

2020 DEBT INSTITUTE WEBINAR SERIES

Wednesday, October 14 – Thursday, October 15, 2020

Virtual Seminar Via GoToWebinar

AGENDA

DAY 1: OCTOBER 14, 2020

SESSION 1: 9:00 AM–9:50 AM

BOND MARKET UPDATE: ILLINOIS CREDITS AND BEYOND

The event of 2020 has produced a turbulent, yet resilient municipal bond market. Presenters will discuss the financial challenges faced by local governments, and how those challenges manifest themselves when it is time to borrow.

Speakers: Brian Battle, Director, Performance Trust
Todd Krzyskowski, Managing Director, Mesirow Financial, Inc.

Learning Objectives: *Participants completing this session will be able to:*

1. Understand the current interest rate environment compared to historical precedents;
2. Understand what to expect when entering the public markets, and the possible impact of being an Illinois issuer; and
3. Know what to expect in the future - what may change and what won't.

SESSION 2: 10:00 AM–11:15 AM

THE FUNDAMENTALS OF THE BOND RATING PROCESS DURING A PANDEMIC

The rating process is one of the most important aspects of the bonding process. Ratings directly impact borrowing costs for an issuer. This session will explore the rating process from an issuer, rating analyst and financial advisor/underwriter perspective. The panelists will also discuss Illinois specific credit concerns during the COVID-19 pandemic.

Speakers: Stephanie Masson, Finance Director, City of Rock Island
Stephan Roberts, Director, Robert W. Baird
Anthony Miceli, Senior Vice President, Speer Financial, Inc.
Rachel Cortez, Senior Vice President, Moody's Investors Service

Learning Objectives: *Participants completing this session will be able to:*

1. Understand the process of requesting a rating and hosting a rating conference call/meeting;
2. Understand how to prepare for a rating conference call/meeting;
3. Develop an understanding of what factors drive an issuer's rating; and
4. Identify and explain Illinois specific credit concerns.

DAY 2: OCTOBER 15, 2020

SESSION 1: 9:00 AM–9:50 AM

HOW BONDS ARE SOLD: A BEHIND THE SCENES LOOK

This session will highlight the major steps to a bond issue, both as a negotiated sale and a competitive sale. Regarding the competitive sale, this session will explore the merits of an open-auction platform and a closed-auction platform and why the issuer may want to utilize one over the other. Regarding the negotiated sale, this session will explore how underwriters eventually arrive at the interest rates that the issuer ultimately pays on its bonds and what happens to your bonds once the underwriter sells them to investors.

Speakers: Kevin O'Kelly, Vice President, Public Finance, Raymond James
Andrew Kim, Director, Public Finance, PMA Securities LLC

Learning Objectives: *Participants completing this session will be able to:*

1. Understand the difference between an open-auction platform and a closed-auction platform for a competitive sale;
2. Understand the steps of the order period that determine how the underwriter arrives at the interest rates on your bonds; and
3. Understand what may happen to your bonds after you have sold them and why you should care.

SESSION 2: 10:00 – 11:15 AM

SHORT TERM BORROWING: ADDRESSING LIQUIDITY NEEDS

Illinois Cities and Villages are likely to suffer material adverse consequences from the continued spread of COVID-19, and the resultant economic downturn is likely to reduce the amount of revenues received from sales tax, income tax, video gaming tax, and other collections dependent on local business activity. Collections of revenues are likely to be slower, and property tax collections could also be adversely affected.

Since local governments are generally labor-intensive, working capital management measures might also include layoffs and furloughs that necessitate service reductions, payroll deferrals, or delay vendor payments. Local governments may need to explore extraordinary cash flow support measures in the near term, particularly those governments that do not carry large liquidity balances relative to operating needs. These may include solutions such as refunding, restructuring, or waivers to existing bond issues, or issuance by local governments of lines of credit or tax/revenue anticipation notes or warrants issued either through public sales, private sales, or bank loans.

Speakers: James Snyder, Partner Ice Miller LLP
Kent Oliven, Finance Director & Treasurer Village of Niles CPA, CGMA, CPFO, CIMT, CPFA
Brad Wilson, Finance Director City of Wood Dale
Steve Abbey, Senior Vice President, Huntington National Bank
Raphaliata McKenzie, Senior Vice President, Director and Owner Speer Financial, Inc.

Learning Objectives: *Participants completing this session will be able to:*

1. Learn whether Illinois units of government can borrow from the Federal Reserve Bank pursuant to the Federal Revenue Act;
2. Understand what financing tools are available for Illinois local governments to finance short-term obligations;
3. Find the answer to what can be used as security for a short-term obligation;
4. Learn the difference between a debt certificate or promissory note and a TAN or TAW; and
5. Understand when short-term financings be financed as tax-exempt.

Many thanks to Larry White, Partner, Chapman and Cutler LLP for planning and coordinating the Debt Institute!

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