



NFMA

33rd Annual Conference

May 3-6, 2016

The Westin Michigan Avenue

Chicago, Illinois



NFMA THIRTY-THIRD ANNUAL CONFERENCE – 2016

TUESDAY, MAY 3RD

1:00 – 5:00 pm

Registration

7:00 to 8:00 pm

Welcome Reception

sponsored by National Public Finance Guarantee

WEDNESDAY, MAY 4TH

7:15 – 8:15 am

Registration & Continental Breakfast

8:15 – 8:30 am

Welcoming Remarks – *Lisa Washburn*, NFMA Chair, Municipal Market Analytics; *Scott Andreson*, NFMA Annual Conference Chair, Seix Investment Advisors

8:30 – 9:15 am

Keynote Address – *Honorable Mayor Rahm Emanuel*

Rahm Emanuel has served as the 55th mayor of the city of Chicago since 2011. During that time he has made the tough choices necessary to secure Chicago's future as a global capital. He attracted numerous companies to Chicago and helped to build the next generation of start-ups, while investing in the infrastructure, public transportation, open space and cultural attractions that make Chicago a great place to live, work, and play.

Prior to becoming Mayor, Emanuel served as the White House Chief of Staff to President Barack Obama and served three terms in the U.S. House of Representatives representing Chicago's 5th District. He previously served as a key member of the Clinton administration from 1993 to 1998, rising to serve as Senior Advisor to the President for Policy and Strategy.

9:15 - 10:30 am

Illinois Politics and Public Finance 101

The economies of Illinois and Chicago are among the deepest, most diversified in the United States, providing significant resources to support governmental operations and favorable credit ratings. However, years of poor financial decisions by political leaders have placed substantial burdens on the state, city and other regional governments. As a result, credit ratings are among the lowest in the nation and spreads have widened significantly. Our panel of local experts will answer your questions on how political decision making influences the ability of governments to provide services and make critical capital investments, while also living up to the obligations they have to bondholders and other stakeholders.

Moderator: *Peter Stettler*, President and Lead Analyst, Municipal Credit Analytic Services, LLC

Panelists: *Laurence Msall*, President, The Civic Federation; *Kate Grossman*, Director, Fellowships, University of Chicago Institute of Politics; *Greg Hinz*, Columnist, Crain's Chicago Business

10:30 – 10:45 am

Break



10:45 am – Noon

Super Downgrades and Multigrade Divergences - They're Just Opinions

Mark Twain once wrote, "It is difference of opinion that makes horse races". It seems we are now experiencing more instances of issuers carrying widely divergent ratings and greater frequency of dramatic rating revisions. How are market participants coping with these developments? To what extent is heightened ratings volatility incorporated into research/valuations? How do issuers cope with this environment? This panel of experts will explore recent ratings disagreements and implications for the market.

Moderator: *David Belton*, Head of Municipal Bond Research, Standish Mellon Asset Management LLC

Panelists: *Bill Grady*, Senior Portfolio Manager, The Allstate Corporation; *Jill Jaworski*, Managing Director, Public Financial Management, Inc.; *Joseph Rosenblum*, Director of Municipal Credit, AB

12:15 – 2:00 pm

Luncheon and Awards Presentation

The NFMA continues its 33-year tradition of presenting awards for outstanding contributions to the organization and to the industry.

2:15 – 3:30 pm

Democracy in Peril: What to do When Elected Officials Haven't, Won't or Can't

Municipal distress presents some heady questions about what democracy really means when cities and states become unable to provide essential services and meet financial obligations. The panel will explore questions about the role of a bankruptcy judge in Chapter 9 to displace elected officials, the federal government's responsibility (or not) in Puerto Rico, and when states intervene in local government.

Moderator: *Marti Kopacz*, Senior Managing Director, Phoenix Management Services LLC

Panelists: *Hon. Steven W. Rhodes*, U.S. Bankruptcy Judge (Retired); *Melissa B. Jacoby*, Graham Kenan Professor of Law, University of North Carolina School of Law ; *Angel Taveras*, Shareholder, Greenberg Traurig, LLP, Former Mayor, Providence, RI

3:30 – 3:45 pm

Break

3:45 – 5:00 pm

Industry Roundtable

Join industry representatives as they discuss "what's next" on the municipal disclosure horizon. Although progress has been made as a result of the implementation of Rule 15c2-12 (and its amendments) and the launch of EMMA, the SEC's MCDC initiative and industry studies demonstrate that further enhancements are needed to improve investor access to complete, timely and understandable disclosures.

