analysts.*

**2015 Conference Planning Committee:**

- > *Mary Francoeur, Assured Guaranty, Chair*
- > *Scott Andreson, Seix Investment Advisors, Co-Chair*
- > *Marie Autphenne, Stifel*
- > *Mark Capell, Build America Mutual*
- > *Ann Ferentino, Federated Investors*
- > *Eric Friedland, Schroders*
- > *Jim Gilliland, Diversified Trust*
- > *Jennifer Johnston, Franklin Templeton*
- > *Bryan Laing, Samson Capital Advisors*
- > *Andrea McKeague, McDonnell Investment Management, LLC*
- > *Jessalynn Moro, Fitch Ratings*
- > *Ty Schoback, Columbia Management*
- > *Andy Shin, Northwestern Mutual Investment Management Company*
- > *Nick Sourbis, National Public Finance Guarantee Corporation*
- > *John Vetter, Fidelity Management & Research Company*





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**THANKS to all of our 2015 sponsors!**

**Sponsorship Opportunities:** Contact *Lisa Good*, NFMA Executive Director, at 412-341-4898, or [lgood@nfma.org](mailto:lgood@nfma.org), if your firm is interested in being a sponsor.



# NFMA THIRTY-SECOND ANNUAL CONFERENCE

## Conference Registration Fee:

### Before March 15

\$600 Member

\$700 Non-Member

### After March 15

\$650 Member

\$750 Non-Member

The registration fee includes all continental breakfasts, Wednesday's lunch, and cocktail receptions.

**Registration is online only.** You may pay by credit card, e-check or check. Confirmations will be sent to the email address used for registration. NFMA members must register with usernames and passwords to obtain the Member Discount. No refunds will be given to members who register at the higher non-member rate. Checks should be made payable to the NFMA and sent to: NFMA, PO Box 14893, Pittsburgh, PA 15234 no later than April 30.

## Students

There are a limited number of student discounts available. Please contact Lisa Good at [lgood@nfma.org](mailto:lgood@nfma.org) if you are a full time graduate student (age 21 and up) in a program relevant to municipal credit and would like to attend this conference.

## Government Employees

There are a limited number of government discounts available. Please contact Lisa Good at [lgood@nfma.org](mailto:lgood@nfma.org) for the discount code if you are a government employee.

## Guest Reception and Dinner Registration

\$100 for guest attending with conference registrant. Guest registration includes attendance at Tuesday and Thursday evening receptions.

## Cancellation Policy for Conference

**Prior to April 15** – Full refund less \$50 processing fee.

**From April 15 – April 30** – Refund equal to 50% of the registration fee.

**After April 30** – **No refund.**

*Substitutions from the same firm are permitted with prior notice to the NFMA. Walk-in registrations are discouraged; there is no guarantee of a seat for walk-in registrants.*

## Hotel Reservations

**The Four Seasons Las Vegas, 3960 Las Vegas Boulevard South**, is the site of this year's Annual Conference. Reservations must be made by calling the Hotel reservation department directly at 877-632-5000, and requesting the National Federation of Municipal Analysts room block. Attendees may also make reservations online at the following link: <https://resweb.passkey.com/go/2015NFMA>

**Reservations must be made prior to April 21;** after this date, rooms will be released for general sale. The group rate is \$275 per night; until the first block of rooms is filled, and then will rise to \$315 per night. Subject to availability, the Hotel will offer the group rate for three days before and three days after the conference. A Resort fee of \$15 (discounted from \$29) per night plus applicable taxes will be applied to all reservations. This fee includes premium high-speed Internet access for multiple devices in guest rooms, the lobby, Verandah restaurant, the Spa and at the pool; access to the pools, lazy river and wave pool at Mandalay Bay; and in-room local and toll-free calls. All guest rooms at Four Seasons Hotel Las Vegas are non-smoking. If smoke is detected in a guest room, a cleaning fee of \$250 will be charged. Check-in is at 3 p.m., and checkout is at noon.

**A cancellation fee equal to one night's room and tax will apply for rooms**





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## N F M A T H I R T Y - S E C O N D A N N U A L C O N F E R E N C E

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cancelled within 30 days prior to arrival.

### Hotel Room Block

The NFMA enters contracts with hotels two to three years in advance of each annual conference. Predicting attendance levels is difficult, and therefore contracting for an accurate number of rooms for conference attendees is not always possible. Further, it is necessary to agree to a sufficient number of rooms in order to reduce or eliminate the cost of meeting space. Failure to fill rooms results not only in the payment of high meeting room rentals, but also in direct fees to the NFMA in the way of payment for unfilled rooms. Please reserve rooms in the room block and do so when you are certain you will attend.

### Ground Transportation

**McCarran International Airport (LAS)** is three miles away from the hotel. Taxi service is available at a cost estimated to be \$25-\$35. The Hotel recommends Super Shuttle service from the airport at a cost of \$11 per person. The Hotel concierge will arrange for the return trip to the airport. To reserve this service, please call the concierge desk at **702-632-5300** or visit the concierge desk during your stay.

### Suggested Attire

Business casual is suggested for all conference registrants and speakers.

### Questions/Concerns

Contact *Lisa Good*, NFMA Executive Director, at **412-341-4898**, or [lgood@nfma.org](mailto:lgood@nfma.org)



**The NFMA would like to recognize its 32 Chairs:**

- 1983-84** – George P.Gregorio
- 1984-85** – Richard A. Ciccarone
- 1985-86** – Jeffrey B.Noss
- 1986-87** – Peter J. Fugiel
- 1987-88** – Steven Tabb
- 1988-89** – Leon J. Karvelis, Jr.
- 1989-90** – G. Keith Quinney, Jr.
- 1991** – Mary Jo Ochson
- 1992** – Victoria Rupp Westall
- 1993** – Katherine R. Bateman
- 1994** – Thomas Kenny
- 1995** – William Oliver
- 1996** – Maureen Newman
- 1997** – Jeffrey M. Baker
- 1998** – Raymond Kubiak
- 1999** – Mary Metastasio
- 2000** – Dina Kennedy
- 2001** – Alan Polsky
- 2002** – Peter Bianchini
- 2003** – Karen Szerszen
- 2004** – Gerry Lian
- 2005** – Donald King Cirillo
- 2006** – Eric Friedland
- 2007** – Tom Weyl
- 2008** – Rob Yolland
- 2009** – Bill Hogan
- 2010** – Mark Stockwell
- 2011** – Gregory Clark
- 2012** – Gregory Aikman
- 2013** – Jeffrey Burger
- 2014** – Susan Dushock
- 2015** – Jennifer Johnston





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