

Municipal Analysts

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BULLETIN



LETTER FROM THE CHAIR

The events of the last 18 months in the financial markets have shown the foresight of those past leaders of the NFMA who set the foundation for the organization to be a leader in the future direction of the municipal market. The efforts of the NFMA over the last 27 years to further the education of its members, to proclaim the need for better disclosure in the municipal market, and to be a voice of reason in light of the disparate needs of the various market participants have been worthwhile – and fruitful, though much progress is yet to be made.

I consider it a privilege to serve as the 2010 NFMA chair, and I am honored to be able to follow in the footsteps of our past chairs. The impact of the financial meltdown provided the evidence of the importance for the NFMA longstanding call for improved and more timely disclosure. As we were a beacon in the storm, led by Bill Hogan through 2009, we now have an opportunity to help guide the market into true reform, comprehensive disclosure for all products in the municipal arena, more frequent reporting of financial information across all muni sectors, and incentives for issuer disclosure compliance.

While we continue to ramp up our efforts to work with other muni organizations to find common ground in the development of disclosure procedures, we will continue to push for quarterly disclosure across all municipal sectors and more timely annual audits. How those policies will be implemented will be determined by documents produced by both the Disclosure Committee, initiating the work on updating Recommended Best Practices in GO and VRDO Disclosure, and the Industry Practices Committee, responding to regulator inquiries.

We also have opportunities to strengthen the internal foundation of the NFMA through the ongoing work of the Sponsorship Committee, whose continued diligence has allowed us to maintain a relatively stable source of outside income. Recent initiatives by the Finance Committee to update its procedures and by the Constitution Committee to review the NFMA Constitution should ensure further stability for the NFMA.

Jeff Burger and Patrick Early have successfully finished the Advanced Seminar season with last month's session on Tax Backed Bonds in Palm Beach. As Jeff's term has ended, Patrick has been joined by Scott Andreson as co-chair of the October 2010 and February 2011 advanced seminars. Patrick and Scott are currently developing the topics for both advanced seminars.

I also look forward to seeing many of you in New Mexico at the Annual Conference. Eric Friedland and Jennifer Johnston are co-chairs of the Annual Conference and have developed a timely agenda for the conference.

I also want to acknowledge my fellow members of the Board, who are dedicated to the success of the NFMA. That dedication was quite evident at the Advanced Seminar in Palm Beach last month when Board members made the extra effort not only to get to Florida in the midst of flight cancellations emanating from the winter storms hitting throughout the country but also to step up and fill in where needed during the seminar.

The leadership of our executive committee, Vice-chair Greg Clark, Treasurer Greg Aikman, Secretary Jeff Burger, members Mary Colby and Lisa Washburn and Past Chair Bill Hogan, have set the standard for leadership in the NFMA. We are also blessed to have Lisa Good as our Executive Director. Lisa's efforts are key to the accomplishments of the NFMA and her insights are invaluable to the development of NFMA policies and to ensuring that the organization runs smoothly.

Mark Stockwell

Disclosure

Two projects nearing completion are a White Paper on Expert Work Products and a revision of our Recommended Best Practices in Disclosure for Hospital Debt Transactions. Each of these papers will be the subject of a “Brown Bag” lunch on Thursday May 6 from noon to one pm at the Annual Conference in New Mexico. Your attendance at either meeting will give you a chance to comment on the respective papers prior to their release in draft form.

We are also seeking volunteers for a committee that will be responsible for updating our Recommended Best Practices in Disclosure for General Obligation and Tax-Supported Debt. Please contact either one of us if you are interested in this committee.

Looking forward to seeing as many of you as can attend the annual conference -

*Greg Clark and Brian Tournier,
Disclosure Co-Chairs*



After wrapping up a successful 2009 that included 10 member events, CMAS would like to thank Bill Trauner for his leadership. CMAS is fortunate to have him serve as Vice President in 2010 alongside Derek Bonifer and Rachel Cortez assuming the officer roles of Treasurer and Secretary. The board also welcomes Cathy Krawitz of Harris Bank as our most recent member at large.

The CMAS board is in the process of coordinating the first 2010 meeting and would like to give a special thanks to Chris Mier of Loop Capital for offering to host and sponsor this February event. A discussion on the benefits and risks of derivative use by municipalities will be presented by Bill Fitzpatrick of Moody's, Nathan Flynn of William Blair, and Laura Schad of BMO Capital Markets. The next CMAS event, tentatively scheduled for mid April, will highlight Pension/OPEB liability pressures faced by State and Local Governments.

