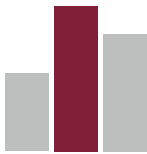


NFMA 36th Annual Conference
May 7-10, 2019
Belmond Charleston Place
Charleston, South Carolina



NATIONAL FEDERATION
of MUNICIPAL ANALYSTS



2019

Tuesday, May 7, 2019

1:00 pm - 5:00 pm Registration

7:00 pm - 8:00 pm Welcome Reception

Meet up with other registrants at the Welcome Reception to begin the conference. New members and first-time attendees will gather at a sign marked "New Member Advancement" for an informal meet and greet.

WIN an iPad Pro!

Submit your name tag to register at the end of the last session on Friday to be eligible.

Wednesday, May 8, 2019

7:00 am - 5:00 pm Registration

7:30 am - 9:00 am Continental Breakfast

8:00 am - 8:15 am Welcoming Remarks

Welcome to the 36th Annual Conference of the NFMA! Remarks will be given by **Scott Andreson**, NFMA Chair, Director of Fixed Income, American Family Insurance, and **Kurt Forsgren**, Annual Conference Chair, Managing Director, S&P Global Ratings

8:15 am - 9:00 am - **Keynote Speaker**

David Wessel, Director - The Hutchins Center on Fiscal and Monetary Policy Senior Fellow - Economic Studies, Brookings Institution

How big a threat does the soaring federal debt pose to the economy? Is the rising federal debt causing angst to anyone – in Congress or in the bond market? How seriously is the Fed rethinking its 2% inflation target and the composition of its balance sheet – and to whom does it matter? With interest rates below historic norms and the federal debt large and rising, how will Washington respond to the next recession? Are we in for a prolonged trade war with China? Can a polarized Congress make any progress on addressing long-term problems of inadequate investment in public infrastructure and human capital, rising health care costs, climate change or widening inequality? And what difference does all this make to state and local governments?

9:00 am - 9:15 am - **Break**

9:15 am - 10:30 am **Tax Reform and the Municipal Market: The Changing Landscape for Supply, Demand, and Fundamentals**

The Tax Cuts and Job Act ("TCJA") of 2017 is best known for lowering personal income tax rates for individuals and corporations, but it also included a number of other provisions that significantly impact municipal market fundamentals, supply, and demand. How will caps on the state and local tax deduction (SALT), along with other TCJA changes, impact the long-term creditworthiness of high-tax states? How will the volume and composition of muni market supply evolve due to TCJA provisions relating to the alternative minimum tax and advance refundings? And will increased muni demand from life insurers and specialty state retail offset diminished interest from banks?

Moderator: Marshall Kitain, Head of Municipal Credit Analysis / Investor Marketing, JP Morgan

Speakers: Ann Ferentino, Portfolio Manager/Senior Investment Analyst, Federated Investors; **Jamie Doffermire**, Municipal Sales Manager, Citi; **Issuer** (invited)

10:30 am - 10:45 am - **Break**

10:45am - 12:00pm - **Busting Urban Myths in Muni Disclosure**

Roundtable on the misconceptions in muni disclosure and what can be done about them, by a distinguished panel who have been involved in all aspects of municipal bond disclosure.

Moderator: *Scott Andreson*, NFMA Chair, Director of Fixed Income, American Family Insurance

Speakers: *Daniel Deaton*, Partner, Nixon Peabody; *Steve Heaney*, Director of Public Finance, Stifel; *Brad Gewehr*; Senior Vice President, Bank of America Merrill Lynch; *Peg Henry*, Deputy General Counsel, Stifel

12:15 pm - 2:00 pm **Luncheon - Awards Presentations & Business Meeting**

The NFMA continues its 36-year tradition of presenting awards for outstanding contributions to the organization and industry. Awards will take place during lunch. Following the awards, a short business meeting, with presentations by key NFMA committee chairs, will take place.

Presenter: *Mary Francoeur*, Managing Director, PFM Financial Advisors, LLC

2:15 pm - 3:30 pm - **What Infrastructure Crisis?**

The alarm about infrastructure spending has been sounded for over two decades with little political movement or adequate private funding to rectify the situation. Our country has not come to a grinding halt, so the question remains – do we have an infrastructure crisis? Have we ever had a crisis? If so, why have we not seen P3s and other creative financing structures take off? Why has there not been more investment from state legislatures? Will we reach a breaking point? Our panelists discuss how to quantify the US infrastructure requirements, which sectors are better or worse positioned and next steps.

