

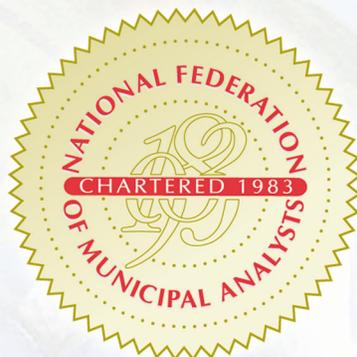


NFMA

1983 • 2008 • ANNIVERSARY



TWENTY-FIFTH ANNUAL CONFERENCE
MIAMI BEACH, FLORIDA
MAY 6 – 9, 2008





T W E N T Y - F I F T H A N N U A L C O N F E R E N C E

TUESDAY, MAY 6

8:00 – 9:30 p.m.

Welcome Reception Sponsored by Standard & Poor's Corporation

WEDNESDAY, MAY 7

7:45 – 8:25 a.m.

Registration and Continental Breakfast

8:25 – 8:30 a.m.

Welcoming Remarks – *Rob Yolland*, SVP, Franklin Templeton, NFMA Chairman, *Lisa Washburn*, Managing Director, Moody's Investors Service and *Robert Donahue*, Research Analyst, Fidelity Investments, Conference Co-Chairs

8:30 – 8:45 a.m.

NFMA 25th Anniversary Video Presentation



8:45 – 9:15 a.m.

Keynote Address – *Christopher Thornberg*, Principal, Beacon Economics

The Great Unwinding: Why the Land Bubble of the 00's is

Driving the US Economy into a Recession



Across the nation, and specifically in California, news sources are reporting rapidly declining home sales and prices coupled with record increases in mortgage delinquencies and foreclosures. When will the end of the housing market decline be in sight? How will municipal bonds be affected in the near term and will there be any long-term implications to the sector as a result? Dr. Christopher Thornberg will provide his perspective on the state of the U.S. economy and what is in store specifically for California and its real estate market.

Christopher Thornberg is a founding partner of Beacon Economics. Dr. Thornberg is an expert in the study of regional economies, real estate dynamics, labor markets and business forecasting. Dr. Thornberg lectures on a regular basis at a variety of public and private events, has appeared on CNN, Fox News and CNBC and is widely quoted in the press. He received his Ph.D in Business Economics from The Anderson School and his B.S. in Business Administration from the State University of New York at Buffalo.

9:15 – 10:30 a.m.

Pop! Goes the Bubble: How the Housing Market Downturn is Affecting State and Local Governments

Like tulip bulbs, railway shares, dot-com IPOs, and other popular investments gone bad, over the past few years America's housing market morphed from a relatively steady expansion tied to population growth and the economy into a speculative bubble. Unprecedented numbers of mortgage defaults and foreclosures are likely to continue through 2009 and into 2010, dominating news headlines and disrupting capital markets as subprime and other loans go south. But what does the current downturn mean for states and municipalities reliant on property tax, sales tax, and other revenues headed in the same direction? Has the swiftness of the implosion caught public agencies off-guard? What has been the impact on state and local economies? How are budgets being managed? Building on the keynote speaker's remarks, panelists from California, Ohio, and Florida – three of the states most affected by the housing market reversal – will provide an overview of the current situation in their regions, the disruption's effect on municipal debt issuance, and a preview of what may be expected in the months ahead.



Moderator: *Lauren Post*, Director, Municipal Credit Group, Stone & Youngberg LLC

Panelists: *Dennis Derby*, Senior Tax-Exempt Research Analyst and Vice President, Evergreen Investments; *Paul McDonnell*, Treasurer-Tax Collector, Riverside County; *Jim Rokakis*, Treasurer, Cuyahoga County; *Christopher Thornberg*, Principal, Beacon Economics

10:30 – 10:45 a.m.

