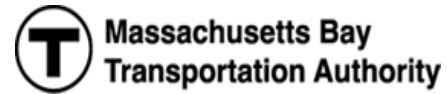




# 2013 Massachusetts Investor Conference



Thursday, December 12, 2013



Massachusetts Bay  
Transportation Authority



Massachusetts School Building Authority

Funding Affordable, Sustainable, and Efficient Schools in Partnership with Local Communities

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# Agenda

Time	Presentation	Presenter(s)
8:00 - 8:30	Registration & Breakfast	--
8:30 - 9:00	Conference Welcome	Honorable Steven Grossman, State Treasurer
9:00 - 9:30	The State of the State of the Economy	Michael Goodman, Ph.d., Associate Professor and Chair, Dept. of Public Policy, Umass-Dartmouth
9:30 – 10:00	Market Trends in Transportation	Jonathan Davis, MBTA; Thomas Green, Citi; Dana Levenson, MassDOT; Betsy Taylor MassPort
10:00 - 10:30	Market Trends in Higher-Ed	Ed Adelman, MSCBA; Trisha Filippone, UMBA; Anita Jones, Barclays
10:30 - 10:45	Break / Coffee	
10:45 - 11:30	The “New” Variable Rate Market	Ken Gambone, Barclays; Chuck Karimbakas, MassHousing; Rachel Madden, MWRA; Nat Singer, Swap Financial Group
11:30 – 12:15	Investor Roundtable Panel	Phil Condon, Scudder and Thalia Meehan, Putnam Investments
12:15 - 1:00	LUNCH & Presentation	Conference Welcome: MA Secretary of Administration and Finance, Glen Shor & 2014 Market Outlook: Tom Doe, Municipal Market Advisors
1:00 - 1:45	Federal Issues Impacting the Muni Market	Vin Alabiso, MSBA; Michael Decker, SIFMA; Dan Heimowitz, RBC and Chair of the MSRB; Scott Jordan, Admin and Finance; Matt Posner, MMA; Ken Wissman, MSBA
1:45 – 2:30	The Market for Green Bonds	Rob Fernandez, Breckinridge Capital; Sean Kidney, Climate Bonds Initiative; Heike Reichelt, The World Bank; Cheryl Smith, Trillium; Drew Smith, State Treasurer’s Office
2:30 – 2:45	Break/Coffee	
2:45 - 3:30	Next Steps in Disclosure	Hal Burger, Putnam Investments; Bill Oliver, NFMA; Delia Rissmiller, State Treasurer’s Office; Walter St. Onge, Edwards Wildman Palmer LLP; Mark Stockwell, Standish Mellon Asset Management
3:30 - 4:00	Market Trends in Water Infrastructure Bonds	Rachel Madden, MWRA; June Matte, PFM; Sue Perez, MWPAT

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# Conference Welcome

**Presented by:**

**Treasurer Steven Grossman**



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# The State of the State Economy

Presented by:

Michael D. Goodman, Ph.D.

Associate Professor and Chair

Department of Public Policy

UMass Dartmouth

Co-Editor, MassBenchmarks



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# Market Trends in Transportation

## **Panelists**

Jonathan Davis, MBTA  
Dana Levenson, MassDOT  
Betsy Taylor, MassPort

## **Moderator**

Tom Green, Citi



# Transportation Poll

	<b>Dana Levenson  MassDOT</b>	<b>Jonathan Davis  MBTA</b>	<b>Betsy Taylor  MassPort</b>
<b>Have you issued debt in the past 12 months?</b>	<b>No</b>	<b>No</b>	<b>No</b>
<b>Do you expect to adjust the way you issue bonds in a rising interest rate environment?</b>	<b>-</b>	<b>No</b>	<b>No</b>
<b>When you issue bonds, do you work with your financial advisor and underwriter to consider different coupons and call features on an option adjusted basis?</b>	<b>-</b>	<b>Yes</b>	<b>Yes</b>
<b>Is the lack of progress on a new long-term federal transportation bill a long-term exposure to your entity?</b>	<b>Yes</b>	<b>Yes</b>	<b>No</b>



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# Market Trends in Public Higher-Ed

## **Panelists**

Ed Adelman, MSCBA

Trisha Filippone, UMBA

## **Moderator**

Anita Jones, Barclays





# Higher Ed Poll

	Ed Adelman MSCBA	Trisha Filippone UMBA
Have you issued debt in the past 12 months?	Yes	Yes
Does your debt portfolio contain any variable rate bonds?	No	No
Do you expect to adjust the way you issue bonds in a rising interest rate environment?	No	No
What is the largest source of operating revenue at your institution(s)?	Tuition, fees and auxiliaries	Tuition, fees and auxiliaries
Are you exposed to Federal Sequestration?	Yes	Yes



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# Break/Coffee



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# The “New” Variable Rate Market

