



**The Education Committee of the
National Federation of Municipal Analysts**

ADVANCED SEMINAR

on

High Yield Bonds

February 1 & 2, 2024

**The Grand America Hotel
Salt Lake City, Utah**

Thursday, February 1

7:30 - 8:30 a.m. **Registration & Continental Breakfast**

7:50 - 8:00 a.m. **Opening Remarks** – *Richard Akulich, Director, Preston Hollow Community Capital, Advanced Seminar Chair*

8:00 - 9:15 a.m. **Muni Bondholders Beware! Evaluating Pledges, Liens & Collateral Packages**
This panel will assist analysts in understanding the nature, scope and risks associated with the concepts of pledges and liens in municipal offering statements and will emphasize the value of understanding collateral packages supporting high yield municipal finance transactions. Panel discussion will include common disclosure problems and credit risks (e.g., commingling of pledged revenues) associated with various types of pledges, liens, security interests and collateral assignments in favor of the trustee. The panel will also provide insights into assessing the strengths and weaknesses of various collateral packages and a checklist of due diligence items. As the panelists have participated in numerous high yield municipal transactions, they will share practical advice on improving an analyst's due diligence skills in high yield municipal finance transactions.

Moderator: *Gilbert Southwell, III, Senior Municipal Research Analyst, Allspring Global Investment, LLC*

Panelists: *Thomas Longino, Partner, Longino Public Finance, LLC; Gordon Gendler, SVP, UMB Bank, N.A.*

9:15 - 9:30 a.m. **Break**

9:30 - 10:45 a.m. **The Quick and the Insolvent: Foreseeing, Preventing, & Maximizing Effectiveness of Workouts in Higher Education**

The primary drivers of distress in higher education have been known for many years. A few vulnerable institutions have taken decisive action to prevent financial stress, while others have been too slow to adapt, and some have depleted liquidity forcing intervention by bondholders. This panel will focus on what kinds of measures have been successful in overcoming pressures in the sector; what successful partnerships look like; the disclosure, covenants, security, and legal protections bondholders should seek; and the lead time necessary to implement change. The panel will also discuss what institutions can do to extend the liquidity runway for a school facing insolvency and how higher education workouts and liquidations inherently are different than those in other industries.

Moderator: *Mark Angelov, Partner, ArentFox Schiff*

Panelists: *Margot Kleinman, Managing Director, Nuveen; Akiko M. Mitsui, Director, Fitch Ratings; Mark Podgainsky, Managing Director, Getzler Henrich*

10:45 - 11:00 a.m. **Break**

11:00 a.m.

- 12:15 p.m. **Charter Challenges and Fixes – When to Get Worried, When to Get Involved**

This panel will explore charter school industry trends including school vouchers, the end of ESSER funding, and staffing shortages. A charter school operator will discuss where they see risks and where they see opportunity. We will gain insight into the authorizer’s point of view, what triggers their scrutiny, and when is it the appropriate time for a bondholder to engage. Each panelist will share what their “red flags” are when assessing a school and the panel will weigh in on what bondholders can do to mitigate a loss. Additionally, we will gain insight from a charter real estate professional about what to look for when siting a school and the ease and difficulty of finding a replacement tenant.

Moderator: *Julie Morrone, Principal, Rosemawr Management*

Panelists: *Tom Torkelson, CEO, SMART Management; Todd Noel, Vice Chairman, National Director, Education Advisory Group, Colliers; Amy Ruck, Senior Partner, Lumen Impact Group*

12:15 - 1:45 p.m. **Luncheon with Fireside Chat**

Charlie Visconsi, Co-head of Originations at Preston Hollow Community Capital, will be joined by the President of Roosevelt University, Dr. Ali Malekzadeh to discuss the successes and challenges of operating a mid-sized university in the changing higher education landscape. Dr. Malekzadeh will touch on the University’s completion of a pre-COVID turnaround plan, including how capital structure and refinancing of municipal debt was utilized in this plan and why Roosevelt decided the most efficient path in each instance was a private debt transaction.

2:00 - 3:15 p.m. **Creative/Unique Special District Options**

Land secured transactions come with enormous diversity including structure, size, location, purpose, and credit quality. This panel will focus on understanding credit distinctions and creative funding solutions. How do California transactions differ from Texas, Colorado, or Florida? What are some recent trends? The panel will

provide information and shed light on various special district high yield projects, including the Utah Military Installation Development Authority. Changes or new legislation that prompted some of the financings will also be discussed. The panelists will emphasize the structure and key deal points of transactions, as well as evaluate the performance of and outlook for bonds used to finance these projects.

Moderator: *Yaffa Rattner, Senior Managing Director, Hilltop Securities*

Panelists: *Krista Sprenger, Chief Development Officer, Alterra Mountain Company; Benjamin Becker, SVP, Special District Group, Piper Sandler & Co.; Jeffrey Dincher, Principal & Senior Credit Analyst, PGIM Fixed Income - Prudential*

3:15 - 3:30 p.m.

Break sponsored by Baird

3:30 - 4:45 p.m.

In the Eye of the Storm? Lessons Learned from the Essential Housing Wave & Bracing for the Next Winds

When capital was cheap and demand for paper abundant, this sector appeared to be part of the solution to the “missing middle” where families and individuals earned too much to qualify for affordable housing, but too little to afford to live in communities that were both desirable and in need of a stable workforce. That well largely dried with a shift to a higher rate environment, affording a calm pause and an opportunity for this panel to critically examine the early returns on deals consummated from 2019-2022 from credit, structural and analytic perspectives, and consider the opportunities and challenges involved with future essential housing financings.