What do municipal analysts think about the state of municipal disclosure? What, if any, of the SEC's legislative and regulatory recommendations from its 2012 "Report on the Municipal Securities Market" are likely to be implemented? What efforts are market participants undertaking to proactively improve the disclosure landscape? And, what factors constrain progress?

Moderator: *Lisa Washburn*, Managing Director, Municipal Market Analytics, NFMA Chair

Panelists: *Ritta McLaughlin*, Chief Education Officer for the Municipal Securities Rulemaking Board; *J. Ben Watkins*, Director - Division of Bond Finance, State of Florida, GFOA; *Michael Decker*, Managing Director, SIFMA; *Jessica Kane*, Director, Office of Municipal Securities at the U.S. Securities and Exchange Commission; *Bill Daly* Director of Governmental Affairs, NABL

Free evening



THURSDAY, MAY 5TH

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**

Breakout #1 Municipal Bankruptcy Fall Out: Statutory Liens & Rethinking Appropriation Risk

High profile bankruptcies and issuers experiencing financial stress have caused municipal market participants to rethink the value of previously unquestioned promises. The reaction of some states has been to enact legislation creating a statutory lien designed to strengthen bondholders' position in workouts. These situations and the judicial interpretations of different security pledges have credit analysts closely examining traditional financing mechanisms, including various appropriation structures and moral obligations. This panel will discuss how statutory liens and constitutionally mandated payments are intended to work. How do analysts compare and value transactions that have and do not have such provisions? The panel will also discuss disclosure challenges related to offering documents.

Moderator: *Jane Ridley*, Senior Director, Analytical Leader, Standard and Poor's

Panelists: *Richard Ciccarone*, President & Chief Executive Officer, Merritt Research Service; *Frank J. Bailey*, United States Bankruptcy Judge District of Massachusetts; *Amanda Van Dusen*, Principal, Miller, Canfield, Paddock and Stone

Breakout #2 Muni High Yield: The Good, the Bad and the Ugly

This panel will give an update on the tax exempt high yield market. The speakers will review which high yield sectors are getting better, getting worse, or getting really ugly. The panel will also explore historical issuance, spreads, and the evolution of and current state of nonrated bond covenants. Finally, the panelists will explore what happens to high yield securities in a rising rate environment.

Moderator: *Edward Merrigan*, Director of Municipal Research, B.C. Ziegler and Company

Panelists: *Bill Black*, Portfolio Manager; *Jon Barasch*, Director, Municipal Evaluations, Interactive Data Corporation; *William W. Kannel*, Member, Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C

Breakout #3 Campaign Promises...Cutting Through the Rhetoric

The November 8th presidential election has the potential to bring about significant policy and funding priority changes that could impact the municipal market. This panel will address the major campaign agendas of the leading Republican and Democratic presidential candidates with the possible implications for the tax exempt asset class, as well as highlight some of the major legislative and gubernatorial elections to watch. Will tax reform happen? Will BABs be reinstated? Will Puerto Rico be able to file for Chapter 9? These questions and many more will be discussed by our distinguished speakers.

Moderator: *Mimi Park*, Managing Director, Wells Fargo

Panelists: *Frank Shafroth*, Director, Center for State and Local Leadership at George Mason University; *Susan Collet*, President, H Street Capitol Strategies, LLC; *George Friedlander*, Managing Director, Municipal Macro Strategy and Policy, Citigroup Investment Research and Analysis



Breakout #4 Bridging the Infrastructure Funding Gap – Who Should Pay?

Recent problems with the Highway Trust Fund are well documented, and the ensuing debate has raised the question – Who should be funding infrastructure investment: the federal government, state and local governments, or individual users? Different infrastructure asset classes have different funding models in place. This panel discussion will address, among other things: pros and cons of the various major funding sources (user fees/tolls, various forms of taxation); whether some infrastructure types better suited to user-pay funding than others; DOT considerations when planning projects; public project delivery versus P3 – can private infrastructure investment make a difference?