## **Panelists**

Ken Gambone, Barclays  
Chuck Karimbakas, MassHousing  
Rachel Madden, MWRA

## **Moderator**

Nat Singer, Swap Financial Group



# The “New” Variable Rate Poll

	<b>Chuck Karimbakas</b> <b>MassHousing</b>	<b>Rachel Madden</b> <b>MWRA</b>
<b>Have you issued variable rate debt in the past 12 months?</b>	<b>Yes</b>	<b>Yes</b>
<b>Do you expect that your approach to structuring bonds (fixed vs. floating) will adjust if we enter a rising interest rate environment or if the yield curve steepens?</b>	<b>No</b>	<b>Possibly</b>
<b>In terms of variable rate issuance (vs. fixed rate issuance), is your primary goal to reduce interest costs, bond structure/investor diversification, or an asset/liability management strategy?</b>	<b>Asset/Liability Management or Bond Structure</b>	<b>Reduce Interest Costs</b>



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# Investor Roundtable

## **Panelists**

Phil Condon, Deutsche Asset & Wealth Management

Thalia Meehan, Putnam Investments

## **Moderator**

Colin MacNaught, State Treasurer's Office



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# Conference Welcome

**Presented by:**

Glen Shor  
Massachusetts Secretary of Administration and Finance



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# 2014 Market Outlook

**Presented by:**

**Municipal Market Advisors:**  
Tom Doe, CEO and Founder



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# Federal Issues Impacting the Muni Market

## **Panelists**

Vin Alabiso, MSBA

Michael Decker, SIFMA

Dan Heimowitz, RBC and Chair of the MSRB

Matt Posner, Municipal Market Advisors

Ken Wissman, MSBA

## **Moderator**

Scott Jordan, Executive Office for Administration & Finance





# Federal Issues Poll

	Michael Decker SIFMA	Ken Wissman MSBA	Matt Posner MMA	Vin Alabiso MSBA	Dan Heimowitz RBC & MSRB
Do you expect tax reform to be a significant threat to muni tax-exemption in 2014?		Yes		Yes	
Do you expect the implementation of the Municipal Advisor rule to cause any disruption for issuers?		Yes		Yes	
Do you think the noise with regard to federal issues like tax exemption are having or could have an impact on investor demand for your bonds?		Yes		Yes	
Do you expect tax reform to be a significant threat to muni tax-exemption in 2014?	No		No		Yes
Aside from tax exemption, what is the single biggest federal issue that issuers and investors have on their radar screen?	Discouraging Regulation		IRS Price Guidance		Federal Budget Issues
Is it important for issuers to engage their representatives in Congress and the Senate when it comes to these issues?	Yes		Yes		Yes



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# The Market for Green Bonds

## **Panelists**

Rob Fernandez, Breckinridge Capital

Heike Reichelt, The World Bank

Cheryl Smith, Trillium

Drew Smith, State Treasurer's Office

## **Moderator**

Sean Kidney, The Climate Bonds Initiative



# Green Bonds Poll

	Heike Reichelt World Bank	Cheryl Smith Trillium	Drew Smith Mass Treasury	Rob Fernandez Breckinridge
If you report project spending to investors, does it include impact information?	Yes		Yes	
Are specific projects selected based on eligibility criteria?	Yes		Yes	
What is most important? a) Detailed Issuer Reporting b) Initial 3 <sup>rd</sup> Party Verification c) Ongoing Green Audits		Detailed Issuer Reporting		Detailed Issuer Reporting
Do you expect a green bond to trade at a premium to a similar, non-green issue?		No		No
Do the projects have to “sound” green to be green?	Yes	No	No	No
Do you see a tax-exempt green bond niche developing as a full asset class in the same way its taxable fixed-income and equity counterparts have?	No	Yes	Yes	Yes



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# Break/Coffee



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# Next Steps in Disclosure

## **Panelists**

Hal Burger, Putnam Investments

Bill Oliver, NFMA

Mark Stockwell, Standish Mellon Asset Management

Walter St. Onge, Edwards Wildman Palmer LLP

## **Moderator**

Delia Rissmiller, State Treasurer's Office



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# Market Trends in Water

## **Panelists**

Rachel Madden, MWRA

Sue Perez, MWPAT

## **Moderator**

June Matte, Public Financial Management



# Water Poll

	<b>Rachel Madden  MWRA</b>	<b>Sue Perez  MWPAT</b>
<b>Have you issued debt in the past 12 months?</b>	<b>Yes</b>	<b>Yes</b>
<b>Do you expect to adjust the way you issue bonds in a rising interest rate environment?</b>	<b>Yes</b>	<b>Possibly</b>
<b>When you issue bonds, do you work with your financial advisor and underwriter to consider different coupons and call features on an option-adjusted basis?</b>	<b>Yes</b>	<b>Yes</b>
<b>Have you made significant changes to your financial planning in the wake of Hurricane Sandy last year?</b>	<b>No</b>	<b>No</b>



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# 2013 Massachusetts Investor Conference



Thank You for Attending

