

# Municipal Analysts

FEBRUARY 2005 VOL 15.- NO. 1

## BULLETIN



### LETTER FROM THE CHAIRMAN Don Cirillo

*Dear Fellow NFMA Members:*

Let me begin my first letter to you by saying that I am pleased and honored to serve as the NFMA Chairman for calendar year 2005. I have great hopes that, for this year, our organization will continue the strong tradition of working on such things as Industry Best Practices, Disclosure and the excellent Education seminars being presented to our members and other interested parties. I must say that I feel quite lucky coming into this position after the strong leadership of several past NFMA Chairs, including our two most recent, Karen Szerzen of Allstate Insurance and Gerry Lian of Morgan Stanley. However, I am sure that Karen and Gerry would agree with me in admitting that the NFMA's most recent progress was accomplished through a team effort of NFMA Board members willing to volunteer and our Executive Committee (EC).

I would like to take a quick moment, if I may, to give a special thank-you to the past 2004 EC members: again, Karen (who is no longer on the Board) from the CMAS and Judi Harvey (who still is on the Board) from the MSMA for all their hard work and dedication. It was appreciated. They are being replaced on the 2005 EC by two of the NFMA's current At-Large Members, Chuck Emrich (Legg Mason) and Bill Hogan (Assured Guaranty). Chuck, of course, has been the Co-Chair of the Disclosure Committee and Bill, in the recent past, has been one of our Annual Conference Co-Chairs and is currently Education Co-Chair with Natalie Cohen (FSA). In addition to me, the rest of the 2005 EC is comprised of Gerry Lian, as Immediate Past Chairman and is rounded out with the other NFMA officers: Eric Friedland (FSA) - Vice Chairman; Tom Weyl (Eaton Vance) – Secretary; and, Rob Yoland (Franklin Funds) – Treasurer.

The new EC team is here to serve the NFMA membership and we are all in agreement on that point. We will try to speak with one voice and always act in the best interests of the entire NFMA. Feel free to reach out to any one of us if you have a problem. You can always contact me directly at Dexia Credit Local by telephone at [212.515.7095](tel:212.515.7095) or e-mail: [donald.cirillo@dexia-us.com](mailto:donald.cirillo@dexia-us.com)

Speaking of the various co-chairs and committees, if you haven't already received a new listing by e-mail, you should look inside this *Bulletin* for a Master List of those who are now in charge of which committee. Please look it over and perhaps one of the topics will be of particular interest to you. If that is the case, you should communicate your willingness to volunteer to the person listed as a contact. **We need all the help we can get!**

Remember, the NFMA is an all-volunteer organization and without participants, we really cannot function. We also need an active and growing membership, so please think of friends and colleagues you know who should join your local affiliate and urge them to participate. You'll be hearing from the Membership Committee Co-Chairs on this issue very soon.

# BMAF

Boston Municipal Analysts Forum

Hello from Boston, where “big dig” now refers to snow rather than dirt after the January we’ve just experienced. Oh, the other “big dig” is still in the news. With revelations of numerous leaks in the \$15 billion project, BMAF has scheduled an analyst scuba tour of the tunnels for later this year.

The new officers for 2005 are Paul Flynn, Deutsche Asset Management, President; Phil Shapiro, Standard & Poor’s, Vice President; and David Belton, Standish Mellon Asset Management, Treasurer. Deepest thanks go to Greg Aikman for his leadership in 2004 and for three years of continuing due diligence on behalf of the BMAF.

Our final event of 2004 was a holiday gathering, the first annual BMAF bowl-a-rama held on December 1st. About 25 uninhibited analyst-keggers had a blast. See the pics at <http://www.nfma.org/bmaf/photos/2004-12.html> (thanks, webmaster Bob Vincent). Thanks also to Mike Schozer and Bill Hogan of Assured Guaranty for joining us and helping to sponsor the outing.

Inspired by the Red Sox and the Patriots, BMAF is planning another championship year. In 2004, we had six late-afternoon speaking events (followed by a social hour at a nearby watering hole) and two social gatherings. We are looking for a repeat in 2005. If anyone has a suggestion for a BMAF meeting, please call me at 617-295-2462.

