

Item #11

# Monthly Financial Update

Oral Report

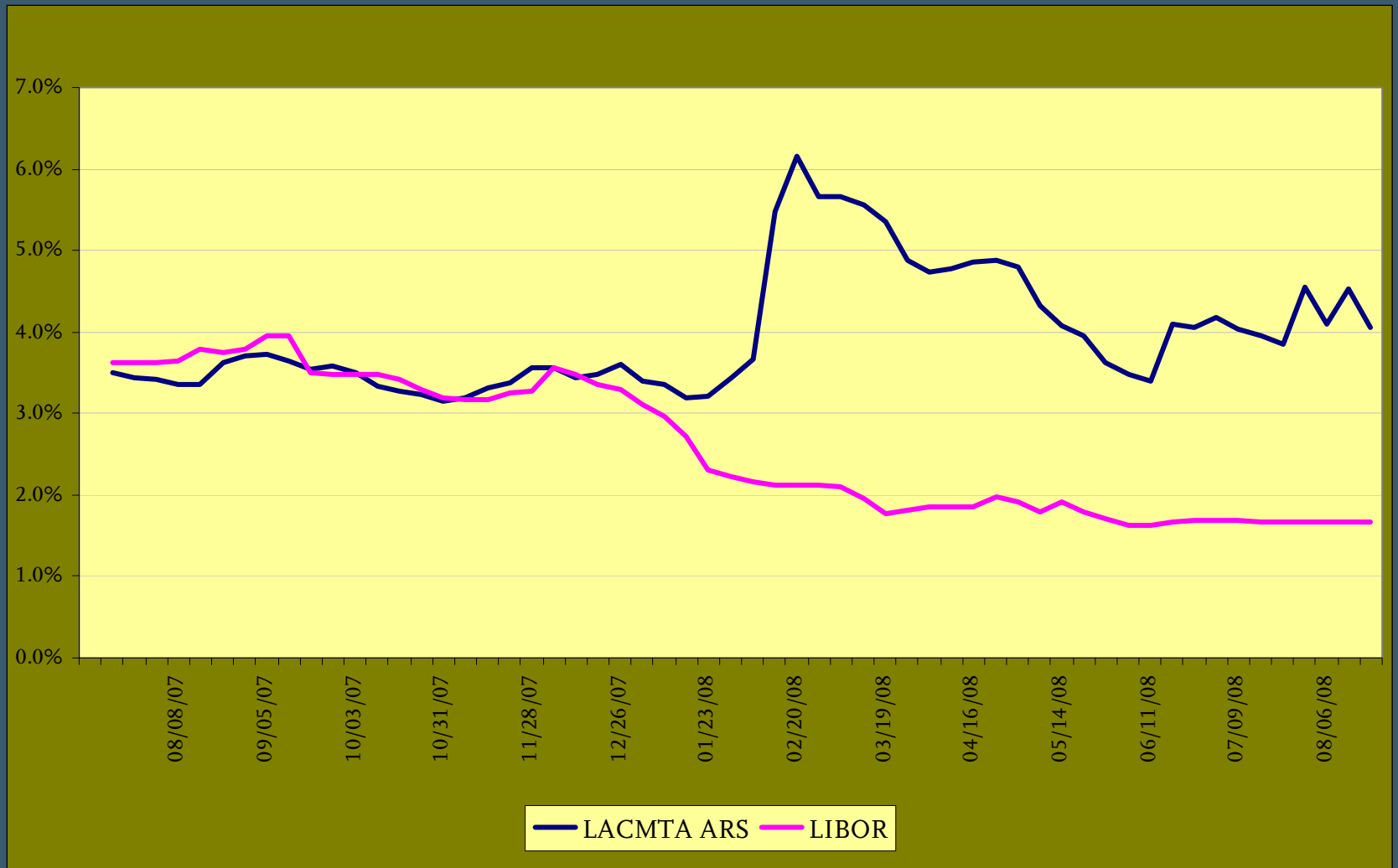
