

**California Debt and Investment Advisory Commission**

**Debt 2:**  
**ACCESSING THE MARKET**

**Wednesday, February 2, 2011**  
**Oakland Marriott Hotel**  
**Oakland, CA**

**Agenda**

**8:30am**      **Welcome and Opening Remarks**

**Session One**

**8:45am**      **Debt Capacity and Affordability**

This session highlights the concept of measuring debt capacity and includes a discussion of methods and approaches to analyzing debt capacity in this current interest rate market. Municipal issuer must be concerned about the ability to repay debt given these existing economic times. Speakers discuss:

- Measurements of Debt Capacity
- Challenges of Determining Debt Capacity
- Analysis of Debt Capacity
- Relevancy of Debt Capacity

*Karen Ribble, Associate Director, Fitch Ratings*  
*David Glasser, Finance Manager, Bay Area Air Quality Management District*  
*Michael Kremer, Senior Vice President, First Southwest Company*

**Session Two**

**9:30am**      **Debt Policy and Plan of Finance**

Determining the feasibility of various funding approaches is an essential function when conducting capital planning. This session illustrates the importance of creating and reworking an agency's debt finance policy and developing a well thought-out financing plan. Speakers address:

- Development and Financial Objectives of a Plan
- Main Components of a Policy and Plan
- Bond Issuance Timing Factors
- Updating Debt Policies

*Sarah Hollenbeck, Senior Managing Consultant, Public Finance Management*  
*Joe Yew, Finance Director, City of Oakland*

**10:30am**      **Break**

**Session Three**

**10:45am**      **Debt Structuring**

Once the decision is made to issue debt and the plan of finance has been developed, agency officials must size the debt issue, calculate and schedule debt service, and determine the various features of the issue. This session entails discussions regarding the process and key considerations for debt structuring and covers:

- Fund Accounts
- Debt Service Structures
- Variable Rate vs. Fixed Rate
- Structural Considerations and Challenges
- Current Issues with Swaps
- Alternatives to Variable Rate Demand Bonds

*Scott Nagelson, Managing Director, Jefferies & Company*

**Noon**              **Lunch**

**Session Four**

**1:00pm**      **Credit Quality and the New Dynamics of Credit Ratings**

This session addresses credit ratings, covering what they are, how they are arrived at, and how they are best maintained. Speakers discuss:

- Rating Basics and Globalization
- Fundamentals of Credit Analysis
- Key Factors Affecting Ratings
- Impact of Current Economic Conditions
- Tips for Effective Communication with Rating Analysts and Investors

*Dari Barzel, Senior Vice President, Moody's Investor Services*  
*Nikolai J. Sklaroff, Investment Banker, Public Finance Department*

**2:00pm**      **Break**

**Session Five**

**2:15pm**      **Marketing and Pricing**

The session covers the process and dynamics of marketing and pricing an issue. In addition, speakers will discuss how access to information, certain economic forces, and the availability of real-time pricing data impact the marketability and pricing of an issue and the steps an issuer can take to ensure bonds are issued at the best price. Speakers will discuss:

- Marketing Approaches (Competitive vs. Negotiated vs. Private Placement)
- How bonds from various sectors (e.g., G.O. vs. 501(c)3 health care) are priced
- Pricing Data, Essential Market Information and the Pricing Process

- Understanding Investors and the Unique Perceptions of Each Credit in a Post-Bond Insurance World
- Market Access Challenges and Related Considerations
- Techniques to Access the Markets to Best Satisfy Financing Objectives

*John Bonow, Managing Director, PFM Asset Management LLC*

*Todd Frazier, Senior Managing Consultant, PFM Asset Management LLC*

### **Session Six**

**4:00pm**

#### **Market Efficiency: Improving an Agency's Effectiveness**

Government entities share a common objective when issuing municipal bonds—to receive maximum proceeds at the lowest possible cost. According to MSRB Data, only 40% of investors in municipal credits are retail investors. This session provides an understanding of how issuers can improve their chances of attracting retail and institutional investors and includes discussion on:

- Primary and Secondary Markets
- Investor Base-Attracting Buyers
- Cost of Market Efficiency
- New Issue Distribution
- Use of the Internet- EMMA

*Chris Mier, Managing Director-Analytical Services Division, Loop Capital Markets*

*Debra Saunders, Vice President, Fidelity Capital Markets*

**5:00pm**

**End of Seminar**