

# Municipal Analysts

MARCH 2014 VOL 24, NO. 1

## BULLETIN



### LETTER FROM THE CHAIRMAN

Dear Members:

As our organization looks back on the year that was, we can be proud of our accomplishments. Thanks to the efforts of our past Chair, Jeff Burger, our staff – Lisa Good, Betsy Harkins and Bill Oliver – our Board of Governors, member-volunteers and industry sponsors, we have improved our visibility and enhanced our collaborative efforts with industry organizations who now consider us partners. Attendance at our events is breaking records, sponsor support is strong and membership continues to creep up, with the most recent member count at 1369. The NFMA continues to remain true to its 3 major objectives: 1) education, 2) best practices and 3) disclosure.

Last year the Board voted to introduce a new Student Membership category. That action has so far yielded 6 new student members. The overall objective is to foster potential new interest in the field as graduate students decide on career paths. The NFMA over the next few years intends to more actively recruit this category and will hopefully draw upon your alma mater contacts to populate this group. To that end, the Communications Committee is putting the NFMA's face where the students will see us! We are now represented on Twitter with 349 followers and LinkedIn. The committee continues to get the NFMA word out via social media and may have us on Facebook by year-end.

I step into some very admirable shoes as your new chair and am truly humbled by the trust you have placed in me. I am honored to be tasked with leading this organization in 2014, and intend to continue to preach the mantras of improving issuer disclosure (especially as it relates to smaller issuers), encouraging best practices, and enhancing education outreach efforts. My to-do list includes a continuation of our efforts to improve membership participation, increase NFMA visibility and add to our media and communication venues.

My platform for this year was presented at the Board meeting held in conjunction with the year's first Advanced Seminar in New Orleans. Unfortunately weather-related problems prevented me from physically attending the events – but believe me I was there – in spirit and on the phone. The NFMA returned to one of its favorite venues – New Orleans, LA - to discuss the credit impacts of natural disasters on issuers and investors. The seminar was well attended despite the travel difficulties and reports from attendees were that the event was extremely well-received. Kudos to the Advanced Seminar chairs Rachel Cortez and Dan Berger.

In addition to my emphasis on educating smaller issuers on disclosure, we are working on three Recommended Best Practice pieces that cover state and local general obligation bonds and dedicated tax bonds. We are currently in a comment period on a thoughtful white paper on New Issue Disclosure. The NFMA is proud to have partnered with and endorsed NASACT's paper "Voluntary Interim Financial Reporting Best Practices for State Governments" and look forward to other collaborative opportunities with that and other industry groups.

We attended the MSRB's Industry Roundtable discussion in January, and Bill Oliver, our industry liaison, has already spoken on behalf of the NFMA at industry events this year. Members have begun registering for our Annual Conference being held at the Grand Floridian Hotel in Lake Buena Vista beginning May 6th. We hope to see as many of you there as possible.

We have a few house cleaning chores to accomplish this year that relate to finance, some constitutional issues, contracts and budgeting. We encourage members and Board members to become active on these and other committees and to get as involved as you can in your organization. Follow us on twitter @muni\_analysts! Get familiar with the NFMA website. Let us know if you can help foster our student member program.

It is an honor to be working with Lisa, Betsy and Bill and my officers: Jen Johnston, Vice Chair; Lisa Washburn, Treasurer; and Julie Egan, Secretary, over the coming year. Please feel free to reach out to us with any comments or suggestions.

*Respectfully yours,*

*Susan Dushock*  
NFMA Chair



## EDUCATION COMMITTEE

I would like to congratulate Rachel Cortez and Dan Berger for an outstanding advanced seminar in New Orleans, in spite of the weather, and welcome Chris Mauro as the new co-chair. We are all looking forward to more great education events in 2014!

Be sure to read about the annual conference chaired by Anne Ross and Mary Francoeur.

I would like to thank Anne Ross for continued leadership for the introductory course in the Fall.