Break

10:45 a.m. - Noon

A Brave New World: Changing Dynamics of the Municipal Market

During the past several years, the buyer base for municipal securities has evolved. While individual investors continue to be the largest block of holders, foreign investors and hedge funds have increased their participation significantly and have different investment objectives than traditional municipal institutional investors. At the same time, there are ever-changing trends in the composition of bonds being issued, including a greater array of variable rate products and evolving valuation of bond insurance from various financial guarantors. This panel will explore the dynamics of the buy and sell sides of the municipal market, and what the muni investor needs to know to adjust to and be successful in today's municipal market.

Moderator: *Naomi Richman*, Chief Credit Officer, Global Public Finance, Moody's Investors Service

Speakers: *Matt Fabian*, Managing Director, Municipal Market Advisors; *Robert Muller*, Managing Director, J.P. Morgan; *Jim Murphy*, Portfolio Manager, T.Rowe Price

12:15 – 1:45 p.m.

Luncheon at Emeril's Miami Beach Sponsored by:

- **Mintz, Levin, Cohn, Ferris, Glovsky, & Popeo**
- **Interactive Data**

Feast on award-winning cuisine by world-renowned Chef Emeril Lagasse. The NFMA will take over the restaurant for this luncheon. RSVP is required.

2:00 – 2:15 p.m.

NFMA Business Meeting

2:15 - 3:30 p.m.

Municipal Market Roundtable: Current Events in the Municipal Market

Municipal market participants meet to discuss various issues in our marketplace. This roundtable discussion will be wide ranging and provide ample opportunity to ask questions.

Moderator: *Rob Yolland*, SVP, Research Analyst, Franklin Templeton Investment

Panelists: *Mary Simpkins*, Senior Special Counsel, Securities and Exchange Commission; *J. Foster Clark*, Balch & Bingham LLP, President NABL; *Frank Chin*, Manager, Public Finance Department, Municipal Securities Division, Citi, 2008 MSRB Chair; *Frank R. Hoadley*, Capital Finance Director, Department of Administration, State of Wisconsin GFOA Representative

3:30 – 3:45 p.m.

Break

Sponsored by Standard & Poor's Corporation





3:45 – 5:00 p.m.

Public-Private Partnerships: New Fiscal Tool, or a “Toll & Spend” Scheme?

Since the Indiana Toll Road and Chicago Skyway, there have been a number of P3 proposals, but none it seems are as visible as those proposed in New Jersey and Pennsylvania. After facing political opposition, those proposals now seem to be morphing into restructured toll roads that will be leveraged to finance other state projects. Does it make sense to increase tolls in order to generate general purpose spending and construction? What factors will need to be analyzed to determine if these leveraged projects can repay the new debt? Will this trend require a re-thinking of tax-backed analysis at the state and local levels?

This panel will be a lively discussion guided by the moderator. Questions and participation from the audience will be encouraged.

Moderator: *Richard Larkin, SVP, Herbert J. Sims & Co.*

Panelists: *Michael Bartolotta, Vice Chairman, First Southwest Company; Nancy B. Feldman, Director, Office of Public Finance, Department of the Treasury, State of New Jersey; Cherian George, Managing Director, Fitch Ratings Global Infrastructure and Project Finance Group*

Free Evening

THURSDAY, MAY 8

7:30 – 8:30 a.m.

Past Chairs Breakfast – All Past Chairs and Current Executive Committee

8:00 – 8:30 a.m.

Continental Breakfast for Conference

8:30 – 9:30 a.m. and	Break Out Sessions	1,2,3,4
10:00 – 11:00 a.m. and	Break Out Sessions	1,2,5,6
11:30 a.m. – 12:30 p.m.	Break Out Sessions	3,4,5,6

1. High Yield Outlook: Is the Muni Market Riskier Than a Year Ago?

This panel will explore issues such as the increasing interconnectedness of different market sectors, how macro-economic issues have affected both the strongest and weakest sectors of the municipal market, the relationship between structural issues and credit issues, and the outlook for credit analysts in this changed environment. It will also explore the potential credit sectors that will be winners and losers from the housing crisis, potential recession and surging fuel and energy prices. Panelists will be asked to focus on the potential for the Florida community development district (CDD) market to re-establish itself, the implications for fill-up of CCRCs posed by the inability of homeowners to monetize their key asset, and the risk that the large volume issued in 2007 may presage diminished financing volume in 2008.