Moderator: *Brent Miller, CFA*, Fixed Income Investment Analyst, Travelers

Speakers: *Brian Pallasch*, Director of Government Relations and Infrastructure Initiatives, American Society of Civil Engineers (ASCE); *Debra Knopman*, Principal Researcher, Professor, RAND Corp.

3:30 pm - 3:45 pm **Break**

3:45 pm - 5:00 pm - **Health Care Modernization to Preserve the Bottom Line**

Health care providers and state health officials are laser focused on improving the quality of health care while maintaining financial balance. States have targeted program savings in high-cost/high-needs Medicaid enrollees through coordination with providers and managed care organizations as well as greater application of IT solutions. But the pool of providers is shrinking, particularly in rural areas, as hospital consolidations further change the health care landscape. As the merger trend continues with organizations striving for efficiencies and cost controls, will health care consumerism fall away with less choice? How can we achieve effective health care delivery options that adhere to financial goals?

Moderator: *Marcy Block*, Senior Director, Fitch Ratings

Speakers: *Anu Singh*, Managing Director, Kaufman Hall; *Terri Newsom*, Chief Financial Officer, Prisma Health; *Joshua Baker*, Director, South Carolina Dept. of Health and Human Services

5:00 pm - **Free Evening**

Enjoy Charleston on your own. Remember to use Whova, the NFMA's conference app, to reach out to others to set up dinner or other activities.

Thursday, May 9, 2019

7:30 am - 9:30 am - **Continental Breakfast**

7:00 am - 8:00 am - **Past Chairs' Breakfast**

(past NFMA Chairs and Executive Committee members only)

8:00 am - 9:15 am - **Paradigm Shift of Municipal Credit Analysis**

The conventional approach to analyzing municipal credit fails to uncover the true fiscal dynamics of struggling state and local governments. Traditional credit factors such as finance, budget, debt, pension, management and governance reveal the symptoms and manifestation of underlying driving forces rather than the root cause of credit issues. In many cases, the root causes are political in nature—and stem from policymakers' strong political incentives to make fiscally imprudent decisions. Recognizing these incentives and their resulting policies can provide powerful insight into the credit trajectory of state and local governments. In this session, the panelists will discuss political incentives and policies that have shaped the fiscal conditions of state and local governments across the U.S., and how they continue to constrain fiscal reform efforts.

Moderator: *Andy Shin, CFA*, Vice President, Municipal Credit Research, BNY Mellon Asset Management North America, a BNY Mellon Company

Speakers: *Daniel DiSalvo, Ph. D.* Associate Professor and Senior Fellow, City University of New York and the Manhattan Institute; *Sarah F. Anzia, Ph. D.*, Michelle J. Schwartz Associate Professor of Public Policy & Political Science, Goldman School of Public Policy at UC Berkeley

9:15am - 9:30am - **Break**

9:30am - 10:45am - **TOBs: More Than Meets the Eye**

After nearly becoming extinct under the Volcker Rule, the tender option bond ("TOB") market has made an impressive comeback, as both Wall Street and Main Street found a new path to finance bond positions. Now the Volcker Rule is under consideration for relaxation such that TOBs may benefit from de-regulation. At the same time, tax reform has impacted borrowing and investment strategies alike. Given the importance of this sometimes opaque market in absorbing municipal bond supply and the involvement of mutual funds, banks, hedge funds and a variety of issuers and credits, it's imperative that municipal analysts understand how and why TOBs exist.

Moderator: *John Vetter*, Structured Analyst, Fidelity Investments

Speakers: *Sean Saroya, CFA*, Executive Director, Head of Public Finance Products, J.P.Morgan Securities LLC; *Steven M. Hlavin*, SVP/Portfolio Manager, Nuveen Asset Management

11:00 am - 12:15 pm - **Repackaged Revenues: Mechanics of Municipal Securitization**

As fiscal and budgetary stress heightens across segments of the public finance market, municipal securitization has offered a certain amount of solace for investors. With structures ranging from the New York City Transitional Finance Authority to Chicago's Sales Tax Securitization Corporation, policy makers continue to carve out and securitize new taxes, fees, and charges to meet bondholder preferences. Are the legal protections serving their intended purpose, and what benefits and risks do they present? This panel will provide an overview of Chapter 9 and review the factors that help protect securitization structures, as well as potential implications for existing general obligation bonds.