The education liaison for the Annual Conference is Scott Andreson and for the Advanced Seminars, Brian Olson.

The NFMA is continuing the GASB partnership meetings with Boston and California completed and Minnesota and New York scheduled for 2014.

*Julie Egan*

## Annual Conference

The NFMA Conference Planning Committee is pleased to announce that registration for its 31st Annual Conference is open. The meeting will take place on **May 6-9 at Disney's Grand Floridian Resort & Spa, Lake Buena Vista, FL**. We have a strong line-up of speakers and expect that attendance will continue to show growth - last year in San Diego, we had over 400 attendees! We hope you will consider joining us for an exceptional educational and networking experience.

Go to [www.nfma.org](http://www.nfma.org) to register. Details about hotel reservations, ground transportation and park tickets are provided in the program and in registration materials.

*Anne Ross and Mary Francoeur*



## Advanced Seminar

The Winter 2014 Advanced Seminar on the Credit Impacts of Natural Disasters was a great success! The seminar took place at the historic Windsor Court Hotel in New Orleans, Louisiana on Thursday, January 30 and Friday, January 31. During the two day period, eight panels covered a variety of the key financial impacts of Natural Disaster issues faced by our industry. A special thanks to Build America Mutual for sponsoring the Thursday night reception.

Thanks to everyone who contributed to the success of the conference, including Lisa Good, Betsy Harkins, Julie Egan, the panelists, the speakers, and, the members of the steering committee: Gregg Bienstock, Jim Binette, Marcy Block, John Hallacy, Betsy Hill, Peter Murphy, John Murphy, Karl Pfiel and Scott Andreson.

We were particularly thrilled about our luncheon speaker, John Barry, author of *Rising Tide*, who explained what 100 year protection really means, its history, and its significance, and future impacts of sea level rise.

As we move forward with this Fall's Advanced Seminar planning process, we encourage all NFMA members to contact Dan Berger, Chris Mauro or Lisa Good with suggestions on topics or speakers. We look forward to hearing from you soon.

*Rachel Cortez and Dan Berger*



Southern Municipal Finance Society

**The Southern Municipal Finance Society elected new officers for 2014.**

<b>Current Chair</b>	<i>Barbara Vanscoy</i>	Community Capital Management
<b>Treasurer</b>	<i>Dennis Whittaker</i>	Arvest
<b>Secretary</b>	<i>Emmanuelle Lawrence</i>	Standard & Poor's
<b>Membership</b>	Ann Earley	Edward Jones
<b>Education</b>	Ted Damutz	Moody's
<b>At-Large</b>	James Breeding	Standard & Poor's
<b>At-Large</b>	Jason Diefenthaler	Wasmer Schroeder & Co, Inc
<b>At-Large</b>	Julie Egan	Community Capital Management
<b>At-Large</b>	Alex Fraser	Standard & Poor's
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<b>At-Large</b>	Joel Levy	TIAA-CREF
<b>At-Large</b>	Barnet Sherman	TIAA-CREF
<b>At-Large</b>	Reid Tomlin	Wasmer Schroeder & Co, Inc

The Southern Municipal Finance Society hosted the 2014 Public Policy & Municipal Finance Conference in Charlotte, North Carolina on February 19th and 20th. Conference topics included current challenges to local municipalities; how public policy affects the long-term outcomes of municipalities; pension reform; healthcare and the ACA; housing; and the evolving regulatory landscape. Presenters included Allen Robertson, President of the National Association of Bond Lawyers, Ernest Lanza, Deputy Executive Director of the MSRB, and the Honorable Nikki Haley, Governor of South Carolina. SMFS sponsored five students from the University of North Carolina at Charlotte who are pursuing advanced degrees (PhD in Public Policy and MS in Mathematical Finance) and one student from the University of North Carolina at Chapel Hill.

