

# Municipal Analysts

## BULLETIN

VOL. 7, NO.3

A NEWSLETTER OF THE NATIONAL FEDERATION OF MUNICIPAL ANALYSTS

SEPTEMBER 1997

### Letter from the Chairperson

Jeff Baker

As the summer comes to a close, the NFMA is gearing up for a very active last few months of 1997. Within the next few weeks (October 30th and 31st), we will conduct our Introduction to Municipal Bond Credit Analysis Course at the Hyatt McDonald's Lodge in Oakbrook, Illinois (only a short distance from Chicago). This seminar is being co-chaired by Richard Ciccarone, Mike Zaroogian and A.G. Anglum. Please contact Lisa Good if you or an associate would like to attend. In addition, our Advanced Seminar will be held on January 15th and 16th in Orlando, Florida. Rafael Costas, along with Alan Polsky and Robin Huntley, are currently finalizing details of this seminar and information on this event should be available shortly. Co-chairs Ruth Levine (212-908-0605) and Mark Orsi (650-312-2847) are in the midst of planning our Annual Conference which is to be held on April 29th - May 1st in New Orleans. Please call Ruth or Mark if you would like to assist on this program.

In our June 1997 edition of the *Municipal Analysts Bulletin*, Janet Martin wrote an article on Solid Waste Bonds. I received favorable feedback on this article and would like to present the views of one of our members on a specific credit or industry in future editions. If you are interested in writing an article, please call me at 212-552-4924.

Representatives of our organization have spoken at numerous conferences nationwide on various topics, including our views on the Amendments to SEC Rule 15c2-12. If a member would like to speak at a conference and present the views of the analytical community, please feel free to contact me. In addition, the NFMA would like to hear from its members on industry issues and topics for future conferences and symposia. The NFMA Board would appreciate feedback from its members. Please speak to a Board member (a listing of Board members is in this edition) on your ideas. Express your thoughts and **get INVOLVED!**

### SMFSS

The Southern Municipal Finance Society wrapped up its 1996-97 season, culminating with the annual conference held in June. The SMFSS newly elected board members are: Mary Burnes, Chair; Ed Evanouskas, Program Chair; Chuck Grob, Administrative Chair; Patrick Hennessey, Treasurer; Marie Pisecki, Secretary; Bill Foley, Director-at-Large; Chris Valtin, Immediate Past Chair.

Our 1998 Annual Conference will be held June 17-19 at the Renaissance Vinoy Resort in St. Petersburg, Florida. More details to follow later.

Mary Burnes

### BMAF

The year 1997 is shaping up to be another great one for the Boston chapter. Membership has climbed to 130 and attendance at our meetings has been strong. Recent events include a forum on public power and retail wheeling, using the Internet as a research tool, and our annual bond insurance panel.

We are excited about the fall line-up which includes a panel on "The Hows and Whys of Massachusetts Hospital Mergers" with Ellen Zane, chief strategist for Partners HealthCare, Bob Fanning, president of Beverly Hospital, and Ann Thornberg, a noted healthcare consultant from Coopers & Lybrand. Also, on October 22nd, we'll be having a lunch meeting with Massport executives, followed by a tour of Logan Airport that will highlight their \$2.5 billion capital improvement program. Please contact us through the NFMA web site ([www.nfma.org](http://www.nfma.org)) with any comments or suggestions. Or, feel free to contact any of the BMAF Board members directly (Howard Mischel at MFS, Jennifer Rynne at Eaton Vance, or Eric Shapiro at Wellington).

Jennifer Rynne

### Have you checked out our web site?

The NFMA is now on the Web! Take a look at- <http://www.nfma.org> for the NFMA calendar of events, past issues of the *Municipal Analysts Bulletin*, position papers, conference registration and much more.

### PMAS

The Pittsburgh Municipal Analysts Society will hold a luncheon meeting on November 14. Ben Hayllar, Director of Finance for the City of Philadelphia, will be the featured speaker.