*Paul Flynn*

## DISCLOSURE COMMITTEE

Three more *Recommended Best Practices in Disclosure* (RBP) papers are on the verge of being completed. The RBP paper for toll roads is currently in the public comment phase, and may be found on the NFMA website, in the *Disclosure Guidelines* section. Please forward your comments to Lisa Good, and she will direct them to the committee for review. Also, drafts of the RBP for water and sewer and project finance sectors will be completed by the annual meeting in April, and available for comment.

The NFMA has established a new sub-committee: *Recommended Best Practices in Disclosure for Dissemination*. This group will evaluate and comment on the dissemination of information from borrowers to the investment community, for both primary and secondary market offerings. Also, the Disclosure Committee is exploring new sectors to consider for RBP. If you would like to be part of any these efforts, or have ideas for new sectors, please contact Lisa Good.

### *Co-chairs for Disclosure,*

*Chuck Emrich, Legg Mason*

*Greg Clark, Municipal Credit Consultants, LLC*

## CMAS

Chicago Municipal Analysts Society

The Chicago Municipal Analysts Society held an informative meeting in November 2004 entitled “Natural Disaster Risk and the Municipal Market”. Speakers included Chris Chafizadeh with MBIA, Mike Kobs with Allstate Insurance and Ben Watkins with the State of Florida and Christopher Mier of Loop Capital as moderator. The event was well attended. We finished the year on December 3, 2004, with our Annual Meeting and Holiday Luncheon held at Gioco Restaurant. The membership elected the following individuals to the 2005 Chicago Municipal Analysts Society Board:

<b>President</b>	<i>Jane McCart</i> , Northern Trust Global Investments
<b>Vice-President</b>	<i>Marilyn Rinaldi</i> , Nuveen Investments
<b>Treasurer</b>	<i>Christopher Mier</i> , Loop Capital Markets
<b>Secretary</b>	<i>Edward Damutz</i> , Moody’s Investors Services
<b>Board Member</b>	<i>Thomas Futrell</i> , Nuveen Investments
<b>Board Member</b>	<i>North Jersild</i> , Loop Capital Markets
<b>Board Member</b>	<i>Helen Samuelson</i> , Standard and Poor’s

We will be planning our 2005 schedule of events in the near future.

*Jane McCart*



## EDUCATION COMMITTEE

NFMA just completed its January *Advanced Seminar on Tax-Backed Credits*. More than 100 analysts participated and that's no Mickey Mouse!! Held in Orlando, Florida, participants discussed the economic outlook for state and local governments, deficit financing, dedicated taxes, hot-button legal and tax issues, pension bonds and more. Thank you to all who helped and attended, and especially to Lisa Good, for making this a successful seminar. The agenda can be found on the NFMA website.

Planning will begin shortly for next year's two advanced seminars, typically held in October and January. Under discussion are seminars on credit enhancement, structured municipals (such as housing and other asset-backed) and possibly derivatives. NFMA will also be sponsoring its annual Introduction to Municipal Bond Credit Analysis seminar, typically held in November. Please give the co-chairs your ideas and suggestions for next year and certainly volunteer if you can squeeze out the time.

**You are solicited for your help!!!** If you would like to plan or moderate, or speak at one of these seminars, please let Natalie Cohen or Bill Hogan – co-chairs for 2005 -- know of your interest. ([ncohen@fsa](mailto:ncohen@fsa); [Whogan@assuredguaranty.com](mailto:Whogan@assuredguaranty.com))



California Society of Municipal Analysts

The California Society of Municipal Analysts held a post-new-year cocktail party on January 27th at Palomino's in San Francisco. We had a great turnout, which included many new members. The Board continues to receive great feedback on the Palomino gatherings!

In 2005, we are looking again to provide informative and educational events for our members. We are planning a meeting in Southern California for late March or early April. Possible topics include land-secured/real estate and water re-use. Look for a "Save the Date" email within the first few weeks of February. We continue to solicit feedback from our members on the types of events, topics and location for our future events.

The Board wants to again thank Lisa Zuckerman of Standard & Poor's for her chairmanship in 2004 and also welcome our newest board member, Jennifer Johnston of Franklin Templeton Investments.

Looking forward to seeing everybody at this year's CSMA and NFMA events!

*Molly Butler*

## SMFS

Southern Municipal Finance Society

Plans are underway for 2005 events throughout our region, in North Carolina, Florida, and Texas.