Moderator: *Arthur E. Schloss, ChFC; CLU, Vice President, Van Kampen Advisors*

Speakers: *Michael D. Kelly, Director, Senior Living Finance Group, Ziegler Capital Markets; Richard Stein, Director of Credit Research, Oppenheimer Funds Inc.; John Wilhelm, Portfolio Manager, Nuveen Investments*



2. State of the States

Following several years of strong revenue growth and economic recovery, states are now dealing with the effects of an economic downturn. Although the causes and magnitude of the downturn vary from state to state, almost all states have faced more constrained financial situations. Their decisions on how to deal with this new environment have implications for credits across the tax-exempt spectrum.

This panel will provide an overview of the current condition of states across the country, highlighting specific regional dynamics. Panelists will discuss trends that have emerged in the development of fiscal 2009 budgets and identify key things to watch in the coming year. The State of Florida will be used as an example of the challenges that states have been confronting and the steps they are taking in response.

Moderator: *Richard Raphael*, Executive Managing Director and Head of the State Ratings Group, Fitch Ratings

Panelists: *Scott Pattison*, Executive Director, National Association of State Budget Officers (NASBO);
J. Ben Watkins III, Director of Bond Finance, State of Florida

3. Healthcare Crisis: How Will This Year's Presidential Election Affect Healthcare Provider Credit Quality?

The Presidential election is underway. Repeated polls continue to show healthcare as a major issue of concern for voters. An estimated 47 million Americans have no health insurance, placing a large burden on healthcare providers everywhere. For those who do have health insurance, costs are rising rapidly, employee insurance premiums are rising, and coverage for many conditions, especially those that are pre-existing, is either weak or not available.

Both major political parties know the importance of healthcare as an issue this year, and their candidates are developing proposals to deal with the healthcare crisis. Depending on the election outcome, healthcare reform will be a likely item near the top of the nation's agenda.

This panel examines the major proposals of the presidential candidates for healthcare reform and the impact on credit quality of healthcare providers that rely on the tax exempt bond markets for capital. Participants include representatives from healthcare institutions, analysts, and other experts in healthcare reform.

Moderator: *Jay Abrams*, PhD, Chief Municipal Credit Analyst, FMS Bonds, Inc.

Panelists: *Robert Fuller*, Principal, Capital Markets Management; *Bruce C. Vladeck*, Senior Health Policy Advisor Co-Director, Health Sciences Advisory Services, Ernst & Young LLP; *John Kelliher*, SVP, Marwood Group

4. Staying Invested in the Short-Term Market

Staying invested has always been an issue for the short-term investor, but the challenges of doing so in the current money market environment have reached new levels. Stress in the bond insurance sector is redefining which securities money market funds will purchase. Panelists will include a retail and institutional money market portfolio manager, an investment banker who focuses on the variable rate demand obligation (VRDO) and auction rate (ARS) markets, and the head of short-term sales for a bank with a large remarketing book and tender option bond (TOB) portfolio. Issues to be discussed by panelists will include dealing with large swings in cash, the impact of bond insurer weakness on VRDOs and TOBs, conversion of ARS to VRDOs, and expectations of this year's note market.





Moderator: *Kevin Shaughnessy*, Portfolio Manager, Head of Municipal Money Market Desk, Charles Schwab Investment Management

Panelists: *Robert DeMichiel*, Managing Director, Short-term Finance Group, Citigroup;
Thomas Ryan, Managing Director, Manager of Tax-Exempt Capital Markets Distribution, JP Morgan;
Ben Schuler, Research Analyst, Fidelity Investments

5. Credit Derivatives: What's New, How Are They Used, What is Their Predictive Value?

Credit derivatives including Credit Default Swaps ("CDS") have become a much-discussed part of the municipal bond market. The market appears to be experiencing an unprecedented amount of credit turmoil mostly related to problems with many of the bond insurers. Several bond insurers are being downgraded in part because of losses from the mark-to-market on their CDS and the anticipated future credit losses from the CDS book. This panel will take an in-depth look at the credit derivative market and analyze performance during the current credit market turmoil.