Moderator: *Zareh Baghdassarian*, Assistant Vice President, Assured Guaranty

Speakers: *Rick Lataille*, Executive Director, Morgan Stanley & Co LLC; *Patrick Mohan*, Senior Legal Analyst, Reorg Research Inc.; *Jill Jaworski*, Managing Director, PFM Financial Advisors

OPTIONAL THURSDAY AFTERNOON ACTIVITIES:**12:30 pm – 1:30 pm - MSRB Town Hall with Box Lunch**

Join the Municipal Securities Rulemaking Board (MSRB), in coordination with the NFMA, for a lunch discussion. This town hall will provide municipal market stakeholders the opportunity to discuss with MSRB Board members and senior staff the organization's current retrospective rule review and efforts to provide municipal securities dealers and municipal advisors with clear interpretations and guidance, compliance resources and MSRB's future EMMA initiatives.

Lunch will be provided; you must register for this event.

Speakers: TBA

12:30 pm – 1:30 pm - Bloomberg's BVAL Lunch and Learn: Enhancing Your Daily Workflow

Join Bloomberg for lunch while you learn how Bloomberg can enhance your municipal workflow. This session will review the BVAL Muni AAA Callable Curve, Issuer Curves, our new League Tables for the Muni Market and a sneak peek at future releases.

Speaker: *Sowjana Sivalogathan*, Muni Product Manager, Bloomberg LP

Lunch will be provided; you must register for this event.

1:30 pm – 3:00 pm - Professional Development: Relative Value & Financial Modeling

The professional development panel will focus on incorporating relative value and financial modeling into the credit analysis process. The intersection between portfolio management and credit analysis has become increasingly fluid and dynamic. Learn how to evaluate relative value opportunities across credits, sectors and asset classes, as well as incorporate forward looking scenario analysis into the review process. Familiarity and understanding of relative value, projections and financial modeling can give you an analytic edge and is increasingly a required skillset. The panel will give you the fundamentals to incorporate both relative value and financial modeling into your analysis to make informed forward-looking evaluations.

Speakers: *Barnet Sherman*, Director of Municipal Impact Credit Research, Neighborly Investments; *John Moussean*, CEO, President & Director of Fixed Income, Cumberland Advisors Inc.

2:30 pm – 5:30 pm - Port of Charleston Tour

The Port of Charleston is the 9th largest US container port and continues to be among the fastest-growing ports in the United States, supported by the state's strong manufacturing base. CY2018 volume totaled 2.3 million TEUs. As one of the most productive ports in North America, the Port of Charleston sets the standard for turning ships (average 37 move per crane per hour) and trucks (average turn time 60 minutes for two-way move). Port leadership will guide a tour of the facilities.

The bus will depart at 2:30 pm for a tour to begin at 3:00 pm. After a presentation and Q&A, there will be a tour of the facilities, with a return by bus at 5:00 pm. Space is limited to 25, first-come, first-served. The fee to attend this tour is \$40.

Thursday afternoon – Boeing Facility Tour – exact times to be determined

Boeing South Carolina is home to the company's second 787 Dreamliner final assembly and delivery facility. The site also fabricates, assembles and installs systems for aft (rear) fuselage sections of the Boeing 787 Dreamliner and joins and integrates midbody fuselage sections. Completed aft and midbody sections are delivered to final assembly in Everett, Wash., via Dreamlifter, or are moved across the campus to final assembly in North Charleston, S.C. Boeing South Carolina builds all three versions of the 787 -- the 787-8, 787-9, and the newest and longest member of the family, the 787-10. Tour times to be determined, but may conflict with other optional Thursday afternoon activities. Space will be limited, first-come, first-served. The fee to attend this tour is \$40.

6:30pm - 8:30pm - Cocktail Reception

Join us for a fun and lively evening in the Riviera Ballroom, with drinks and hors d'oeuvres.

Friday, May 10, 2019

7:00 am – 8:30 am **Continental Breakfast**

8:00 am – 9:00 am **First Breakout Hour – Breakouts 1, 2, 3, 4**

9:00 am – 9:30 am **Break**

9:30 am – 10:30 am **Second Breakout Hour – Breakouts 1, 2, 5, 6**

10:30 am – 11:00 am **Break**

11:00 am – 12:00 Noon **Third Breakout Hour – Breakouts 3, 4, 5, 6**

Breakout 1 - Quick! Google ‘Climate Scientist, Chapter 9 & Pension Actuary’

Most analysts agree that the municipal market participants face risks – both new and old – from increasingly complex, technical and evolving issues such as climate change, Chapter 9 bankruptcy, and pension/OPEB liabilities. This panel will explore the advent and prevalence of professional services that are becoming increasingly important to private sector municipal market participants and public sector entities as they seek to better understand risks and opportunities. The discussion will focus on how industry professionals are developing services with specific focus on “what to look for” and “here’s what you do when you see this” approach.