David Belton

## DISCLOSURE COMMITTEE

The NFMA's work on disclosure continues through the summer. The housing bond workshop group, which grew from a meeting at our 1996 conference in Baltimore, finished their work on a set of proposed Housing Bond Disclosure Guidelines, which the NFMA published in July. We are inviting interested market participants to comment on these guidelines before they are finalized. We are particularly encouraged by the involvement of the National Council of State Housing Agencies, as the participation of issuer groups greatly improves the chances of success in any disclosure-related venture.

We are also continuing in our efforts to inform other market participants of our needs and concerns in the area of disclosure, as Rafael Costas noted in his Industry Practices and Procedures report.

The next big project for the Disclosure Committee will be the revision of the Secondary Market Disclosure Forms. When we meet with issuers and issuer groups, they do want to know what kinds of information analysts want, and we are the logical group to provide input on that subject. Our current disclosure publications are several years old, and there have been big changes in the economics of many sectors. With our web site, we should be able to provide up-to-date disclosure guidelines for all major sectors, preferably developed with the involvement of issuers. Any members interested in participating in this project are encouraged to contact me or Lisa Good.

*Mary Metastasio*

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## LETTER FROM THE INDUSTRY PRACTICES AND PROCEDURES COMMITTEE

It was a relatively slow summer in terms of items of consequence to this committee. After our meeting with the SEC's Office of Municipal Securities last May and the PSA conference call discussing its disclosure survey results, we have had some opportunities to communicate our views on disclosure to other industry groups.

On September 18, Mary Metastasio (Chair of the Disclosure Committee) and I served on a panel to address investor disclosure needs at the National Council of Health Facilities Financing Authorities' Annual Conference in San Diego, CA. As you may know, these authorities are conduit issuers for hospital bonds, a sector which has a reputation for being one of the poorest providers of secondary market disclosure, even after the amendments to Rule 15c2-12. I would like to acknowledge the efforts of John van Gorkom, a member of NCHFFA, who was also a participant at the PSA conference last spring. He was proactive enough to invite us to present our views to his group. That is precisely the kind of communication that needs to exist among all industry participants if we are to achieve our goal of efficient and timely disclosure in the secondary market.

In the same vein, our Chairman, Jeff Baker, has accepted an invitation by the National Association of Bond Lawyers (NABL) to speak at their annual meeting in Chicago, IL on September 24th and 25th.

Mary Metastasio will also speak at the California Debt Investment Advisory Commission's (CDIAC) "Understanding Municipal Securities Regulation" seminar on September 23 in Irvine, CA. She will be the featured luncheon speaker and will address how analysts use the information we from issuers.

We continue to look for ways and opportunities to make our position on disclosure known to as many groups as possible. It is not an unreasonable position and we find an overwhelming majority of issuers agree with it and want to work with us to improve the information flow in our market.

*Rafael Costas*

## CSMA

The California Society of Municipal Analysts is looking forward to an exciting Fall and Winter season. On December 4th, we will hold our next conference in Sacramento, California. Topics will include the California State budget and issues, Redevelopment/Tax Allocation discussion, Central Valley economic outlook, water issuers and local issuers. In addition to the one-day conference, we are planning a holiday dinner in Sacramento on the evening of December 3rd. This will be our first conference in Sacramento and we are looking forward to a large attendance.

We are also working on amendments to our by-laws and our board election for 1998. We plan on holding a membership election on both topics in November. The election will be performed electronically via E-mail, and the results will be announced at the December 4th business meeting.

Please check our web site for updates on the conference and election. Our address is – <http://www.nfma.org/csma>

*Steven Permut*

## MSMA

The Minnesota Society of Municipal Analysts held its fall meeting on September 18. The topic was welfare reform and featured speakers from Hennepin County discussing plans that the state and county have put into place to respond to the new and far-reaching legislation. The final 1997 meeting is scheduled for November 13 and will feature an official from the St. Paul Housing & Redevelopment Authority to discuss the St. Paul Civic Center improvements and planning for the new hockey team coming to the city.