Moderator: *Craig Brandon*, VP/Portfolio Manager, Eaton Vance Management

Panelists: *James Nacos*, Managing Director, Merrill Lynch; *Michael Whang*, SVP, Lehman Brothers

6. Special Assessment/Special Tax Bonds: Do These Bonds Need "Special" Attention?

This panel will address strategies and tactics that builders, municipalities, bankers and investors who participate in special assessment bonds are using to adapt to declining real estate values. The panel will also cover questions such as: What are some characteristics of the current new-issue market for special assessment bonds that might differ, for better or worse, from past characteristics? What kind of information is essential for investors and market participants to evaluate under changing market conditions? What happens during a distress or foreclosure situation? What might signal a more positive outlook for special assessment bonds?

Moderator: *Ron Mintz*, CFA, Principal, Vanguard

Panelists: *Jon Kessler*, Principal, Banc of America Securities; *Bill Bubniak*, SVP, NAI Farbman; *Cesar E. Llano*, Manager/Vice President of Land Development, Century Homebuilders of South Florida, LLC

12:30 - 2:00 p.m.

Brown Bag Lunch RSVP required

Recent changes to Immediate Termination Events in VRDO Liquidity Facilities

No segment of the financial markets has escaped the effects of the credit crunch over the past 6 months, and municipal money markets are no exception. Some of the effects on municipal money market participants include a reduction in the appetite and ability of banks to write new liquidity agreements on VRDBs, at the same time that issuance has exploded with issuers racing to convert their auction rate bonds into Rule 2a7 compliant VRDBs. The imbalance caused by a simultaneous increase in VRDB issuance and the reduction in the amount of available bank-provided liquidity has resulted in subtle, yet wide-reaching, changes in the immediate termination language in liquidity facilities. This NFMA brown bag session seeks to provide a forum for open conversation to discuss the concerns of both money market funds and liquidity banks in the context of VRDB liquidity termination events. Some of the market participants who will help lead the discussion include *Ben Schuler*, Fidelity Investments; *Adam Rudner*, Citibank; *Karen Flores*, Charles Schwab; *Jeff Previdi*, S&P; *Joann Hempel*, Moody's; and *Jay Saakavitne*, J.P. Morgan. Participation and insights from audience members will be encouraged.

Free Afternoon



1:00– 3:00 p.m.

Art Deco District Tour – Reservations required



7:00 – 10:00 PM

**Reception and Dinner on the Americana Lawn
Entertainment by Nightshift
Martini Bar sponsored by Assured Guaranty**



FRIDAY, MAY 9

8:00 – 8:30 a.m.

Continental Breakfast

8:30 – 9:45 a.m.

Public Power: Strategies for a Dynamic Market

Greenhouse gas emission regulation, growing electrical demand and commodity market volatility has made the choices regarding new electric generation more difficult.

What drives a municipality's decision to choose gas, nuclear or coal-fired generation? What are the trade-offs? Although additional generation is being developed, how will transmission constraints be addressed? What new – and not so new-- risks do analysts need to consider when looking at an energy revenue bond issue today?

Moderator: *Eric Friedland, Director, FSA*

Panelists: *James Fuller, CFO, Municipal Electric Authority of Georgia; Heather Bailey, Director, Navigant Consulting; Mark Larson, CFO, Florida Municipal Power Agency*

9:45 – 10:00 a.m.

Break

10:00- 11:30 a.m.

Today's Municipal Bond Insurance Environment

The business of municipal bond insurance has evolved with dramatic actions changing a once-staid sector. This panel will discuss what the typical bond insurer 'looks like' today, its role in the capital markets, evolving risk management practices, and how the rating agencies have adapted the tools they use to evaluate a bond insurer's creditworthiness. Additional topics to be discussed include the reaction to insurers' subprime exposure, the use of credit default swaps, widening of spreads, and how these changes will affect the analysis of sector participants.