SMFS will host a breakfast for society members at the Annual Conference in Orlando. ***We look forward to seeing you there.***

*Barbara R. VanScoy*

## MEMBERSHIP

The NFMA's membership continues to grow. We had 1,366 members at the end of 2013, which is a 7.6% increase from 2012 and a 30% increase from 2008! In 2013 we also started a Student Membership program and had six students join the Federation. In 2014 we look forward to increasing our membership, conducting further outreach to students and educating members on NFMA volunteer opportunities. If you are interested in joining the NFMA's Membership Committee or volunteering for other NFMA committees, please fill out the volunteer application in the NFMA Member Center. If you have contacts for MPA or MPP programs for our student outreach efforts, please contact Jennifer Johnston at [jjohnston@frk.com](mailto:jjohnston@frk.com).

*Jennifer Johnston*



Boston Municipal Analysts Forum

After a busy fall 2013 and annual holiday event at King's Lanes – where newly-minted BMAF Treasurer Michael Taylor of Columbia Management Investment Advisers self-reported a score of 301 (“Ever hear of anyone bowling a 300 and losing?” - actual quote) – the BMAF kicked off the year with a January 30th 2014 Municipal Outlook meeting for members featuring Matt Fabian of Municipal Market Advisors and George Friedlander of Citigroup. It was a great event hosted by Columbia with insights on both the topical and less-publicized trends likely to affect the market this year.

Earlier in the month, the BMAF Board comprised of President Sweta Singh of Breckinridge Capital Advisors, Vice President Kurt Forsgren of Standard & Poor's and Treasurer Taylor met to identify priorities and scope out events for the year, surveying the membership for ideas and suggestions. There are some administrative matters related to bylaw clarifications and web site enhancements to tackle, and an expressed interest by the membership for a few more social and networking opportunities – not to be confused with social networking. A couple of educational-themed sessions related to modified cash accounting and pensions are in the mix as well as a site-visit to a local major issuer. Hot topics related to direct lending; Puerto Rico, featuring former Governor Luis Fortuño; and the evolving landscape in the healthcare sector are also on tap as well as Page 2 but still important topics related to power, tobacco and higher education.

The BMAF is also planning to extend meeting invitations to several of the area colleges and university programs with goal of fostering interest in our industry and building collaborative opportunities for continued education.

*Kurt Forsgren*





The CSMA finished out 2013 in celebratory fashion, with two separate holiday parties, but first we hosted an accounting workshop. In November we organized a one-day workshop put on by the Governmental Accounting Standards Board and led by author Dean Mead in conjunction with the publication of their second edition of *An Analyst's Guide to Government Financial Statements*. Then on December 12, we hosted the first of our two holiday parties in San Francisco. At the San Francisco event we also awarded our third annual Amy Doppelt Award to Mary Colby of Charles Schwab. The Amy Doppelt Award recognizes a CSMA member who demonstrates outstanding service, industry contribution, education focused and social consciousness the same way Amy Doppelt did throughout her career. The following week, on December 18, we held a holiday party in Los Angeles to accommodate our Southern California membership.

The CSMA board is kicking off 2014 with an active calendar. We are currently finalizing plans for a two-part symposia that, in light of questions arising from recent events in Detroit and Jefferson County, Alabama, will examine the fundamental nature of local agency general obligation bonds in California. CSMA is co-sponsoring the symposia, the first scheduled for March 14 in San Francisco and the second, April 10 in Los Angeles, with the California Debt Investment and Advisory Commission (CDIAC), an arm of the California State Treasurer's Office.

We are also making arrangements for a spring luncheon on April 22 which will include a timely presentation from health care consultants from Navigant about the state of the health care industry following implementation of some of the key provisions of the Affordable Care Act.

*Gabe Petek*



*2013 Amy Doppelt Award winner, Mary Colby with prior recipients, Jennifer Johnston and Peter Bianchini.*



## INDUSTRY PRACTICES

The Industry Practices Committee acts on behalf of the Board of Governors, providing a means by which the NFMA conveys our views on the municipal market to other industry groups and to regulators.