Finance & Budget Committee

September 2008



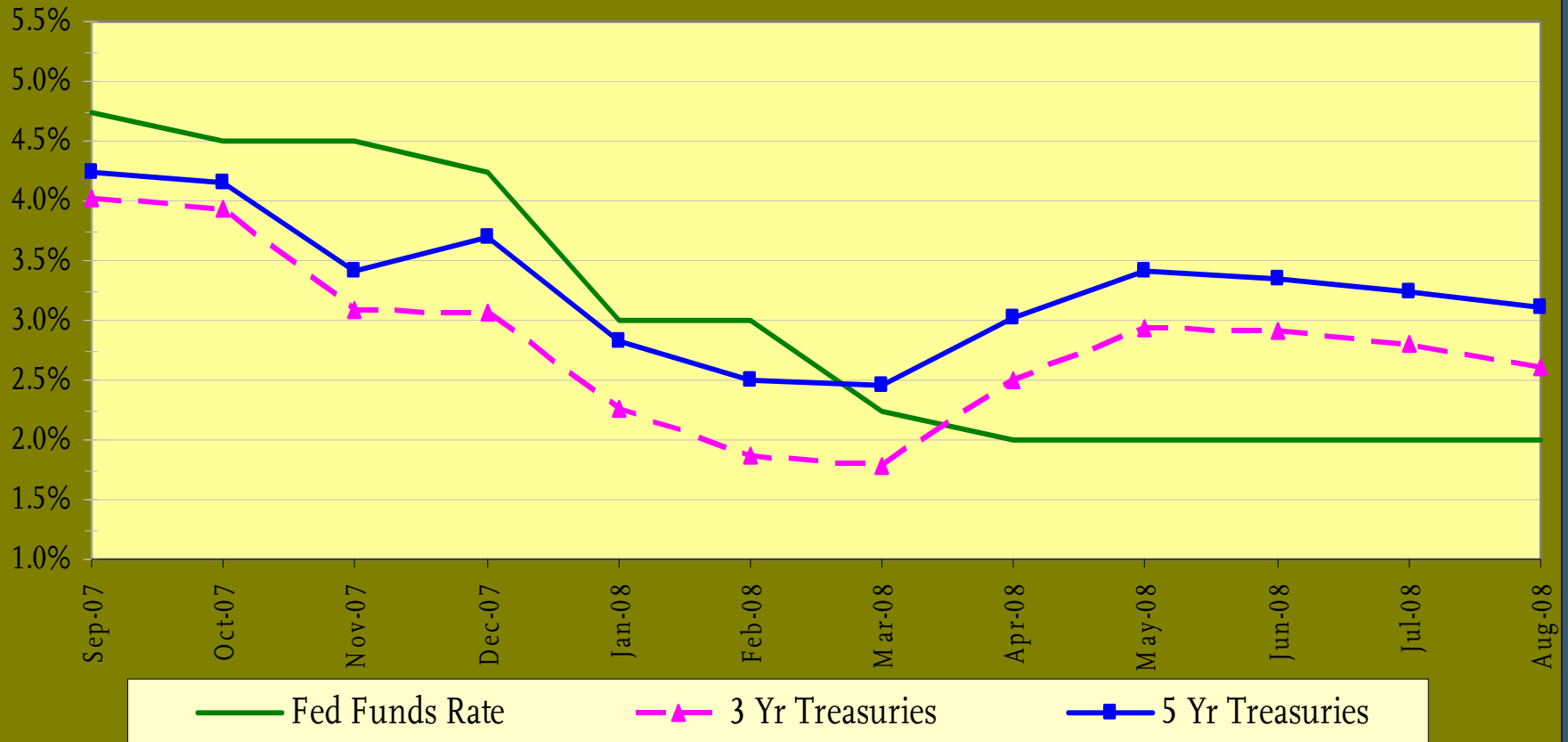
**Metro**

# Bond Variable Rates vs