Moderator: *Andrew Clarke*, Senior Director, Kroll Bond Ratings

Speakers: *Don M. Bain, P.E.*, Senior Advisor, Climate Central Inc.; *Brian Septon*, Principal, The Terry Group; *Robert Christmas*, Partner, Nixon Peabody

Breakout 2 - Millionaire Migration or Merely a Mirage?

“Millionaire migration” has been a hotly debated topic in recent years, but how valid are concerns that a state’s wealthiest citizens are migrating to lower-taxing states? Among those who do move, what role do taxes play in the decision and how does this impact states’ bottom line? This issue becomes only more relevant with enactment of the Tax Cuts and Jobs Act’s \$10,000 cap on state and local tax (SALT) deductions. The discussion will address the potential impact of SALT and other tax measures on state and local tax revenues, as well as its impact on demographic trends.

Moderator: *Lauren Sobel*, Municipal Research Strategist, Bank of America Merrill Lynch

Speakers: *Richard Prisinzano*, Senior Economist, Penn-Wharton Budget Model; *Nicole Kaeding*, Director of Federal Projects, Tax Foundation; *Judy Wesalo Temel*, Senior Vice President, Director of Credit Research, Fiera Capital Inc

Breakout 3 - Understanding the Potential of Blockchain

Across the nation, technology is being applied by municipalities large and small in a dramatic transformation of how services are provided. Looking ahead, Blockchain’s capability to decentralize recordkeeping, personal identification, and property transfer transactions could make municipal services such as the Department of Motor Vehicles or Registry of Deeds as obsolete as renting a video from Blockbuster. Document standardization and digitization is rapidly being developed by states such as Florida, Utah, and Ohio to streamline both internal and external report processes. This panel of professionals from government and technology present how the application of these technologies are going to change municipal operations—and affect municipal credit.

Moderator: *Barnet Sherman*, Director of Municipal Impact Credit Research, Neighborly Investments

Speakers: *Shannon Sohl, Ph.D.*, Senior Research Associate, The Center for Governmental Studies at Northern University; *Randy Cole*, Executive Vice President & Chief Solutions Officer, Ownum

Breakout 4 - The Long Shadow of Municipal Financial Distress

Municipal bankruptcy, while uncommon, has been of increasing focus in everything from high grade to high yield bonds. While corporates have had success in achieving bankruptcy remoteness, similar constructs by municipal issuers have been more closely tethered to their parent. How have recent examples of municipal distress shaped current attempts to provide structural protections? Which specific legal interpretations or rulings have influenced current thinking? And whose opinions are moving the market? The panel will focus on relative value, decision-making, and credit positioning in a landscape full of theoretical opinions and little precedent.

Moderator: *Sandy Pae Goldstein*, Head of Credit and Structuring, FCO Advisors (Fundamental Credit Opportunities)

Speakers: *James Lyman*, Managing Director, Neuberger Berman LLC; *Susan Rhudy*, Managing Director, Citigroup Global Markets; *Geoffery Schechter*, Investment Officer, MFS

Breakout 5 - Costs & Benefits: Measuring the Impact of Opioids & Cannabis on Municipal Credit-

Many municipal market issuers are on the front lines of two different but related trends: the precipitous rise in fatalities from drug overdoses led by the growth in opioid addiction, and the growing legalization of cannabis for medical and recreational use. This panel explores the municipal credit angle to both of these phenomena – from skyrocketing costs and revenue potential – as well as an examination of the wider economic and social implications. The current legal landscape and potential for state and local government securitization of opioid settlements similar to the Tobacco Master Settlement agreement will also be addressed.

Moderator: *Michi Rives*, Senior Municipal Credit Analyst, Wells Fargo Asset Management

Speakers: *Rachel Barkley*, Vice President, Loop Capital Markets; *Bill McDaniel*, Partner, Ballard Spahr; *Ryan Brewer Ph.D.*, Associate Professor of Finance, Indiana University

Breakout 6 - Senior Living “P.O.P.”