The MSMA has 56 members and two applications pending. Our Secretary/Treasurer, Linda Bauch, who has been an integral part of the group of MSMA founders, resigned in September. She relocated to Denver. The Board named Debbie Sit to fill the remainder of the term and named David Rowland of The Saint Paul Companies as an at-large member of the Board.

*Pat Hovanetz*

## 1997 Board of Governors

Name	Represents	Firm	Phone	Fax
Jeffrey M. Baker* Chairman	At-Large	Chase Manhattan	212-552-4924	212-552-3164
Raymond Kubiak* Vice Chairman	At-Large	Standish Ayer & Wood	617-457-5038	617-695-0651
Neill Conkling* Treasurer	SMFS	Morgan Keegan	901-579-4320	901-579-4474
Mary Metastasio* Secretary	At-Large	SAFECO	206-545-5736	206-634-4966
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David Belton	PMAS	Federated Investors	412-288-7799	412-288-8230
John Cejka	Affiliated	A.G. Edwards	314-955-3020	314-955-4897
Rafael Costas*	At-Large	Franklin Templeton	650-312-2828	650-312-4994
Susan Drake*	BMAF	State Street Research & Mgmt.	617-357-1280	617-951-9913
Tricia Gildea	BMAF	Colonial Mgmt Assoc.	617-772-3759	617-737-0358
Robin Goldston	Affiliated	NMI	206-780-5080	206-780-5080
David Hitchcock	MAGNY	Standard & Poor's	212-208-1838	212-412-0506
Patricia Hovanetz	MSMA	Norwest Inv. Mgmt.	612-667-8959	612-667-6124
Chris Irwin	CSMA	Standard & Poor's	415-765-5010	415-433-7839
Dina Kennedy	MAGNY	FSA	212-826-0100	212-755-5165
Joyce Miller	CMAS	Griffin Kubik	312-441-2500	312-441-2665
Maureen Newman	—	Colonial Mgmt. Assoc.	617-772-3701	617-737-0358
Steven Permut	CSMA	American Century	650-967-9682	650-961-5420
Alan Polsky*	At-Large	Dougherty Dawkins	612-376-4103	612-673-0584
Christopher Valtin	SMFS	Connie Lee	202-728-3435	202-785-2823
Steve Willson	CMAS	--	815-477-7420	--

\*Executive Committee

## 1997 COMMITTEE CHAIRPERSONS

<u>Standing Committee</u>	<u>Chairperson</u>	<u>Phone</u>
<b>Membership</b>	Ray Kubiak .....	617-457-5038
<b>Finance/Budget</b>	Neill Conkling .....	901-579-4320
<b>Awards</b>	Maureen Newman .....	617-772-3701
<b>Education</b>	Alan Polsky .....	612-376-4103
	Robin Huntley .....	617-346-9711
<b>Industry Practices &amp; Procedures</b>	Rafael Costas .....	650-312-2828
<b>Disclosure</b>	Mary Metastasio .....	206-545-5736
<b>Strategic Planning</b>	Ray Kubiak .....	617-457-5038
<b>1998 Conference</b>	Ruth Levine .....	212-908-0605
	Mark Orsi .....	650-312-2847
<b>Nominations</b>	Jeff Baker .....	212-552-4924
<b>Constitution</b>	Dave Hitchcock .....	212-208-1838
<b>Audit</b>	Patricia Hovanetz .....	612-667-8959
<b>Educational Program Development</b>	Dina Kennedy .....	212-826-0100

## MAGNY

The Municipal Analysts Group of New York is about to begin its 1997-98 season. Leading the 270-plus membership is a new Board consisting of the following:

**Chairman:** Joe Rosenblum (Sanford C. Bernstein & Co.)  
**Treasurer:** Michael Johnston (FGIC)  
**Secretary:** Don Cirillo (Smith Barney)  
**Membership Committee:** Gerry Lian (Dean Witter InterCapital)  
Paul Thompson (AMBAC), Ruth Levine (Fitch), Susannah Page (Dreyfus Corp.)