Moderator: *John Hallacy, Managing Director, Merrill Lynch*

Panelists: *Terry Trim, VP, Nuveen; Dick Smith, Managing Director, Global Bond Insurance Ratings, Standard & Poor's; Elizabeth Hill, Managing Director, Financial Security Assurance Inc.*





2008 Annual Conference Planning Committee:

- > *Lisa Washburn*, Moody's Investor Service, Co-Chair
- > *Bob Donahue*, Fidelity, Co-Chair
- > *Jay Abrams*, FMS Bonds Inc.
- > *Jon Barasch*, *Interactive Data Corp.*
- > *Geoffrey Buswick*, Standard & Poor's Corporation
- > *Nicole Byrd*, Morgan Stanley
- > *Jamie Burr*, Radian
- > *Andrew Chintz*, MBIA
- > *Mary Colby*, Charles Schwab
- > *Jeannie Crone*, Washington Mutual
- > *Ted Damutz*, Moody's Investors Service
- > *Bev Denny*, Morgan Stanley
- > *Chuck Emrich*, T. Rowe Price
- > *Eric Friedland*, FSA
- > *Dennis Gephardt*, Moody's Investors Service
- > *Debbie Hontz*, Ferris Baker Watts
- > *Richard Larkin*, Herbert J. Sims & Co.
- > *David Litvack*, Fitch Ratings
- > *Joyce Miller*, Griffin Kubik Stephens & Thompson
- > *Akiko M. Mitsui*, Vanguard
- > *Michael O'Connor*, S&P
- > *Laura Porter*, Fitch Ratings
- > *Lauren Post*, Stone & Youngberg
- > *Naomi Richman*, Moody's Investors Service
- > *Charles Ripley*, First Southwest Company
- > *Helen Samuelson*, Standard & Poor's Corporation
- > *Mark Tennehaus*, Moody's Investment Service
- > *Rajiv Vyas*, MTB Investment Advisors
- > *Tom Weyl*, Eaton Vance
- > *Dennis Whittaker*, ARVEST



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 MBIA
 McDonnell Investment Management, LLC
 Merritt Research Services, LLC
 Muninetguide.com

Silver: Interactive Data Corporation

Bronze: Akerman Senterfitt
 eMuni
 Greenberg Traurig
 First Southwest Company
 Lehman Brothers
 Roosevelt & Cross
 Wells Fargo

Event: Standard & Poor's Corporation
 Mintz, Levin, Cohn, Ferris, Glovsky, & Popeo
 Interactive Data Corporation
 Assured Guaranty

Sponsorship Opportunities: Contact *Lisa Good*, NFMA Executive Director, at 412-341-4898, or lgood@nfma.org, if your firm is interested in sponsoring the NFMA Annual Conference.





Conference Registration Fee:

Before March 15

\$575 member

\$675 non-member

After March 15

\$625 member

\$725 non-member

The registration fee includes all continental breakfasts, lunch, cocktail receptions and Thursday's dinner.

Registration is online only. You may pay by credit card or check. Confirmations will be emailed to the email address used for registration. Members of the NFMA must register with usernames and passwords to obtain the Member Discount. No refunds will be given for members who register at the higher public rate. Checks should be made payable to the NFMA and sent NFMA, Box 14893, Pittsburgh, PA 15234 no later than April 7.

Guest Reception and Dinner Registration:

\$100 for guest attending with conference registrant. Guest registration includes the Welcome Reception and the Cocktail Reception and Dinner on Thursday evening.

Cancellation Policy for Conference:

Prior to April 7 – Full refund less \$50 processing fee.

From April 7 – April 30 – Refund equal to 50% of the registration fee.

After April 30 – No refund.

Substitutions from the same firm are permitted with prior notice to the NFMA.