Moderator: *Aaron Williams, Attorney, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C*

Panelists: *John Drachman, Co-Founder, Waterford Property Company; Gene Slater, Founder, CSG Advisors; Vander Shanholt, VP/Research Analyst, Franklin Templeton*

6:00 - 9:30 p.m.

**Cocktail Reception and Sponsored Dinner for All Seminar Attendees
Urban Hill - RSVPs required.**

Friday, February 2

7:30 - 8:00 a.m.

Continental Breakfast

8:00 - 9:15 a.m.

When Project Deals Go Wrong, Blame the Technology: A Discussion of Technology, Construction & Operational Risk

This panel will focus on technology and processing risks faced in project finance deals within the municipal market. Participants with deep experience in tax exempt project finance transactions, from buy side, sell side and technology perspectives, will draw from case studies and their own experience to discuss the issues. In addition to the risks presented by new, unproven technologies and processes, they

will explore the risks tangential to technology, such as using proven technology that has not previously been implemented at scale and attempting to integrate proven technologies in unusual ways. Panelists will discuss how technology and processing risks interplay with other risks common to project deals, such as construction risk, counterparty risk, operational risk, and commodity price risk. Finally, panelists will review the history of project financings and examine trends over the last ten years, noting both successes and failures relating to the foregoing topics. It promises to be an interesting and in-depth discussion for anyone interested in project finance.

Moderator: *Carl McCarthy, Of Counsel, Greenberg Traurig*

Panelists: *David Livingstone, Managing Director, Citi Group; Matthew Torpey, AVP, Credit Analyst, Invesco; Steve Roberts, Partner, COO, Nexus Cognitive Technology Services*

9:15 - 9:30 a.m. **Break**

9:30 - 10:45 a.m. **Trust Instruction Proceedings as an Alternative to Bankruptcy in Senior Living**

Use of Trust Instruction Proceedings has been growing as an alternative to bankruptcy in the Senior Living sector. This panel will focus on the bondholder perspective and explore the strengths and weaknesses of each option. General considerations around timing, control and expected recovery rates will be discussed. Panelists will share their perspective on how bondholders can approach each mechanism to improve debt restructuring outcomes.

Moderator: *Rebecca Greive, Associate Director, Fitch Ratings*

Panelists: *Karla Vehrs, Partner, Ballard Spahr; Lavinia Criswell, Director, Ziegler Capital Markets; David Fields, Managing Director, Raymond James*

10:45 - 11:00 a.m. **Break**

11:00 a.m.

- 12:15 p.m.

Distressed Hospital M&A in a Changing Regulatory Landscape

This panel features representatives from a major hospital system experienced in building a network of smaller rural hospitals, a financial advisor with expertise in healthcare M&A activity, and an industry association. This diverse group will shed light on the current trends in healthcare M&A, particularly focusing on distressed hospitals. They will provide insights into the crucial decision points that drive these transactions, the financial and operational challenges, and the strategies for successful integration post-acquisition. Additionally, the panel will delve into the regulatory environment, exploring how changes in policy might impact future M&A activity.

Moderator: *Susan Fitzgerald, Managing Director, Public Finance, Moody's Investors Service*

Panelists: *Nick Barcellona, CFO, WVU Medicine; John Andersen, VP, Treasury and Capital Markets Practice, Kaufman Hall; Marc Scher, Chair-elect, Hospital Finance Management Association, Partner and National Audit Leader, Healthcare, KPMG USA*

12:15 - 12:20 p.m. **Closing Remarks** – *Richard Akulich, Advanced Seminar Chair*

12:20 p.m. **Seminar Adjourns**

The views expressed at the Advanced Seminar are those of the panelists alone and do not necessarily represent those of the National Federation of Municipal Analysts.

EDUCATION CHAIR

Jason Pollack, Wells Fargo

ADVANCED SEMINAR CO-CHAIRS

*Richard Akulich, Director, Preston Hollow Community Capital
Ellen Cannarsa, Municipal Analyst, Vanguard*

CONTENT CHAIR

Matt Whoriskey, Research Analyst, MFS Investment Management

REGISTRATION

Registration for the seminar is \$550 for members of the NFMA and its Constituent Societies, and \$650 for nonmembers, which includes two continental breakfasts, one luncheon and the cocktail reception. A limited number of discounted registrations for government employees and students are available; inquiries should be directed to Lisa Good at 412-341-4898, or lgood@nfma.org. Registration is online only at www.nfma.org. The deadline for registration is January 15, 2024. Cancellations will be accepted through January 15; a \$50 processing fee will be applied regardless of the reason for cancellation. Beginning January 16, there will be no refunds; however, substitutions from the same firm will be accepted. If weather conditions prevent attendance, proof of flight cancellations must be provided, and a partial (50%) credit will be given to be applied to registration for a future NFMA event. If a registrant is unable to attend due to COVID-19, a partial credit (50%) will be given to be applied to registration for a future event.

HEALTH & SAFETY POLICY

The NFMA's priority for all conferences is the safety and health of our attendees, speakers, guests and team members. In order to enable in-person events to take place with lower risk to participants, NFMA leadership has adopted the following Health & Safety Policies for in person events:

- The NFMA will be following local, state, and national guidance regarding masking and vaccinations. These mandates and rules may change, so please consult state, local and hotel websites for more information and updates.
- National, state, and local guidelines regarding methods to mitigate the spread of COVID-19 continue to evolve. The NFMA reserves the right to update its policies from time to time.

HOTEL

The site for the seminar is The Grand America Hotel, Salt Lake City, Utah. To make reservations, go to <https://reservations.travelclick.com/5003?groupID=4025574>

ATTIRE

Business casual is acceptable for the seminar.

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