After conducting the 2nd annual CMAS membership survey, which received double the response of the previous year, the board intends to follow through with events that focus on membership's most requested topics: Build America Bonds, Pensions/OPEB, State budget issues, ongoing Real Estate Issues, and Healthcare reform. A big thank you to all CMAS members who participated and volunteered to sit on panels, as the board greatly appreciates your feedback and insights.

Andrea McKeague

MEMBERSHIP

Membership levels continue to be steady at around the 1,000 mark, despite the economy and layoffs. Keeping your membership current is an important way to network, and it gives you access to the full directory of the NFMA. If you are unemployed, please approach us in confidence for ways to keep your membership through this difficult time.

Susan Dushock

SPONSORSHIP 2010

It is only through the largess of our sponsors that the NFMA is able to keep dues and registration fees low for its members. We are grateful to the sponsors who have stuck with us during the financial downturn, including Diamond Sponsors Assured Guaranty, Barclays Capital, Bank of America Merrill Lynch, Fitch Ratings, Moody's Investors Service, and Standard & Poor's, and Platinum Sponsors Bloomberg, Mintz Levin and National Public Finance Guarantee. All sponsors are listed in a thank you ad in this newsletter, and the links to their web sites are on the Sponsors page at www.nfma.org. If your firm would like to be a sponsor – at any level – please reach out to [Lisa Good at lgood@nfma.org](mailto:Lgood@nfma.org).

Susan Dushock



EDUCATION COMMITTEE

February's Advanced Seminar on Tax-Backed Bonds and Federal Intervention, Reform and Influence Over the Municipal Market went on as planned, despite challenges presented by the winter storms in the Northeast. Though we had several speakers who were unable to attend, we were able to present the material through last minute substitutions by other qualified speakers and, in a few cases, by patching the speaker in by phone. It worked well, and the room was full, though over 20 registrants from the Northeast were unable to make it. Handouts from the seminar are available online; login as a member and proceed to the drop-down menu under the Member Center, and click on Meeting Handouts.

Advanced Seminar chairs Patrick Early and Scott Andreson are in the process of planning the Fall and January Advanced Seminars. Locations and topics will be forthcoming in the next few weeks. Volunteers for the committees should contact Lisa Good at lgood@nfma.org.

The Introduction to Municipal Bond Credit Analysis is in its 23rd year. We have provided a sector by sector review to upwards of 1300 analysts and other municipal market professionals over the years. Anne Ross has chaired this program since 2003. The date and location of this year's introductory course will be announced later this spring.

MAGNY

Municipal Analysts Group of New York

MAGNY continues to offer monthly meetings on timely topics; the membership has responded with strong attendance that has been averaging about 65. In November, Sally Gordon, Managing Director, Risk and Quantitative Analysis Group at BlackRock; Dan Rubock, Senior Vice President Moody's Investors Service; and Gerry Casimir, Director, U.S. Acquisitions, Global Real Estate TIAA-CREF, addressed the state of the commercial real estate market. MAGNY hosted its annual holiday party on December 18 with a cocktail party at the Yale Club. We thank Assured Guaranty and Fitch Ratings for their support of the event.

We returned in January to a program on current issues in transportation. Doreen Frasca, President of Frasca & Associates and member of the board of the Metropolitan Transportation Authority, discussed the state of the airline industry and the implications for airport credits. Ron Marino, Managing Director at Citi, discussed a number of policy issues with respect to surface transportation, including the state of the federal highway trust fund.

February snowstorms not only prevented several of us from attending the advanced seminar, but also caused postponement of our February program on the State of the States. It has been rescheduled. While we were disappointed to lose one speaker, Donald Boyd, Senior Fellow, Rockefeller Institute of Government, we look forward to hearing from Robin Prunty, Senior Director, Public Finance Ratings Group, S & P Rating Services; Scott Pattison, Executive Director, National Association of State Budget Officers; and Pamela Prah, Staff Writer, Stateline.org.

Upcoming programs are expected to include a session on the financial crisis in Greece, the retail market and municipal enforcement at the SEC.

Our website remains a popular place for job postings, with several satisfied customers finding candidates from among our membership.

Mary Francoeur, MAGNY Chair

MSMA

Minnesota Society of Municipal Analysts

The MSMA finished 2009 with its third annual holiday party on December 10th. Approximately 30 members attended this social gathering to network and celebrate the season.

Our first luncheon of 2010 took place on March 4th with the CFO of the Minneapolis school district, Peggy Ingison. She discussed challenges the district faces with the current State budget situation, enrollment declines, building closures, expenditure cuts, and levy issues. Ms. Ingison is the former Commissioner of Finance for the State, and provided a very interesting and timely presentation.

