

THE CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION PRESENTS

# MUNICIPAL MARKET DISCLOSURE: APPLICATIONS TO PENSION DISCLOSURE

MAY 3, 2012 | ZIGGURAT BUILDING | WEST SACRAMENTO, CALIFORNIA

Efforts to improve transparency related to municipal securities have stimulated debate concerning the content and timing of disclosures. This seminar, focusing on public pension disclosure, seeks to further that discussion by considering the primary and secondary disclosure practices maintained by state and local agencies. As reporting standards change, public officials need to understand the difference between what is required and what might be interpreted as best practices. The seminar seeks to assist local government officials and other market professions to improve their understanding of the policy and regulatory environment surrounding municipal disclosure and how that environment may change in the future.

## WHO SHOULD ATTEND

This seminar is highly recommended for elected and appointed officials of a public agency, including debt administrators, finance officers, legal counsel, and members of a public agency governing body. The course is open to all public and private members of the public finance community.

## ABOUT CDIAC

The California Debt and Investment Advisory Commission (CDIAC) provides information, education and technical assistance on public debt and investments to local public agencies and other public finance professionals. To carry out its responsibilities, CDIAC maintains a database of all public debt issued in California, conducts continuing education seminars, publishes a monthly newsletter with debt issuance data and conducts research to develop reports, guidelines and briefs on topical issues.

## RECOMMENDED READING

*Making Sense of Public Pensions*, available at the CDIAC website, [www.treasurer.ca.gov/cdiac/publications/public\\_pensions.pdf](http://www.treasurer.ca.gov/cdiac/publications/public_pensions.pdf)

## REGISTRATION DEADLINE

April 20, 2012 or until filled

## COST (INCLUDES LUNCHEON)

\$99 Public, \$200 Private

## Seminar Speakers

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MARK ADLER  
*Managing Director,  
Piper Jaffray & Co.*

MARK BLAKE  
*Deputy City Attorney,  
City of San Francisco*

DAVID BRODSKY  
*Managing Director,  
KNN Public Finance*

DANIEL DEATON  
*Partner, Nixon Peabody LLP*

STEPHEN HEANEY  
*Managing Director, Public  
Finance, Stone & Youngberg LLC  
and Boardmember of Municipal  
Securities Rulemaking Board*

JENNIFER JOHNSTON  
*Vice President/Research Analyst,  
Franklin Templeton Investments*

SANDRA KIM  
*Executive Director, Capital  
Markets Finance, University of  
California President's Office*

TRACY MCCRANER  
*Administrative Services Director/  
Treasurer, City of Newport Beach*

ROBERT MCCRORY  
*Executive Vice President, EFI*

JOHN MCNALLY  
*Partner, Hawkins Delafield &  
Wood LLP and President of  
The National Association of  
Bond Lawyers*

STEPHEN MELIKIAN  
*Managing Director, Jones Hall*

ALAN MILLIGAN  
*Chief Actuary, CalPERS*

DAVID SUNDSTROM  
*County Treasurer-Tax Collector,  
County of Sonoma and  
Boardmember of Governmental  
Accounting Standards Board*

BRIAN WHITWORTH  
*Senior Vice President,  
First Southwest*



To register, visit [www.treasurer.ca.gov/cdiac/seminars.asp](http://www.treasurer.ca.gov/cdiac/seminars.asp)

For more information, email CDIAC at [cdiaceducation@treasurer.ca.gov](mailto:cdiaceducation@treasurer.ca.gov) or call (916) 653-3269

# AGENDA

8:30 AM WELCOME AND OPENING REMARKS

MARK CAMPBELL, *Executive Director, CDIAC*

## Morning Sessions (8:45 AM–12:00 PM)

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### INTRODUCTION: CURRENT CONCERNS IN MUNICIPAL DISCLOSURE

A discussion of the Municipal Securities Rulemaking Board's (MSRB) efforts to improve disclosure in the market and specific concerns with current pension disclosure observed by the MSRB in the past. (MSRB Representative)

### OVERVIEW: SEC REGULATIONS AND THE DISCLOSURE PROCESS

In this session the panelists will review federal securities laws and SEC rules governing disclosure with attention to rule changes resulting from recent reform efforts. Panelists will describe how municipal issuers satisfy disclosure requirements including initial, continuing and material event reporting, and why good disclosure should be viewed as a process. In addition, panelists will describe recent SEC enforcement actions and penalties associated with municipal disclosure. (Speaker Panel)

### PENSION MECHANICS AND MATH

Knowledge of pension mechanics, mathematics, and actuarial practices provides an important foundation for understanding the issues surrounding pension liabilities. In some cases, plan funded ratios are not always a reliable indicator of the financial health of a pension fund. This session considers the mechanics of pensions and includes discussion of funded ratios, calculations of plan assets and the unfunded actuarial accrued liability, discount rates, year-end pension expenses, and meeting the annual required contributions. (Speaker Panel)

12:00 PM LUNCHEON FOR ALL SPEAKERS AND PARTICIPANTS

## Afternoon Sessions (1:15 PM–5:00 PM)

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### PENSION DISCLOSURE PRACTICES AND ISSUES

The SEC has now issued two cease-and-desist orders against issuers for failing to provide adequate securities disclosure of public pension liabilities and obligations. Panelists on this session will discuss fundamental disclosure issues surrounding public pension plans, the administrative challenges, and the effect pension liabilities have on public agency budgets and disclosure practices. They will also discuss what issuers report, the standards that apply to determine liabilities and obligations, what constitutes a material event for investors, concerns posed by increasing pension costs, and structural imbalances in current funding plans. (Speaker Panel)

### DISCLOSURE REPORTING STANDARDS FOR PENSION OBLIGATIONS

In June 2011, GASB released proposed changes to the rules governing pension accounting and financial reporting by public agencies. This session provides a review of existing and proposed reporting standards and includes a discussion of how the new proposed standards will affect credit quality and issuer reporting practices. (Speaker Panel)

### GOOD PENSION DISCLOSURE ROUNDTABLE: WHAT DOES IT LOOK LIKE?

There are government agencies that are very practiced at communicating their pension liabilities. How do California agencies stack up? This session will provide a look inside the good pension disclosure practices of several municipalities in California. (Speaker Panel)