Through the Industry Practices Committee, the NFMA recently released for comment a White Paper on Best Municipal Bond Issuance and Disclosure Practices. This paper outlines best offering practices and procedures for municipal issuers and underwriters regarding the preparation and content of preliminary offering documents. Additionally it provides guidance on how issuers and underwriters can best interact with investors and credit analysts during the pre-pricing and offering periods.

We encourage you to review the paper. Comments will be taken through April 14, 2014. The paper can be found at <http://www.nfma.org/assets/documents/position.stmt/ps.newissue.draft.1.14.14.pdf>.

If you have ideas or issue that you would like to bring to our attention or if you would like to volunteer for future Industry Practices Committee projects, please feel free to contact us at [jburger@standish.com](mailto:jburger@standish.com) or [lwashburn@mma-research.com](mailto:lwashburn@mma-research.com).

*Jeff Burger and Lisa Washburn*

# MSMA

Minnesota Society of Municipal Analysts

MSMA's series of lunches continue to provide members with opportunities to further their professional knowledge. On November 18 we held a Health Care panel discussing the impact of the ACA on two local hospital systems. Andy McCoy, Vice President of Revenue Management, Fairview Health Services and Megan Cox, Director of Office of Population and Health, Park Nicollet Health System, were our speakers. On December 12 we held our holiday social at the Local which provided members an opportunity to reconnect and network. In January, members gathered for an update on the new NFL stadium bonding and construction. On February 12 MSMA hosted Michael Zetas, Municipal Strategist, Morgan Stanley to give our members an opportunity to hear Morgan Stanley's 2014 Municipal Market Outlook. On April 24 MSMA will be hosting the GASB Accounting and Financial Reporting Workshop. The 2014 Board consists of Brian Olson, President; Tim Russell, Vice President; Ty Schoback, Treasurer; Marco Naylor, Secretary; Jon Lynn At-Large; and Allen Hoppe, Past President.

*Brian Olson*

# MAGNY

Municipal Analysts Group of New York

The beginning of the MAGNY season brought us some sad news with the passing of our longtime web administrator Fernando Trindade. Fernando built the MAGNY website several years ago and had been our webmaster ever since, providing invaluable service to the organization. We will all miss him. I'm happy to report, though, that thanks to the efforts of two of our members, Mary Francoeur and Gerry Lian, we are now fully back on line and have engaged a new web administrator who is doing a terrific job for us.

As reported in the November NFMA Bulletin, our first few luncheons of the season focused on Detroit and Puerto Rico. In November we shifted our focus to higher ed with a diverse panel of speakers including Scott Jaschik, Editor of Inside Higher Education, Martin Dorph, Executive VP of Finance and Information Technology at New York University, and Matthew Sapienza, Associate Vice Chancellor for Budget and Finance at The City University of New York. In December, we held our annual Holiday Party at the New York City Yale Club. This event is always very well attended and this year's party was no exception. In January and February, we returned to the subject of local government fiscal distress. Our January luncheon, "Monitoring Local Municipal Fiscal Distress" featured the Director of the New Jersey Division of Local Government Services, Thomas Neff, as well as Greg Lipitz from Moody's and Nancy Zielke, Senior Director of Alvarez & Marsal Public Sector Services. Similarly, at our February luncheon "How States Deal with Local Government Distress", we heard from a panel of experts that included Joseph Boyle of the Pennsylvania Economy League, Karen Grande of Wildman Palmer and William Rhodes of Ballard Spar.

Finally, in March, MAGNY will join with SIFMA to host a seminar entitled "What Municipal Analysts Need to Know about Governmental Accounting". Dean Mead of GASB will be the instructor of this day-long session. The event will be held at the SIFMA Conference Center in New York.