In the second quarter of 2010, the board is planning a tour and/or social outing to a game at the new publicly-financed Minnesota Twins baseball stadium, Target Field.

Membership recently elected the 2010 MSMA board which includes:

President:	<i>Andrew Clark, FAF Advisors</i>
Vice President:	<i>Todd Emerson, Sit Investment Associates</i>
Secretary/Treasurer:	<i>Judith Harvey, George K. Baum</i>
At Large:	<i>Allen Hoppe, Metropolitan Council</i>
At Large:	<i>Brian Olson, Riversource Investments</i>

Andrew Clark

CONSTITUTION COMMITTEE

Article X, Section 4 of the NFMA Constitution assigns the Constitution Committee the responsibility of periodically reviewing the Constitution "for its appropriateness for the then current needs and requirements of the Federation" and to recommend "changes, modifications or additions." Accordingly, the Committee launched a comprehensive review of the Constitution earlier this year.

In addition to proposing minor changes to the clarity and content of the Constitution, the Committee has been charged with drafting an amendment codifying the restructuring and consolidation of the Education Committee and Annual Conference Committee, the intent of which is greater efficiency in developing and reviewing education policies of the NFMA.

The Committee will present its recommendations to the NFMA Board of Governors at its next scheduled meeting in May. Upon Board review and two-thirds approving vote, the recommendations will be published in the Municipal Analysts Bulletin, thereupon commencing a 60-day comment period by membership, as stipulated in Article XV of the NFMA Constitution.

William Trauner
Andrea McKeague

2010 Committee Chairs

Committee	2010 Chair	2010 Co-Chair
Advanced Seminar	Patrick Early	Scott Andreson
Annual Conference	Eric Friedland	Jen Johnston
Awards	Bill Hogan	
Constitution	Bill Trauner	Andrea McKeague
Disclosure	Greg Clark	Brian Tournier
Education	Jeffrey Burger	
Finance	Greg Aikman	
Industry Practices	Mary Colby	Rob Yolland
Membership	Susan Dushock	
Nominations	Mark Stockwell	
Sponsorship	Susan Dushock	Julie Egan
GASAC	Mary Kay Sells	
Comptroller General	Alex Fraser	

Industry Practices and Procedures Committee

The Industry Practices Committee has primarily been focused on working with other industry groups to enhance disclosure from municipal issuers.

Mark Stockwell, Greg Clark and Lisa Good attended the annual Municipal Roundtable in January where representatives of many municipal groups meet to discuss their agendas for the year. This year's meeting resulted in new efforts among NFMA, the GFOA and NABL to find some areas of common ground related to more timely financial disclosure.

Committee Chair Mary Colby attended the NABL Tax & Securities Law Institute to speak on a panel with other market participants, including representatives from the SEC, MSRB, SIFMA and GFOA. The panel included a free-ranging discussion of the proposed changes to MSRB rule 15(c)2-12, particularly as they relate to variable-rate debt; additional functionality in EMMA; and the possibility of increased SEC oversight of the municipal market, which has been suggested by SEC Commissioner Elisse Walter and SEC Chair Mary Schapiro.

Several members of the NFMA Executive Committee met with SEC Commissioner Elisse Walter, Director of the Office of Municipal Securities Martha Mahan Haines and other SEC staff members to discuss the current state of disclosure in the municipal market. This presented the NFMA attendees with a wonderful opportunity to discuss recurrent problems with disclosure and to describe our hopes for improvements in this arena. This was the NFMA's second meeting with Commissioner Walter in the past year and we are hopeful that she and other SEC staff members will continue to ask the NFMA for our insight into matters important to investors in the municipal market.

Following up on the NABL panel and the Municipal Roundtable meeting, NFMA and GFOA have begun to work on a list of specific items for improved disclosure, perhaps to include more frequent financial reporting on a voluntary basis. A member of the GFOA debt committee has been invited to speak at the NFMA annual conference in May, and we also expect to send an NFMA representative to speak at GFOA's annual conference in June. We hope that working together with the GFOA on small projects may clear the way for future work on larger issues.

Mary Colby and Rob Yolland



The CSMA enjoyed a well attended Fall Luncheon featuring Matt Regan from the Bay Area Council who talked about its efforts to bring about a Constitutional Convention in California. We ended the year with our very well attended Holiday Cocktail Party at Perry's on the Embarcadero. The CSMA held its first luncheon of 2010 in February featuring Steve Cochrane from Moody's Economy.com. He talked about the economy from both a national and regional perspective offering his thoughts on a national recovery and breaking down which regions are likely to lead and lag the recovery.

