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# NFMA

**31st Annual Conference**

**May 6-9, 2014**

**Disney's Grand Floridian Resort & Spa  
Lake Buena Vista, Florida**







## NFMA THIRTY-FIRST ANNUAL CONFERENCE

### TUESDAY, MAY 6TH

1:00 – 5:00 pm  
**Registration**

7:00 to 8:00 pm  
**Welcome Reception sponsored by  
National Public Finance Guarantee**

### WEDNESDAY, MAY 7TH

7:30 - 8:15 am  
**Registration & Continental Breakfast**

8:15 - 8:30 am  
**Welcoming Remarks – Anne Ross, Annual Conference Chair; Susan Dushock,  
Sun Trust Bank, NFMA Chair**

8:30 - 9:15 am  
**Keynote Address - A Top Down Budget and Election Outlook For The Bottom Up Municipal Bond Analyst**

**Daniel Clifton**, Partner at Strategas and the head of the Firm's DC office. He directs its legislative and public policy research efforts. Prior to joining Strategas he served as Executive Director of the American Shareholders Association (ASA), a non-partisan, non-profit organization which analyzes public policy affecting shareholders. His research and political analysis on the interaction between legislation, policy and capital markets has been widely cited in the media. Mr. Clifton and his team have been recognized by Institutional Investor magazine in their annual survey for the past five years. Prior to joining the ASA, Mr. Clifton served as Chief Economist and Federal Affairs Manager for Americans for Tax Reform and as a senior staff member in two gubernatorial administrations working on economic issues. Mr. Clifton received a MS in Economics and Public Finance from Rutgers University and a BA in Urban Planning and Policy Development also from Rutgers.



9:15 - 10:30 am  
**Staying Afloat in a Sea of Pension Numbers**

Recent years have witnessed a spate of new numbers, some of them contradictory, about the funding status of state and local government pension plans. Why do pension plans look better funded according to some numbers and worse according to others? Rather than being more or less accurate than the others, each emphasizes different aspects of pension finances with potential value to analysts. This panel will explain how pension numbers are calculated by financial economists and rating agencies, as well as under the old and new pension accounting standards, and will highlight the valuable insights that can be gleaned from each.

**Moderator:** *Dean Michael Mead*, Research Manager, Governmental Accounting Standards Board

**Panelists:** *Marcia Van Wagner*, Vice President – Senior Analyst, Moody's Investors Service • *Donald J. Boyd*, Senior Fellow, Rockefeller Institute of Government

10:30 – 11:00 am  
**Break**



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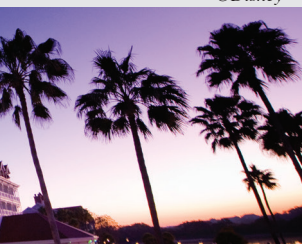
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11:00 am – 12:15 pm

## **The Great Infrastructure Crisis—How Will We Mind the Gap?**

Everyone agrees that the state of infrastructure in the United States is at best deplorable. The American Society of Civil Engineers gives America a cumulative GPA of D+ and estimates that the country needs to invest \$3.6 trillion by 2020—but only \$2 trillion in funding is expected to be available. Is \$3.6 trillion really necessary? Who will pay for the remaining \$1.6 trillion? What does it mean for the economy if the U.S. fails to fund needed projects? How do utility and infrastructure managers balance capital needs with economic reality? Our panel will discuss the importance of infrastructure investment and how planning decisions are made at the national, state and local levels.

**Moderator:** *Susan Kendall*, Senior Vice President, FirstSouthwest

**Panelists:** *Tom Green*, Managing Director and Public Finance Sector Head, Citi • *Brian Wheeler*, Executive Director, Toho Water Authority, Kissimmee Florida • *Dr. Alexander Heil*, Chief Economist, Port Authority of New York and New Jersey • *Sylvia Garcia*, CFO and Assistant Secretary for Budget and Programs, U.S. Department of Transportation

12:15 – 2:00 pm

## **Luncheon**

**Awards Presentation** – The NFMA continues its 31-year tradition of presenting awards for outstanding contributions to the industry.

2:15 - 3:30 pm

## **State Oversight, Bankruptcies and Recovery**

Fiscal stress continues to change the landscape of the municipal credit markets. The full impact of recent bankruptcies, work-out plans and court rulings is on-going. This panel will explore state oversight of local governments, specifics of Chapter 9 filings and recovery. It will consider the recent Detroit, Jefferson County and Harrisburg sagas and implications for bonds secured by special tax pledges and statutory liens. Possible concessions to bondholders and other creditors will be discussed in detail as well as other examples and scenarios.