We have an opening on the board. If you are interested in serving on the board or have ideas for a program for 2005, please give me a call.

We are currently going through our roster of national and affiliate members. Please make sure you are current before you get to New Orleans for the Annual Conference. You can now pay through the NFMA using your credit card. If you need an application – you can find it at [nfma.org](http://nfma.org).

We are always interested in hearing from SMFS members and affiliates in the region about how we could make a difference in your professional development. Please call Alex Fraser at 214-871-1406 with suggestions.

*Alex Fraser*

## MSMA

Minnesota Society of Municipal Analysts

The Minnesota Society of Municipal Analysts is looking forward to a great 2005. The members have elected a new board with Thor Raarup – St. Paul Travelers elected as President, Ken Kaufman - US Bancorp Asset Management elected as Vice President, Paul Jungquist - Sit Investment Associates elected as Secretary/ Treasurer, and Steve Eldredge - Voyageur Asset Management and David Statham - Wells Capital Management elected as at-large representatives. We plan to cover a variety of topics in our quarterly meetings this year. And, as always, we are sure to include a few of our trademarked site visits that add some fun to the day.

*Thor Raarup*

## NFMA Treasurer's Report

I would like to begin my first treasurer's report by thanking our past treasurer, Tom Weyl, for a job well done. Tom left us in excellent financial health with a strong cash balance and a stable operating surplus. The Federation finished the 2004 fiscal year with an operating surplus of \$85,000, up from \$83,000 in '03. The Federation had a somewhat tumultuous financial past, but the last 4 years have proven otherwise, with a substantial improvement in the operating surplus. The primary reason for the improvement is the tremendous effort put forth by our Sponsorship Committee, chaired by Don Cirillo, who has led the fundraising team for the last 3 years and agreed to lead our efforts in this area once again. Thank you Don for a job well done and many thanks to each sponsor who helped make all of the NFMA's programs and initiatives possible.

The revenue of the NFMA is derived from a combination of conference revenues, sponsorship and annual membership dues. In 2004 conference revenues comprised 66% of the Federation's revenues, a 3% decline from the prior year. However, sponsorship revenues comprised 24% of the Federation's revenues, a 37% increase. Dues comprised 21% of the revenues, a 30% increase from '03. Our goal has been, and continues to be, to increase NFMA membership.

The year 2005 is shaping up to be a more challenging year financially as our sponsorship revenue is tracking behind prior year levels. If you know of any organization that is not currently a sponsor that would be interested in joining the ranks, please pass the name on to Don Cirillo or me. We need to continue our focus on membership growth so please sign up or recruit members from the professional community who you think should be a part of this organization.

*Rob Yolland (ryolland@frk.com)*

## MAGNY

Municipal Analysts Group of New York

The Municipal Analysts Group of New York continues its active luncheon and speaker schedule. Following a successful fall season, on December 3rd the annual MAGNY Holiday Party was exuberantly celebrated with the Year In Review delivered by the MAGNY Chair and a touching "Twas the Night Before the Bond Deal" performed by rival entertainer John Hallacy. Alas, they were but mere warm up acts for famed Political Humorist Andy Borowitz who left all pretenders in the dust heap of municipal analysis comic history, if there ever were such a thing. Mercifully, the next week in December, MAGNY regrouped and joined NFMA and The Bond Market Association as co-sponsors of a symposium held in NYC on Fortifying the Nation's Transmission Grid. At the January 14th luncheon, Standard and Poor's Martin Arrick, Managing Director-Health Care and Gerald D. Knorr of Merrill Lynch discussed Current Issues and Outlook for the Health Care Sector. On February 11th Pamela Clayton- of Fitch Ratings discusses Trends in Higher Education and Jeff Orum of Bear Stearns will attack Military Housing. MAGNY looks forward to spring and a very full spring schedule, to be announced.