### Program

**Chairman:** Howard Cure (FGIC)

We hope to continue the group's tradition of focusing on current issues with a mix of luncheon speakers representing the membership as well as outside guest speakers. Topics being considered include, among others, Pension Obligations and NYC Transitional Financing/"Structured" Tax Obligations.

In addition, we hope to add several site tours. For example, we have begun planning a half-day event in the spring of 1998 with the Port Authority of NY and NJ to JFK Airport. That will review the massive capital program begun at the airport and allow members a first-hand look at progress to date.

*Joe Rosenblum*



## Education Committee

The Introduction to Municipal Bond Credit Analysis is scheduled for October 30th and 31st in Oakbrook, Illinois. While the course is appropriate as a primer for full-time credit analysts, it has been designed to help any municipal market participant better understand basic credit issues. This year's seminar has been organized by Richard Ciccarone of Van Kampen American Capital, with the assistance of A.G. Anglum of Harris Trust & Savings Bank, and Mike Zarogian of Van Kampen American Capital. Our indebtedness to them for putting together such an impressive group of speakers. Those interested in attending should register as soon as possible.

The 1998 Advanced Seminar will focus on Higher Education. In addition to a timely analysis of the new accounting rules, the seminar will look at trends in the sector and the challenges facing colleges and universities. The seminar will be on January 15th and 16th at the Hyatt Regency Grand Cypress Resort in Orlando, Florida. If you wish to make your travel plans early, please call the Hyatt directly at 407-239-1234 and refer to the National Federation of Municipal Analysts to receive the group rate of \$221 per night. A complete course outline should be available in late October. Thanks to Rafael Costas and Alexa Salzman of Franklin Templeton, and Judi Harvey of American Express for their efforts in planning this event.

Additional information will be forthcoming regarding a Credit Symposium on Toll Roads scheduled for November 20th and 21st at the Buena Vista Palace in Orlando, Florida. Bob Muller of J.P. Morgan will chair the symposium, assisted by Susan Heide of BlackRock Securities. The symposium will focus on the Orlando-Orange Expressway Authority. The event will also address construction and demographic risks and recent innovations on highway finance. You are encouraged to check the NFMA web site for updated information, or call Lisa Good (412-341-4898) or me with questions.

Thank you for your continued support of the educational program of the NFMA.

*Alan Polsky*  
612-376-4103

## MAKE YOUR PLANS FOR NEW ORLEANS

The NFMA's Fifteenth Annual Conference in New Orleans will take place April 29 - May 1, 1998, between the two weekends of the Jazz and Heritage Festival. The Westin Canal Place is prepared to accept reservations for conference attendees at any time. The NFMA rate for single occupancy will be \$175 per night. To make your reservations early, please call 504-566-7006 and refer to the National Federation of Municipal Analysts. Conference programs will be mailed in January.

### NFMA Calendar

#### October 30 -31

Introduction to Municipal Bond Credit Analysis, Hyatt McDonald's Lodge, Oakbrook, IL

#### November 13

MSMA Meeting

#### November 14

PMAS Luncheon

#### November 20-21

Credit Symposium on Toll Roads, Buena Vista Palace, Orlando, FL

#### December 3 - 4

CSMA Conference, Sacramento, CA

#### January 15 - 17, 1998

Advanced Seminar on Higher Education, Hyatt Regency Grand Cypress, Orlando, FL

#### April 29 - May 1, 1998

NFMA 15th Annual Conference, Westin Canal Place, New Orleans, LA

#### June 17 - 19, 1998

SMFS Annual Conference, Renaissance Vinoy Resort, St. Petersburg, FL

#### May 5 - May 7, 1999

NFMA 16th Annual Conference, Westin Copley Place, Boston, MA

## NFMA

The Municipal Analysts Bulletin is published by the National Federation of Municipal Analysts.

### NFMA

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