**Moderator:** *Greg Lipitz*, Vice President, Senior Credit Officer, Moody's Investors Service

**Panelists:** *Stephen Fehr*, Project Director, Pew Charitable Trusts • *William Kannel*, Member, Mintz Levin • *Tom Neff*, Director of Local Government Services, State of New Jersey

3:30 – 4:00 pm

## **Break**

4:00 - 5:00 pm

## **Industry Roundtable**

Each year, the NFMA Chair invites representatives of key municipal industry groups to join us for a roundtable where the pressing issues of the day are discussed.

**Moderator:** *Susan Dushock*, Sun Trust Bank, NFMA Chair

**Panelists:** *Lynnette Kelly*, Executive Director, Municipal Securities Rulemaking Board • *J. Ben Watkins*, Director, State of Florida, Division of Bond Finance • *Dean Michael Mead*, Research Manager, Governmental Accounting Standards Board • *Allen K. Robertson*, NABL President, Robinson, Bradshaw & Hinson, P.A.

**Free evening**



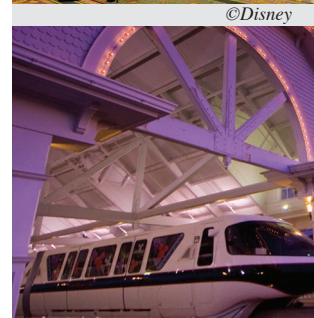
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**THURSDAY, MAY 8TH**

7:00 - 8:00

**Continental Breakfast sponsored by Mintz 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



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**Breakout #1 State of the Bond Insurers**

The panel will discuss the current state of the bond insurance market, where we believe it is heading in the next couple of years and where it was pre-and during crisis period until a slight renaissance over the last couple of years. The panel will discuss the role bond insurers have played with reaching settlements on distressed credits. The panel will address recent workouts in which they had insurance exposure. The subject of novation versus reinsurance will also be addressed. We believe a rising interest rate environment will present additional opportunities for the remaining bond insurers.

**Moderator:** *Jon K. Barasch*, Director, Municipal Evaluations, Interactive Data

**Panelists:** *Daren Colaiacovo*, Director, Head Retail Trading/Syndicate Risk, RBC Capital Markets • *William O'Keefe*, Senior Managing Director, Business Development, Assured Guaranty • *Douglas E. Nelson*, Assistant Vice President/Assistant Portfolio Manager, Waddell & Reed

**Breakout #2 Power Panel Sparks Discussion on Generation & Nuclear Construction**

This panel will explore power utilities' decisions around resource generation and construction. We will discuss the economics behind resource generation choices, especially given the weak demand for electricity and low natural gas prices, and how analysts and utilities think this could impact the sector going forward. We will hear from management from Santee Cooper and MEAG about their large scale nuclear construction projects, lessons learned since construction began, and potential future hurdles. This will be an interactive discussion amongst issuers and two municipal analysts who have specialized in public power, addressing topics and questions they are most focused on for the public power sector and the value proposition utility bonds offer.

**Moderator:** *Claire Voorhees*, Vice President, Credit Analyst, Fundamental Credit Opportunities

**Panelists:** *Michael R. Crosby*, Senior Vice President, Nuclear Energy, Santee Cooper • *Jim Fuller*, CFO, Municipal Electric Authority of Georgia (MEAG) • *Randy Gerardes*, Vice President, Senior Municipal Research Analyst, Wells Fargo

**Breakout #3 Federal Reserve Economists – Public Finance and Financial Stability**

The Federal Reserve's duties include maintaining the stability of the financial system and containing systemic risk that may arise in financial markets. Economists at the Federal Reserve conduct innovative research on a broad range of topics in economics and finance including public finance. Recognized as leading researchers in their fields, the Federal Reserve's economists bring breadth and depth to their work in macroeconomics, banking, payments, finance, applied microeconomics, international economics, and regional analysis. At this panel, two Federal Reserve economists will discuss their most recent work in public finance and financial stability.



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**Moderator:** *Eric L. Parsons*, Vice President, Manager of Collateral Credit Risk, Federal Reserve Bank of New York

**Panelists:** *Paula Tkac*, Vice President, Senior Economist, Federal Reserve Bank of Atlanta • *Jason Bram*, Research Officer, Federal Reserve Bank of New York • *Karin Kimbrough*, Vice President, Federal Reserve Bank of New York

#### **Breakout #4 Higher Education: Changes on the Horizon**

There has been an increased focus on a transition to performance based funding for institutions of higher education. The Obama Administration is in the midst of developing a metric driven rating system to evaluate higher education institutions with the goal to transform the way federal aid is awarded. State funding models are also evolving. For a local perspective, we will take a look at a new performance funding model that will be implemented during the 2014-2015 school year by the Florida Board of Governors. What does this model look like and what are potential implications on schools in the State of Florida? In addition, the Higher Education Act, the law that governs federal student aid, is up for renewal in 2014. What can we expect to be included in this renewal and will it even be passed in 2014? Some schools will benefit from these changes, but others will not. This panel will delve into these potential changes on the horizon and determine potential impacts on universities and colleges.