*Chris Mauro*

## DISCLOSURE

Jason Kissane of Assured Guaranty and Mark Stockwell of Standish Mellon are continuing as the 2014 Disclosure Committee Co-Chairs. We are focusing our efforts to finalize Recommended Best Practice (RBP) documents for a number of sectors and to complete other initiatives which would provide guidelines to improve the timing of disclosure documents.

Anne Ross and Nicole Byrd have co-chaired the G.O. and Dedicated Tax Recommended Best Practices (RBP) in Disclosure Committee. They are finalizing their draft State GO RBP, which will be made available for public comment. They have also produced initial draft RBPs for Dedicated Tax and Local G.O.s. Each of the draft RBPs incorporates interim disclosure recommendations.

Robert Doty, Gil Southwell and Dean Lewallen continue to make significant progress on the Charter School RBP. The committee is currently seeking additional feedback from sector specific market participants. The Charter School RBP Committee is targeting a Summer 2014 release.

Robert Doty and Gil Southwell are also in the final stages of drafting the Disclosure of Conflicts of Interest White Paper. The White Paper is currently being vetted and commented on by an expanded group of NFMA members, with a target release in Spring 2014.

As RBP committees are working to complete their respective projects, the committee is also reviewing various sectors to prioritize the updating of existing RBPs and will be working to formulate new RBP committees. We thank all those involved for their dedication and hard work.

*Jason Kissane and Mark Stockwell*



In November, CMAS hosted its members to a discussion entitled “The Demographic Wave and its Impact on the Municipal Market”. The esteemed panel included Richard Hokenson, Senior Managing Director-Global Demographics, ISI Group LLC; Richard Ciccarone, president and CEO of Merritt Research Services, and formerly Managing Director and Chief Research Officer at McDonnell Investment Management, LLC; and Peter Fugiel, PhD, author, lecturer, and researcher on the American public sector and housing, who currently works with MuniNetGuide. The speakers shared an optimistic tone for the future prosperity of United States. The era of low interest rates has only just begun according to Mr. Hokenson. He further added that the U.S. population will continue to grow given its positive birth rate, and immigration, which will help the U.S. avoid labor shortages that plague much of the rest of the developed world. Mr. Ciccarone’s keys to focus on as far as demographics relate to municipal credit quality include: population growth and income levels which reflect the general health of the economic base and the capacity to support debt and provide fiscal stability; the age of the population, which impacts demand for schools, public services, and health care; and educational attainment which fuels entrepreneurship and reflects the depth and quality of the labor pool. Mr. Fugiel cautioned that certain large states with strong population trends, such as California and Texas, could become “mega” states and ultimately become ungovernable given their large size and weak governance.

In December the site of our Chapter’s holiday party was extremely apropos:

### **Here we confirmed our new CMAS officers and merrily celebrated the holiday season.**

In January, CMAS hosted its third annual Outlook Conference, which in the past two years has spanned an entire day. Diane Swonk of Mesirow Financial opened up the event with a bullish economic outlook. Matt Fabian of Municipal Market Advisors followed with his optimistic view on the municipal market. Sean McCarthy of Build America Mutual discussed his outlook for the bond insurance industry and factors that set his firm apart from the other bond insurers. The lunch speaker was Professor Don Haider of Northwestern University, who discussed Chicago mayors and politics. The mood turned less optimistic in the afternoon when George Huang of Wells Fargo discussed the challenges that not-for-profit hospitals will face in 2014, and Jim Spiotto of Chapman Strategic Advisors LLC discussed developments in municipal bankruptcies.

In January, the new CMAS Board began its term for the 2014 calendar year. The Board includes: President-*Christopher Nowakowski* of McDonnell Investments, Vice President-*Dana Sodikoff* of Fitch Ratings, Treasurer-*Gwen Kashmier* of Allstate Investments, and Secretary-*Ann Kibbler* of Loop Capital. Board Members include: *Suzie Desai* of S&P, *Shaun Peters* of Invesco, and *Jeff Yorg* of Gurtin Investments.