*Richard Raphael*

## SPONSORSHIP

**Sponsorship is essential to our being able to continue the high quality of NFMA programs and educational activities at reasonable costs to members.** There are a number of sponsorship levels available – sponsorship at any level is welcome. An enhancement to the sponsor benefits added last year is complimentary registration for Diamond, Platinum and Gold sponsors at the Annual Conference – Diamond Level: 4 comp registrations; Platinum Level: 2 comp registrations; Gold Level: 1 comp registration. All sponsors, regardless of level, receive recognition on the NFMA website, at the Annual Conference and in a thank you ad to be published in the *Bond Buyer* during the conference. Contact our Sponsorship Committee, Don Cirillo, Karen Szerszen or Bill Hogan, to discuss the right level for your firm.

# *Annual Conference in New Orleans*

**The NFMA returns to New Orleans this April for its 22nd Annual Conference.** This year, as in 1998, the conference has been timed to fall between weekends of the Jazz and Heritage Festival, meaning an exciting time for registrants able to stay for the weekend. Unfortunately, it also means that hotel rooms may be at a premium, so if you plan to attend, make your reservations early.

While New Orleans at night is full of fine dining, music and clubs, the NFMA Annual Conference will continue in its tradition of weighty, pertinent topics for municipal analysts during the day. This year's program includes an innovation, the Healthcare Module, which will take place on Thursday. In addition to the usual six breakouts, three healthcare sessions will be presented on Thursday morning, followed by an optional workshop session on the Hospital Term Sheet project currently in progress under the guidance of the NFMA's Industry Practices & Procedures Committee. Please take a look at the full program at [www.nfma.org](http://www.nfma.org) to see the complete list of general and breakout sessions planned for this year.

Other useful links for planning conference attendance include the link directly to the Wyndham website (<http://www.wyndham.com/groupevents/133NFMA/main.wnt>), and the link for JazzFest (<http://www.nojazzfest.com>)



*We hope to see you in New Orleans*

## 2005 Board

LAST NAME	FIRST NAME	SEAT/REPRESENTS	PHONE	EMAIL
Aikman	Greg	BMAF	617 722-7168	aikman.ga@mellon.com
Butler	Molly	CSMA	650 312-3678	mbutler@frk.com
Cirillo	Don	Chairman	212-515-7095	donald.cirillo@dexia-us.com
Clark	Greg	MAGNY	914-277-3023	municredit@msn.com
Cohen	Natalie	At-Large	212 339-0896	ncohen@fsa.com
Emrich	Chuck	At-Large	410-454-5925	ceemrich@leggmason.com
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Mischel	Howard	At-Large	212-438-1521	howard_mischel@standardandpoors.com
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Rinaldi	Marilyn	CMAS	312-917-8328	marilyn.rinaldi@nuveen.com
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Yolland	Rob	Treasurer	650-312-3023	ryolland@frk.com
Zuckerman	Lisa	CSMA	415 371-5036	lisa_c_zuckerman@standardandpoors.com

## 2005 Committee Chairs

COMMITTEE	CHAIR	PHONE	EMAIL
Awards	Gerry Lian	212-762-8479	gerard.lian@morganstanley.com
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Conference	Lisa Zuckerman - 2006/2007	415 371-5036	lisa_c_zuckerman@standardandpoors.com
	Howard Mischel - 2004/2005	212-438-1521	howard_mischel@standardandpoors.com
	Joe Rosenblum - 2005/2006	212-969-1673	joseph_rosenblum@acml.com
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	Brian Tournier	314 955-6016	btournier@agedwards.com
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Comptroller General	Alex Fraser	214-871-1406	alexander_fraser@sandp.com

# NFMA SPONSORS 2005

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# NFMA CALENDAR

### April 27, 2005 –

NFMA Board of Governors Meeting,  
Wyndham New Orleans at Canal Place,  
New Orleans, LA

### April 27-29, 2005 –

NFMA 22nd Annual Conference,  
Wyndham New Orleans at Canal Place,  
New Orleans, LA

### October, 2005 –

NFMA Advanced Seminar,  
Date/Location/Topic TBD

### November, 2005 –

NFMA Introduction to Municipal Bond  
Credit Analysis, Date/Location TBD

### January 2006 –

NFMA Advanced Seminar,  
Date/Location/Topic TBD

### May 3-5, 2006 –

NFMA 23rd Annual Conference, Loews  
Santa Monica Beach Hotel, Santa  
Monica, CA

### May 16 – 18 2007 –

NFMA 24th Annual Conference, Four  
Seasons Hotel, Las Vegas, NV

## NFMA

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