The board is currently putting together its calendar of events and welcomes input from its members. Please let us know if there are any speakers or topics you would like to see featured at an event. The CSMA would like to thank Mary Ellen Wriedt, outgoing CSMA Chair for her years of service on the board. We are also excited to welcome Robert Hannay from S&P who was elected as our At-Large member for 2010. He joins Jennifer Johnston, Jason Kissane, Terry Goode, Shari Sacks and Jolene Yee who were all re-elected to the board.

Jennifer L. Johnston

2010 BOARD

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NFMA Annual Conference

**Mark your calendars for May 4-7th at the
Hyatt Regency Tamaya Santa Ana Pueblo, New Mexico**

The Annual Conference Committee, led by Eric Friedland and Jen Johnston, has assembled a group of highly qualified speakers addressing the hot topics in the market. For those of you who have not participated on this committee, it begins its work in the summer right after the previous Annual Conference, with regular conference calls vetting topics and speakers, working to provide the best balance of ideas for our membership. This year's conference is the 27th, and the first to be held in New Mexico. Registration continues through April 9, and may be done online only. Programs were sent out in February, and updates are posted on the NFMA web site from time to time. **Thanks to all Annual Conference Planning Committee members**, including *Eric and Jen*, as well as *Scott Andreson, David Belton, Geoffrey Buswick, Jim Doyle, Susan Dushock, Dana Fusaris, Richard Haber, Tim McKeon, Chris Mier, Michele O'Brien, Hannah O'Brien-Rupert, Lisa Shirley, Mark Stockwell and Lisa Washburn.*



NFMA TWENTY-SEVENTH ANNUAL CONFERENCE

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

THANKS! to all our 2010 Sponsors



SMFS

Southern Municipal Finance Society

The Southern Chapter recently solicited members interested in becoming active in SMFS leadership. We expect this to result in adding talented newcomers to the board.

In November, we will be hosting a follow up to the Gulf Coast conference held four years ago. Please mark your calendars for the first week of November and join us in New Orleans as we present the continued progress in the Gulf Coast following the aftermath of Hurricane Katrina.

More specific details on the conference and possible luncheons should be available shortly.

Julie Egan

BMAF

Boston Municipal Analysts Forum

All Boston Municipal Analyst Forum (BMAF) members thank Susan Kendall from Moody's for her 3 years on the BMAF board, and compliment her for a very strong educational meeting docket in her term as President. From BABs to Barney, each session was useful to all who attended and timely in a year with rapid industry changes. As Susan leaves, though, Rick McBain, from Deutsche Asset Management, this year's Vice President, and I are happy to welcome Bill Delahunty from Eaton Vance as the incoming Treasurer. Please extend your thanks to Susan and welcomes to Bill as you see each next.

The educational docket for 2010 began on February 3rd with a session on Other Post Employment Benefits (OPEB). Becky Seilman, an actuary from Milliman in Hartford, CT, spoke to the group about local government OPEB implementation and the meaning and impacts of the assumptions used in an actuarial valuation report. Her balanced approach and wry humor made the session educational and enjoyable. Our second meeting, on March 1st, had Robert Pozen, Chairman of MFS Investment Management, speaking on financial regulatory reform. His experience at MFS, Harvard, Fidelity, the SEC and in Massachusetts state government make his a unique view on this broad and often contentious subject.

The second quarter of 2010 is beginning to fill in nicely as well. Along with the Annual Conference in New Mexico in May, we're planning a utility sector meeting, with discussions around cap and trade implications for April and hosting a healthcare reform (or lack thereof) meeting in June.

We welcome new members and so please share this news with others in your company who may be interested in joining the BMAF.

Geoffrey E. Buswick

NFMA CALENDAR

May 4, 2010 - NFMA Board of Governors Meeting, Hyatt Regency Tamaya Resort Santa Ana Pueblo, NM

May 4-7, 2010 - NFMA 27th Annual Conference, Hyatt Regency Tamaya Resort Santa Ana Pueblo, NM

Fall, 2010 - NFMA Advanced Seminar, Date, Topic and Location TBA

Fall, 2010 - NFMA Introduction to Municipal Bond Credit Analysis, Date and Location TBA

November, 2010 - SMFS Gulf Coast Conference, Date and Location TBA

Winter 2011 - NFMA Advanced Seminar, Date, Topic and Location TBA

May 3, 2011 - NFMA Board of Governors Meeting, Charleston Place, Charleston, SC

May 3-6, 2011 - NFMA 28th Annual Conference, Charleston Place, Charleston, SC

April 17, 2012 - NFMA Board of Governors Meeting, Four Seasons, Las Vegas, NV

April 17-20, 2012 - NFMA 29th Annual Conference, Four Seasons, Las Vegas, NV



NFMA

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