*Chris Nowakowski*



## **CONSTITUTION COMMITTEE**

As the municipal marketplace has undergone dramatic changes in recent years, so too has the NFMA. We have broadened our outreach by increasing our collaboration with other industry groups to promote goals such as improved disclosure; expanding our membership categories to include future public finance professionals who are currently in college; and modernizing our communication methods (most notably through Twitter) to reach a greater and more diverse audience. To ensure that the NFMA Constitution is consistent with our organization’s ever-widening scope, the Constitution Committee will review and, where necessary, propose additions, deletions, and edits to the current document. We are seeking two volunteers for the committee. If you are interested in contributing to this important effort, please contact Lisa Good, Susan Dushock, or Rachel Cortez.

*Rachel Cortez*

## **GASB/GASAC PROJECT & RESOURCE UPDATE**

NFMA is a long-standing member of GASAC (Governmental Accounting Standards Advisory Board), and through GASAC, NFMA has the ability to voice its opinions on the various GASB governmental accounting projects and Exposure Drafts. As NFMA is one of only a few “buy-side user groups” on GASAC, NFMA wants to maintain a strong presence in GASAC and on GASB deliberations. This Update should help keep NFMA members informed of pending GASB project deliberations and helpful resources offered by GASB to buy-side analysts. If you wish to become more involved in formulating NFMA responses to GASB/GASAC project deliberations, please consider joining the ad hoc NFMA/GASAC Committee by contacting Gilbert Southwell at [gsouthwe@wellscap.com](mailto:gsouthwe@wellscap.com). Check out the GASB website for resources of value to NFMA members at [www.gasb.com](http://www.gasb.com).

## **GASB/GASAC PROJECT DELIBERATIONS OF IMPORTANCE TO NFMA MEMBERS:**

At GASB/GASAC’s next meeting in March 11-12, 2014, the following “discussion” projects will be addressed-so your input is welcome! Please access to the GASB website and click the link in the upper right entitled “Recent Minutes And Major Tentative Decisions” for the status of all pending GASB projects.

- 1) GASB has requested GASAC input on capital (aka finance) lease accounting primarily from the perspective of a governmental lessee (“Leasing Discussion”). As a number of lease financing structures (real estate and equipment) have been utilized in municipal finance in the last 20 years, this is an interesting and timely topic. The treatment of annually renewable leases, non-appropriation leases and other capital leases are being considered. NFMA is pushing for more robust footnote disclosure of individual, material capital leases including type of leased property, use-life, renewal and purchase options, scheduled maturity date, etc.. If you have any views or comments on the Leasing Discussion, contact Gil Southwell.
- 2) GASB is “re-examining” the usefulness of the following governmental financial reports: government fund statements, government-wide statement of activities and government-wide statement of net position (“Re-examination”), and requested GASAC feedback. NFMA is suggesting that certain additional items be included or broken down in these government statements to make them more informative to NFMA analysts and the general investor. One suggested area of improvement is adding capital impairment charges to the current valuation of capital assets backed by informative detailed footnotes by capital asset type. If you have any views or comments or opinions on the Reexamination, contact Gil Southwell.
- 3) GASB has requested GASAC input on fair value measurement of investments (“Fair Value Discussion”). NFMA is requesting more valuation detail and liquidity information for investments that are classified as Level III investments as these remain the most difficult to evaluate for NFMA analysts. NFMA believes the liquidity of these Level III investments should be addressed-and not just their “fair value”. If you have any views or comments or opinions on the Fair Value Discussion, contact Gil Southwell.
- 4) GASB has requested GASAC input on fiduciary/trust fund and custodial fund account reporting (“Fiduciary Discussion”). Given the increasing emphasis on underfunded pension, OPEB and other governmental fiduciary arrangements, NFMA believes that more robust fiduciary/trust fund reporting and footnote disclosure is needed. One area of GASB discussion is when a liability should be recognized in the fiduciary fund statement. NFMA believes that any event creating a high probability of payment should trigger the liability recognition. If you have any views or comments or opinions on the Fiduciary Discussion, contact Gil Southwell.