Moderator: *Saavan Gatfield*, Senior Director, Fitch Ratings

Panelists: *Rick Geddes*, Associate Professor/Director of Infrastructure Policy Program, Cornell University; *Morteza Farajian*, Program Manager, Virginia Office of Public-Private Partnerships; *Sarah Puro*, Principal Analyst, U.S. Congressional Budget Office

Breakout #5 Sustainable Investing – The Rise of Green Bonds in the Municipal Bond Sector

This panel brings together top participants in the green bond market outlining the rise of green bond issuance, the growing sustainable market interest, and the ways in which both issuers and investors have derived value to date. Panelists will highlight emerging trends and the ways that market participants can differentiate projects in the nascent muni green bond sector.

Moderator: *Joel Levy*, Group Head, Municipal Fixed Income, TIAA-CREF

Panelists: *Thomas M. Kloc*, Managing Director, U.S. Sustainability Services Practice, KPMG; *Glen Yelton*, Vice President, Head of Impact Research, SNW Asset Management; *Greg C. Gaskins*, Secretary, North Carolina Local Government Commission

Breakout #6 Cross-Over Buyers' View of Puerto Rico & the Muni Market

Distressed hedge funds have become an important player in the muni market particularly in the various Puerto Rico credits. This panel will discuss the approaches of distressed taxable buyers versus traditional municipal investors. Objectives, timelines, resources and negotiating tactics will be contrasted. An update on Puerto Rico will be provided as well.

Moderator: *Brian Olson*, Managing Director, Piper Jaffray

Panelists: *Ranjit Ahluwalia*, Senior Analyst, Silver Point Capital; *Gavin Wilkinson*, Senior Vice President, UMB Bank; *Adam Sklar*, Managing Principal, Co-Portfolio Manager, Monarch

12:15 – 1:15 pm
Past Chairs Lunch

Free afternoon

2:00 – 3:30 pm
Chicago Architecture Foundation River Cruise
(additional registration required, must be at the dock by 1:30 pm)



Photo compliments of the Chicago Architecture Foundation



NFMA THIRTY-THIRD ANNUAL CONFERENCE – 2016

6:30 – 8:30 pm

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

FRIDAY, MAY 6TH

7:00 – 8:00 am

Continental Breakfast

8:00 – 9:15 am

A Tangled Web: The Economic and Financial Impacts of Oil Price Shocks

The panel will explore the complex economic and financial pathways by which a commodity price shock impacts state and local government credit, as well as other tax exempt sectors. Speakers will use a multidisciplinary approach that may provide additional support for the municipal analyst charged with disentangling the relative significance of oil price changes for both credit quality and credit spreads.

Moderator: *Christopher Mier*, CFA, Strategist, Loop Capital

Panelists: *Mine Kuban Yücel*, Senior Vice President and Director of Research, Federal Reserve Bank of Dallas; *Andrew O'Connor*, Corporate Analyst, Morningstar; *Gregory Brian Upton, Jr.*, PhD, Assistant Professor, Center for Energy Studies, Louisiana State University

9:15 – 9:30 am

Break

9:30 – 11:00 am

Headline Risk: Unexpected Price Changes and Answering to the Folks at the Top

Hardly a day goes by without a comment about “headlines” or “headline risk”. What is headline risk and how does it affect our markets? This panel will look at how news headlines influence price changes in the market and investor buying and selling behavior. We will also discuss the questions of risk and investment policy that headlines raise among senior managers at a firm -- whether these issues have already been vetted or not. We expect a lively dialogue between a seasoned journalist and experienced strategist about what happens when there is a potentially market-changing story.

Moderator: *Natalie Cohen*, Managing Director, Wells Fargo Securities, LLC

Panelists: *Joseph Mysak Jr.*, Columnist, Bloomberg Editorial, Bloomberg, LP; *Sean Carney*, Director, Head of Municipal Strategy, Black Rock Financial Management, Inc.; *Michael Zezas*, CFA, Managing Director, Morgan Stanley

11:00 – 11:15 am

Closing Comments & 2017 Invitation –

Andrea McKeague, NFMA Annual Conference Co-Chair, McDonnell Investment Management

11:15 am –

Conference Adjourns

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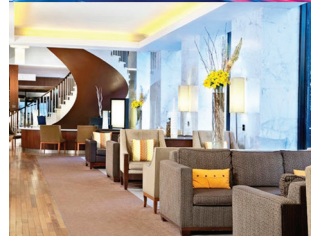




Photo compliments of the Chicago Architecture Foundation

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