The senior living housing sector is an explosive growth industry poised to benefit from an aging population over the next few decades. However, the success rate of many projects has been mixed, prompting close credit-by-credit scrutiny by analysts. This panel will provide tools to identify risks with a focus on “P.O.P.” including: 1) **P**reliminaries (reliability of feasibility reports, penetration studies, and entitlements), 2) **O**pening and operating factors (construction benchmarks and occupancy rates, essential financial stats), and 3) **P**ost-market stresses, strains, and challenges of a facility, including early signs of financial stress, lessons learned from previous defaults, and the status of current workout situations.

Moderator: *Betsy Shelton*, Director of Research & Senior Portfolio Manager, Charles Fish Investments, Inc.

Speakers: *Virginia Housum*, Senior Vice President, UMB Bank N.A.; *Mary Jane Minier*, Head of Opportunistic Credit Strategy, Invesco; *Keith Seeloff*, Partner, Dixon Hughes Goodman LLP

12:00 pm Conference Adjourns

Win an iPad Pro! Stay through the end of the conference and turn in your nametag at registration to be eligible for an iPad Pro. **The winner will be notified by email.**

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Thanks to all of our 2019 Sponsors!

Sponsorship opportunities: Contact *Lisa Good*, NFMA Executive Director, at 412-341-4898, or lgood@nfma.org if your firm is interested in becoming a sponsor.

Conference Registration Fee:

| Before March 15 | After March 15 |
|------------------|------------------|
| \$700 Member | \$750 Member |
| \$800 Non-Member | \$850 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 or check. Confirmations will be sent to the email address used for registration. Checks should be made payable to the NFMA and sent to: **NFMA, PO Box 14893, Pittsburgh, PA 15234 no later than May 1.**

Tour Fees:

To attend the optional tours on Thursday afternoon, a fee of \$40 to cover the cost of transportation must be paid at the time of registration. Space is limited for the tours, and will be filled on a first-come, first-served basis.

Discounted Registration

The NFMA provides a limited number of registration discounts for government employees. To receive the appropriate discount code, please contact the NFMA at **412-341-4898**, or **lgood@nfma.org**.

NFMA members in good standing who are first-time attendees (have never attended an NFMA Advanced Seminar or NFMA Annual Conference), are eligible for a \$100 discount on registration. This discount cannot be combined with any other discount, e.g., a sponsor or exhibitor discount. To be qualified for this discount, please contact the NFMA at **412-341-4898**, or **lgood@nfma.org**.

Guest Reception and Dinner Registration

\$100 for guest attending with conference registrant. Guest registration includes attendance at receptions on Tuesday, May 7 and the Thursday, May 9.

Cancellation Policy for Conference

Prior to April 19 – Full refund less \$50 processing fee.

From April 20 – May 1 – Refund equal to 50% of the registration fee.

After May 1 – 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

The site of this year's conference is the **Belmond Charleston Place, 205 Meeting Street, Charleston, South Carolina 29401**. It is located in the heart of Charleston, 13 miles from the Charleston International Airport. Parking at the hotel is \$37/night for valet parking, \$20/night for self-park. Discounted rooms for the conference are available at a cost of \$335/night, plus applicable taxes and fees. The room block will close on April 12. To reserve a room, call the hotel at 800-831-3490, or use the following link:

<https://www.belmond.com/reservations/hotel-loading?productId=CPH&groupcode=190504NFMA>

Whova App

The NFMA 36th Annual Conference has a free, official app which you can download and be able to:

- > View the event agenda and plan your schedule
- > Find someone to share a cab (or Uber/Lyft) to go to the conference together
- > Plan some social activities such as a morning run, city tour, or meet-ups with your fellow attendees. You can even post job openings.
- > Find someone to go to lunch/dinner together
- > Receive updates such as last minute room change from the organizers
- > Get presentation documents and slides

Please watch for instructions for downloading the app, including the invitation code, in your registration confirmation.

Suggested Attire

Business casual is suggested for all conference registrants and speakers. Resort casual is acceptable for evening events.

Questions/Concerns

Contact *Lisa Good*, NFMA Executive Director, at **412-341-4898**, or **lgood@nfma.org**

The organizers of the 36th Annual Conference, along with the NFMA Board of Governors thank you for attending this year's Annual Conference. See you next year at the Marriott New Orleans, New Orleans, Louisiana, April 21-24, 2020.