## **GASB RESOURCES HELPFUL TO NFMA MEMBERS (Available through the GASB website):**

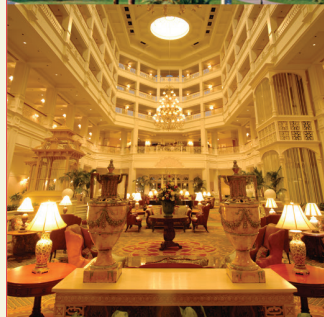
- 1) GASB just launched its new quarterly electronic newsletter called GASB Outlook, and is now offering GASB’s printed newsletter called GASB Report for free. So consider subscribing to both!;
- 2) GASB recently published its 2nd edition of “Analyst’s Guide To Government Financial Statements” and “What You Should Know About Government’s Business Type Activities”;
- 3) GASB recently published a series of materials to educate issuers, pension plans, financial statement preparers and users about the new GASB Pension Statements; and
- 4) GASB recently established a new on-line research platform known as GARS (Government Accounting Research System) and a free Basic View is available to NFMA members. See GASB press release for access details and Basic View subscription information.

*Gilbert Southwell, NFMA Representative to GASAC*



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**THANKS to all of our 2014 sponsors!**

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## 2014 Board of Governors

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## NFMA Expands Outreach Effort with Industry Partners in 2014

We are making a big effort this year to broaden our outreach among more industry groups to talk about both primary and secondary market disclosure. These efforts have arisen from the semi-annual MSRB Roundtable, which convenes a meeting with all key industry groups to discuss MSRB initiatives and industry concerns.

The White Paper on Best Municipal Bond Issuance and Disclosure Activities was released earlier this year. It is a good starting point to discuss our concerns about the need for Plain English, especially in the security and legal covenant sections. While the SEC published guidelines on this topic several years ago, they have never really caught on in the municipal market. With the new concern coming out of the Detroit bankruptcy over what a General Obligation pledge really means, it becomes more important to clearly define what the pledged revenues are in Plain English. The White Paper also discusses the need to provide much more detailed information on GO bonds, including the statutory derivation of the pledge, security and liens, collection procedures and legal remedies. It also recommends best practices for web-based investor calls, with live question and answer periods as well as posting of the slides on the internet. There will be some push back on this, but in the end it will lead to more meaningful presentations and fuller disclosure in the Preliminary Official Statements.

The SEC enforcement action taken in 2013, most noticeably against the City of Harrisburg, PA for failing to file disclosure documents with EMMA, has served as a wakeup call for issuers, especially those that are less frequent borrowers. This action cited the City for its lack of disclosure required under previous bond issues, as well as conflicting public statements made concerning the Harrisburg's fiscal condition. This should serve as a catalyst for greater compliance in the future. NABL is currently undertaking a project to develop best practices for post-issuance compliance.

The effort to improve interim disclosure continues as more issuers are creating investor websites and disclosing more cash flow, budget information and economic updates. The National Association of State Auditors, Comptrollers and Treasurers (NASACT) took the lead with the publication in 2013 of their voluntary guidelines for secondary market disclosure. This effort, done in conjunction with the NFMA, is an excellent blueprint for interim disclosure. The NFMA is currently working on best practices papers for interim disclosure for state GOs, local GOs and dedicated revenue bonds. Issuers will have the option of expanding their interim disclosure activities on their own web sites, creating a link from these sites to the new issuer home page on EMMA or provide this information directly to EMMA.

