

California Debt and Investment Advisory Commission

Debt 2:

ACCESSING THE MARKET

October 23, 2013

Oakland Marriott City Center

Oakland, CA

Agenda

8:00 AM **Registration**

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

Mark Campbell, Executive Director, CDIAC

8:35 AM **Introduction: Recent Trends in the Bond Market**

This introductory session provides an overview of current bond market conditions and trends.

Tony Hughes, Managing Director, Barclays Capital

Session One

9:05 AM **Debt Capacity and Affordability**

This session highlights the concept of debt capacity and includes a discussion on methods and approaches to measure and understand an agency's debt capacity. Speakers will also address debt affordability and the issuer's ability to repay debt given current and potential future economic conditions.

Tony Hughes, Managing Director, Barclays Capital

Danny Kim, Partner, Norton Rose Fulbright

10:00 AM **Break**

Session Two

10:15 AM Debt Policy and Plan of Finance

In this session speakers will illustrate the importance of creating and updating a public agency's debt policy and the development of a plan of finance. This session builds on the concepts of debt affordability and debt capacity introduced in the prior session and will address the main components and objectives of a public agency debt policy and plan of finance.

Ruth Alahydoian, Vice President, KNN Public Finance

Robert A. Porr, Vice President, Fieldman Rolapp and Associates

11:00 AM Break

Session Three

11:15 AM 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 will cover the process and key considerations when structuring debt and repayment, including repayment source, term of repayment, interest rate (variable rate vs. fixed rate), use of credit enhancement, debt service coverage, and other covenants required by the market.

Anand Kesavan, Senior Vice President, Siebert Brandford Shank & Co., LLC

12:30 PM Lunch

Session Four

1:45 PM Credit Quality and the New Dynamics of Credit Ratings

This session will cover credit rating basics and the fundamental credit analysis that supports a credit rating. Speakers will discuss the key factors affecting ratings, including current economic conditions, and how to effectively communicate with rating analysts and investors.

Robert Sakai, Vice President, Union Bank

Andrew Ward, Director, Fitch Ratings

2:45 PM Break

Session Five

3:00 PM **Marketing and Pricing**

This session covers the concepts, techniques, and challenges of marketing and pricing a bond issue. The speaker will address the relationship between price and yield, market trends and uncertainties, and the selection of a sales method (e.g., competitive, negotiated, or private placement). In addition, the session looks at various aspects of the pricing process including the data used to market and price issues, the steps an issuer can take to ensure bonds are issued at the best price, and the variations that exist across different market sectors (e.g., G.O. vs. 501(c)3 health care).

Tim Schaefer, Founder & Principal, Magis Advisors

Session Six

4:30 PM **Market Efficiency: Improving an Agency's Cost Effectiveness**

Government entities share a common objective when issuing municipal bonds— borrow the maximum amount at the lowest possible cost. According to MSRB data, only 40 percent of investors in municipal bonds are retail investors. This session provides an understanding of how issuers can meet their objective by structuring the deal to attract retail *and* institutional investors. The session also includes a discussion of the investor base, distribution of new issues, and the primary and secondary markets.

Debra Saunders, Vice President, Municipal Finance, Fidelity Capital Markets

5:00 PM **End of Seminar**

5:15 PM **Reception**

Hors d'oeuvres served in reserved section of Level Two Restaurant, Oakland Marriott City Center. Drinks are not included.