

PUBLIC INVESTMENTS SEMINAR

Part One

SHORT-TERM AND INTERIM FINANCING STRATEGIES

Wednesday Morning, January 12, 2011
Hilton Concord, Concord, California

This half-day workshop is designed to examine the current strategies for short-term cash flows and interim financing options as it relates to both near term operating cash flows and public investments. This seminar can be taken alone or in conjunction with Part 2, Investment Basics.

AGENDA

8:00 AM **Registration/Distribution of Seminar Materials/Morning Refreshments**

8:30 AM **Seminar Welcome and Opening Remarks**

Mark Campbell, California Debt and Investment Advisory Commission

SESSION ONE

8:35 AM **Economic Conditions and Short-Term Markets**

The global liquidity crunch has had a direct impact on the availability to state and local agencies of short-term investment and debt financing instruments. Is there is greater demand for short-term and interim financing? This opening session will discuss the broad economic conditions that have impacted the use of particular financing instruments and the ramifications for agency cash flow management.

Girard Miller, Senior Strategist, Public Finance Management

SESSION TWO

9:15 AM **Planning for Near Term Cash Flows and Short-Term Financing Options**

Government revenue streams sometimes do not match expenditure patterns, causing short-term cash deficits. Can governments anticipate cash flow needs and make appropriate short-term and interim financing decisions? What are the important concepts and practices to keep in mind when balancing an agency's short-term cash flow needs with available financing options? What are the options with the change in the auction and variable rate markets? This discussion panel will explore the current financing options that will assist agencies to meet short-term and interim cash management challenges.

*Moderator: Deborah Higgins, President, Higgins Capital Management
Glenn Byers, Assistant County Treasurer-Tax Collector, County of Los Angeles*

*Betsy Kiehn, Assistant Vice President-Municipal Sales and Trading Group,
Stone and Youngberg LLC
Peter Taylor, Chief Financial Officer, University of California Office of the President
Jeffrey Thiemann, Vice President, Charles Schwab Investment Management*

11:00 AM Break

SESSION THREE

11:15 AM Identifying the Right Short-Term and Interim Investment Instruments

In today's interim investment market, governments have many different options. What are they? How should the options be evaluated? How should governments approach credit analysis and security selection? How can issuers access the market? This session will provide the tools for identifying and analyzing types of short-term and interim securities and will utilize Bloomberg and other industry analytics for demonstration.

*Raymond Johnson, Applications Specialist, Bloomberg LP
Nancy Jones, Managing Director, PFM*

12:00 PM End of Workshop and Luncheon for Participants and Speakers

CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION

Part Two

INVESTMENT BASICS

Wednesday Afternoon, January 12, 2011

All Day Thursday, January 13, 2011

Hilton Concord, Concord, California

12:30 PM Registration/ Distribution of Material/Afternoon Refreshments

1:00 PM Welcome and Seminar Opening

Mark Campbell, Executive Director, CDIAC

SESSION ONE

1:30 PM Public Officials' Responsibilities When Investing Public Funds

This session reviews oversight responsibilities, legal and fiduciary obligations, and ethical considerations of local officials who are responsible for public fund investment. The session discusses "the prudent person rule," personal liability of public officials, and the legal role of investment oversight committees under state law. Speakers cover developing an investment policy, measuring risk, developing performance measures and objectives, and issuing periodic investment reports.

Russell Fehr, Treasurer, City of Sacramento

Karen Adams, Treasurer-Tax Collector, County of Merced

SESSION TWO

2:15 PM Elements of Sound Investment Policies

An agency's investment philosophy is the bedrock of managing a sound public investment portfolio. This session will include a discussion of the important elements in a policy and the considerations public investment officials must think about.

Shaun Farrell, Treasurer, City of Galt

Tony Garcia, Vice President, Wells Fargo Institutional Securities LLC

Jesus Nava, Finance Director and Treasurer, City of Burlingame

2:45 PM Break

SESSION THREE

3:00 PM Investment Concept Fundamentals

This session defines terms and illustrates concepts related to public fund investing, including:

- Permitted investment instruments;
- Methods for evaluating the risks and rewards of various investment instruments, and guidelines for selecting the most appropriate investment options; and
- Portfolio structuring, including duration measurement and rebalancing.

Brian Perry, Vice President, Chandler Asset Management

4:45 PM **End of First Day**

THURSDAY MORNING, JANUARY 13, 2011

8:00 AM **Check in and Morning Refreshments**

SESSION FOUR

8:30 AM **Roles and Responsibilities of Investment Advisors and Broker/Dealers**

This session describes how local governments effectively use a broker/dealer and an investment advisor, along with the value each professional provides to an agency's investment portfolio. Speakers discuss how to negotiate with brokers/dealers and set their compensation. They will illustrate how to use and manage broker/dealer services. Speakers also highlight the roles and responsibilities of an investment advisor, the services they provide, selection criteria, and fees and costs associated with their use.

Tony Garcia, Vice President, Wells Fargo Institutional Securities LLC
Bill Blackwill, Senior Vice President of Investments, Citigroup Global Markets, Inc.
Mark Creger, Chief Investment Officer, BLX

9:30 AM **Break**

SESSION FIVE

9:45 AM **Cash Flow Analysis in Portfolio Management and Investing Idle Cash**

This session provides guidelines for analyzing cash flow, forecasting cash needs, and matching investment maturities to cash needs for an investment program. Speakers discuss how cash flow analysis allows investment professionals to determine available cash for investing beyond the end of the current operating cycle, allowing maximized returns while providing sufficient safety and liquidity.

Carlos Oblites, Senior Managing Consultant, PFM Asset Management LLC
Monty Hanks, Chief Investment Analyst, City of Roseville

SESSION SIX

10:45 AM **The Day-to-Day Management of Public Funds and Investment Reports**

Speaker discuss the daily procedures and strategies for managing a portfolio, including securities clearance and market monitoring.

Brice Bins, Assistant Treasurer, Contra Costa County
David Jones, Principal Finance Analyst, City of Oakland
Maria Öberg, Principle Investment Officer, City of San Jose

11:30 AM **Luncheon for Participants and Speakers**

SESSION SEVEN

12:30 AM **Benchmarking for Performance**
This session focuses on benchmarking as an investment strategy and oversight tool. The speaker addresses the purpose, use, and development of benchmarks, benefits of benchmarking, and the evaluation of an investment portfolio's performance using benchmarks.

David Witthohn, Managing Director, Cutwater Assets

1:30 PM **Break**

SESSION EIGHT

1:45 PM **Public Fund Investment Case Study**
Participants are provided an opportunity to evaluate a city's investment policy and portfolio by applying tools and approaches discussed throughout the seminar. Attendees work in groups to analyze the case study and provide feedback to questions.

Facilitator: Carlos Oblites, Senior Managing Consultant, PFM Asset Management LLC

3:00 PM **Break**

SESSION NINE

3:15 PM **Case Study Continues**

4:00 PM **Close of Program and Evaluations**