The MSRB recently rolled out a number of enhancements to EMMA that are designed to make the system more accessible to both issuers and investors, especially retail investors with less familiarity with the intricacies of the municipal bond market. A key feature is the use of a map of the U. S. to locate issuers, instead of relying solely on CUSIPs. Another enhancement gives the issuers the ability to link all of their related securities to the same homepage, so that general information can be included with all individual bond issues. This will take some time to roll out, as it requires the co-operation of each issuer to ensure that the information is correct.

Communications have become a major focus of the NFMA with many key industry groups. We have been more active in reaching out to the National Association of State Treasurers (NAST), NASACT, GFOA and NABL by soliciting their opinions on our white papers and recommended best practices papers as well as participating in their conferences. This year we are beginning to work with two more groups, the International City/County Management Association (ICMA) and the National Association of Independent Public Finance Advisors (NAIPFA), in order to more widely disseminate our recommendations to local issuers and their advisors.

*Bill Oliver*

## Treasurer's Report

**Financial Snapshot:** As of 12/31/2013, our unaudited cash and investments are just over \$1.3 million. We manage our money conservatively with PNC (checking and savings) and four Vanguard Funds (Money Market, Total Stock Market Index, Total International Index and Bond Index Funds). Our FY13 return was approximately 10.6%, driven by strong gains in the stock market funds. We estimate that the NFMA ended FY13 with net income of about \$196,000. In 2013, the NFMA's revenues were approximately \$643,000 with conference registrations (Annual Conference, Advanced Seminars and introductory course) accounting for 50%, sponsorships making up 28% of revenues, and 22% coming from member dues.

**Finance Committee Opportunities:** The Finance Committee—or a working group under the Committee— will begin work this year on establishing a spending policy and evaluating our insurance coverage. The Finance Committee is co-chaired by the Vice-Chair and Treasurer. The Secretary, Executive Director, two Board Members and two other NFMA members make up the committee. For 2014, Board Members Kurt Forsgren and Sweta Singh have volunteered to be on the committee. We will fill the other two spots in the near future—if you are interested please let me know.

If you have any comments or questions, please don't hesitate to contact me at [lwashburn@mma-research.com](mailto:lwashburn@mma-research.com) or 908-273-2142.

## Almost Like Being in NOLA, But without the Jazz, Sazeracs, Crawfish, Beignets . . .

For those unable to join us in New Orleans, our Twitter feeds provided some of the insights that were offered by the panelists. Did you know that “549 FEMA eligible disasters and pay out of about \$90 billion b/w 2004-2011” or that “the integration of FEMA and insurance coverage is critical to recoveries”?

The NFMA will not be using WhatsApp to chat, but we are looking to establish a Facebook page. Volunteers are welcome to assist with this effort which is designed to enhance our visibility to the next generation of municipal analysts.

Do you have something important to say about muni credits in the news? Our new profile feature that enables individuals to identify themselves as available to speak to the press has been an effective tool to providing reporters timely access to your opinions. We provide contact information to the press based on members' self-identification of specialties. Remember that you are NOT representing the NFMA. This is just one of the many services we provide our members.

*Mary Francoeur*



**Mark your calendar for the  
31st Annual Conference  
May 6-9, 2014  
Disney's Grand Floridian Resort & Spa  
Lake Buena Vista, Florida**

## NFMA CALENDAR

### March 14

CDIAC/CSMA Symposia  
San Francisco, CA

### April 10

CDIAC/CSMA Symposium  
Los Angeles, CA

### April 24

MSMA - GASB Accounting and  
Financial Reporting Workshop

### May 6 – 9

NFMA 31st Annual Conference,  
Disney's Grand Floridian, FL

### May 12 - 15, 2015

NFMA 32nd Annual Conference, Four  
Seasons Hotel, Las Vegas, NV

### May 10 – 13, 2016

NFMA 33rd Annual Conference  
Chicago, IL



## NFMA

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You can see agenda and get information on how to register at [www.nfma.org](http://www.nfma.org).