



MUNICIPAL DEBT ESSENTIALS



Day 2 | Mechanics of a Bond Sale

September 25, 2024

*Sheraton Fairplex Suites & Conference Center
601 West McKinley Avenue,
Pomona, CA 91768*

AGENDA

Day two of this three-day seminar is focused on the preparation, planning, and processes involved in issuing municipal debt. Some of the main topics covered in this program include the development of a debt policy and plan of finance, structuring debt service payments, managing the costs of issuance, and marketing and pricing of bonds.

8:00 AM **Registration**
Complimentary continental breakfast

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

8:35 AM **Introduction: Evolution of the Bond Market and Current Trends**
This opening session will provide the significance of municipal bonds in the US financial market and a brief look at current market trends. This discussion will include recent issuance trends, key regulatory players in the market, and recent events affecting issuers and investors.

Holly Vocal, Managing Director, BofA Securities
Jack Tsang, Director, BofA Securities

SESSION ONE

9:05 AM **The Issuer's Role in Planning a Debt Issuance**
This session walks through the critical elements of planning an issuance from the issuer's perspective starting from the debt policy and ending with considerations when timing the sale. Additionally, this session takes a closer look at the selection process of the finance team as they also play a critical role in managing and leading the issuance process. After completing this session, a successful learner will be able to:

- Identify and understand the key elements of issuance planning including the calculation of debt capacity, the creation of the financing plan, the credit rating process, and working with the governing body
- Understand best practices for hiring members of the financing team

Jay Goldstone, Special Advisor, City of San Diego

10:35 AM **Break**

SESSION TWO

10:50 AM **Debt Structuring & Method of Sale**
Speakers address key points to consider in structuring the financing including possible debt financing alternatives, the debt service schedule, and the various features of the issue. Speakers also discuss fixed-rate versus variable-rate financing, methods of sale, and how a refunding is different from a new issue. After completing this session, a successful learner will be able to:

- Consider various key factors of structuring a debt issuance
- Recognize the pros and cons of different debt structures
- Understand the differences between competitive, negotiated, and private placement sales

Darren Hodge, Managing Director, PFM Financial Advisors
Nikolai Sklaroff, Capital Finance Director, San Francisco Public Utilities Commission

12:00 PM Luncheon and Keynote Address

Fiona Ma, CPA, California State Treasurer

SESSION THREE

1:00 PM Ratings and Credit Enhancement

This session explores how bonds are analyzed by rating agencies and how ratings impact the price of the bonds. Speakers discuss recent methodology changes in rating evaluations and models. After completing this session, a successful learner will be able to:

- Understand what rating agencies are looking for in their rating evaluations
- Identify core elements of different rating models
- Understand the impact of ratings when issuing bonds

Alexandra Cimmiyotti, Vice President/Senior Credit Officer, Moody's Investors Service
Debra Wagner Saunders, Consultant, BondLink and U.S. Department of Treasury
Graham Schnaars, Director, U.S. Public Finance, Fitch Ratings

SESSION FOUR: PART ONE

2:30 PM Market Dynamics & Pricing Concepts

This session examines how bonds are priced and what influences the outcome. Speakers discuss what steps issuers can take to ensure bonds are issued at the best price and how to understand the relationship between the market and pricing. After completing this session, a successful learner will be able to:

- Understand best practices for pricing bonds such as the use of indices to benchmark pricing
- Recognize how the market environment affects the price of bonds
- Recognize the role and structure of the underwriting team

Matt Rudroff, CFA, CPA, Director, PFM Financial Advisors LLC
Nikolai Sklaroff, Capital Finance Director, San Francisco Public Utilities Commission

3:30 PM Break

SESSION FOUR: PART TWO

3:45 PM Group Exercise: Bond Pricing

Speakers will present a case study of a bond issue and guide participants in comparing the pricing of that issue to other issuers. Working in groups, participants will present their analyses and conclusions. After completing this session, a successful learner will be able to:

- Understand the art of pricing bonds

Matt Rudroff, CFA, CPA, Director, PFM Financial Advisors LLC

5:00 PM CLOSE OF DAY 2