**Moderator:** *Timothy Olson*, Director - Municipal Trading-Credit Strategy, Wells Fargo

**Panelists:** *Matthew Hamill*, Senior Vice President, NACUBO • *Joanne Ferrigan*, Senior Director, Fitch Ratings • *Jan Ignash*, Vice Chancellor & Chief Academic Officer, State University System of Florida

#### **Breakout #5 The Evolving Nature of the Bond Ratings**

Join this lively Q&A discussion on the ever-changing role of the rating agencies. Have ratings recalibrations and changing methodologies helped or confused the marketplace? Do highly quantified criteria provide better ratings? Explore the competition for buy-side credit surveillance business. The appropriate role of ratings agencies continues to be debated. Join the debate with industry peers.

**Moderator:** *Joyce L. Miller*, Managing Director, BMO Capital Markets

**Panelists:** *Eric Friedland*, Head of Municipal Credit Research, Schroders Investment Management • *Jeff Previdi*, Managing Director, Standard & Poor's • *Rachel Barkley*, Municipal Credit Analyst, Morningstar

#### **Breakout #6 The Nation's Housing Market**

The housing market has climbed to exuberant heights, fallen to unanticipated depths, and has since been in a recovery mode. Along the way, the effects on municipal bond issuers have been both direct and indirect. What are the current states of the housing market and residential mortgage markets? And more profoundly, what lies ahead for them? What role will federal public policies play? What role should they play?

**Moderator:** *Bedford Lydon*, Vice President, Senior Fixed Income Research Analyst, McDonnell Investment Management, LLC.

**Panelists:** *Chris Flanagan*, Managing Director, Head of Securitized Products Research, Bank of America Merrill Lynch • *Mark Palim*, Vice President, Applied Economic and Housing Research, Fannie Mae • *Dr. Michael A. Stegman*, Counselor to the Secretary of the Treasury for Housing Finance Policy, United States Department of the Treasury



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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 9TH**

7:30 - 8:30 am  
**Continental Breakfast**

8:30 - 9:45 am  
**Affordable Care Act - At What Cost?**

The bumpy rollout of the Affordable Care Act is in full swing (as of this writing). The impact from personal, social and political viewpoints promises to be far reaching and perhaps even surprising. This panel of experts in the field seeks to uncover and predict the Act's long term impact on the health of a range of participants from local governments struggling to provide health care to all citizens, to state agencies charged with overseeing the rollout to private health care systems. The answers might surprise you!

**Moderator:** *Debra Saunders*, Vice President, Fidelity Capital Markets

**Panelists:** *Nick Macchione*, FACHE Director, Health & Human Services Agency County of San Diego, CA • *Mimi Taylor*, Corporate Vice President of Information Technology and Chief Information Officer, Baptist Health South Florida • *Adam Stern*, Director of Municipal Research, Breckinridge Capital Advisors, Inc.

9:45 – 10:15 am  
**Break**

10:15 – 11:30 am  
**When Term Bonds Mature: What Will the Investing Landscape Look Like in 2040?**

Assuming a continued need for brick & mortar schools, roads and other physical infrastructure, this forward looking panel will forego pondering cold fusion & hovercraft in favor of discussing major challenges that may confront the municipal marketplace in 2040. With Boomer influence yielding to Generation X, how will shifting demographics, the savings rate, a seasoned Obamacare and wage inequality impact municipal buyer preferences, available products and even the investor base itself?

**Moderator:** *Nicole Y. Byrd*, Municipal Research Head, Nationwide Insurance

**Panelists:** *John Dillon*, Managing Director, Morgan Stanley Wealth Management • *Sohail Bengali*, Managing Director, Stifel Nicolaus & Co. • *Steven Ricchiuto*, Managing Director/Chief Economist, Mizuho Securities USA Inc.

11:30 am  
**Closing Comments & 2015 Invitation**

*Mary Francoeur*, Assured Guaranty, NFMA Annual Conference Co-Chair

**11:45 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.*



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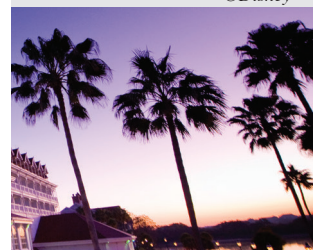
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