Hotel Reservations:

The Loews Miami Beach Hotel will be the site of this year's conference. Reservations must be made by calling the hotel reservation department directly at 1-877-604-1601. The group rate for single/double rooms is \$274.50 /night; please refer to the National Federation of Municipal Analysts' (NFMA) block to receive the group rate. Reservations must be made before April 7, 2008. Reservation requests received after April 7 will be accepted on a space and availability basis. All departures prior to date agreed at time of check-in will be subject to a \$50 early departure charge. Cancellations must be made by 4pm local time 3 days prior to the date of arrival to avoid one night room and tax charges. Please refer to the Hotel's website for more complete information about cancellation policies.

Hotel Room Block:

Please be aware that the NFMA contracts to use a specified number of rooms at the Hotel. The number of rooms booked factors into the size and cost of meeting space, as well as the minimum amount to be spent on food and beverage functions. Should rooms remain unused, the NFMA may be required to pay for those rooms, which eventually may translate into higher registration fees and/or dues to its members. While many last minute cancellations are for valid reasons, please use discretion when booking rooms if you anticipate that you will not attend the conference. Likewise, please make an effort to use the Group Rate at the Hotel so that the NFMA is better able to fulfill its contractual obligation and hold costs down for everyone.



Loews Miami Beach Hotel:

*1601 Collins Avenue
Miami Beach, Florida 33139
Phone: (305) 604-1601
Fax: (305) 604-3999*



Ground Transportation:

Cab fare from Miami International Airport is a flat rate of \$32. A Super Shuttle is available for \$26/person, but makes several stops along the way.

Art Deco Walking Tour:

Presented by Miami Design Preservation League

Established by Congress in 1979, the Miami Beach Architectural Historic District (better known as the "Art Deco District") became the nation's first historic site comprising 20th century architecture. This District, the world's largest concentration of Art Deco buildings, contains approximately 1,200 buildings within its one-square mile area. Situated within the vibrant South Beach neighborhood, the District is best experienced at close range - especially on foot.

The ninety-minute walking tour provides an introduction to the Art Deco, Mediterranean Revival, and Miami Modern (MiMo) styles found along Ocean, Collins, and Washington Avenues in the Art Deco District, and explores hotels, restaurants, and other commercial structures with visits to a number of interiors.

Miami Design Preservation League (MDPL) is a non-profit organization devoted to preserving, protecting, and promoting the cultural, social, economic, environmental, and architectural integrity of the Miami Beach Architectural Historic District and all other areas of the City of Miami Beach where historic preservation is a concern. MDPL was originally organized by Barbara Capitman in 1976 and is the oldest Art Deco Society in the world.

Suggested attire for the tour would include comfortable walking shoes and loose, cool clothing. Bottled water will be provided for the tour. The cost of the tour is \$25.

Suggested Attire:

Business casual is suggested for all conference registrants and speakers. Thursday's reception and dinner will be casual outdoor events.

Questions/Concerns:

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





The NFMA would like to recognize its 25 Chairmen:

- 1983-84** – George P. Gregorio
- 1984-85** – Richard A. Ciccarone
- 1985-86** – Jeffrey B. Noss
- 1986-87** – Peter J. Fugiel
- 1987-88** – Stephen Tabb
- 1988-89** – Leon J. Karvelis, Jr.
- 1989-90** – G. Keith Quinney, Jr. (deceased)
- 1991*** – Mary Jo Ochson
- 1992** – Victoria Rupp Westall
- 1993** – Katherine R. Bateman
- 1994** – Thomas Kenny
- 1995** – William Oliver
- 1996** – Maureen Newman
- 1997** – Jeffrey M. Baker
- 1998** – Raymond Kubiak
- 1999** – Mary Metastasio
- 2000** – Dina Kennedy
- 2001** – Alan Polsky
- 2002** – Peter Bianchini
- 2003** – Karen Szerszen
- 2004** – Gerry Lian
- 2005** – Donald King Cirillo
- 2006** – Eric Friedland
- 2007** – Tom Weyl
- 2008** – Rob Yolland

**Term changed to calendar year in 1991.*