LIBOR

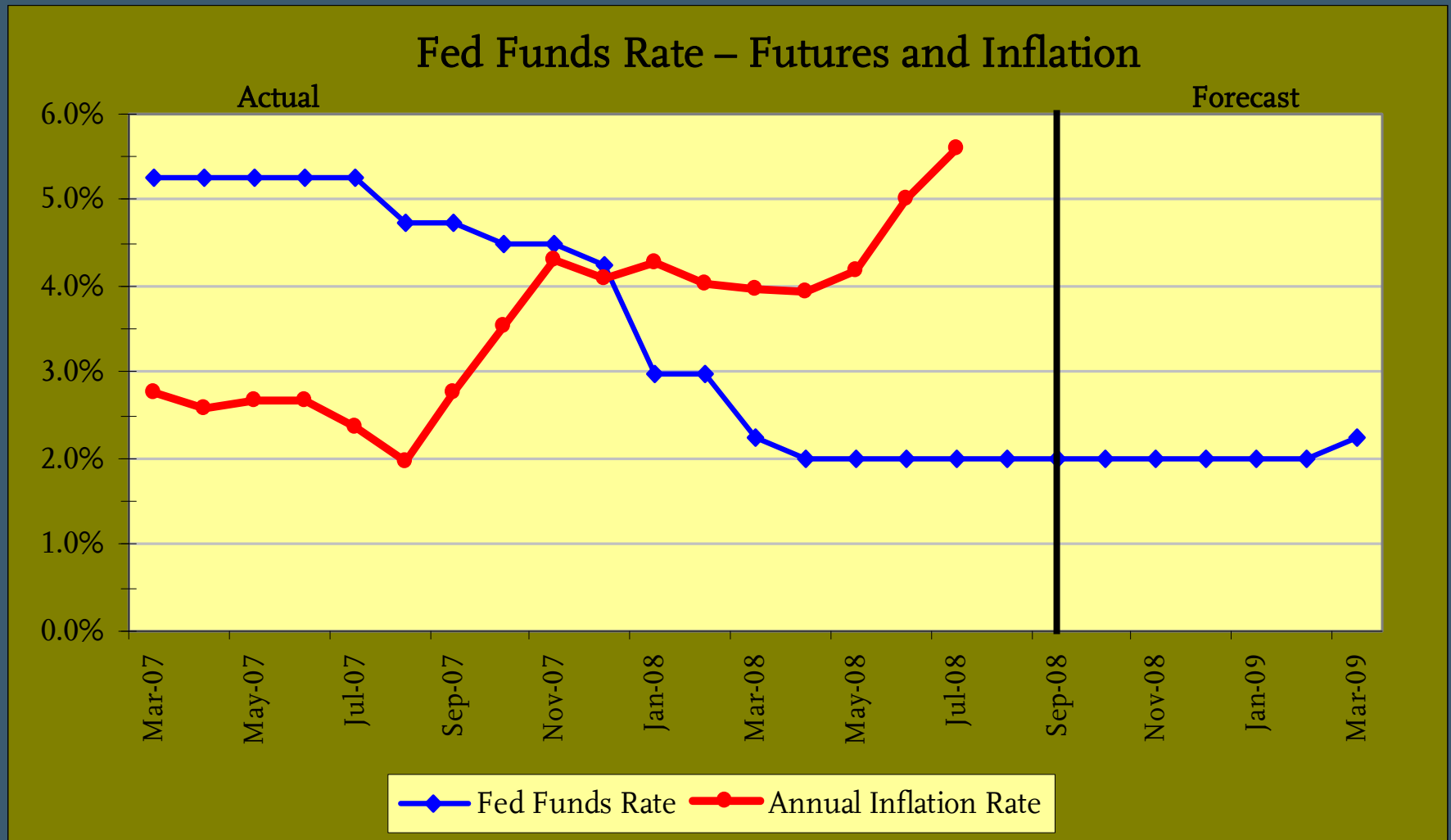


# Short Term Rates

## US Treasuries and Fed Funds Rate

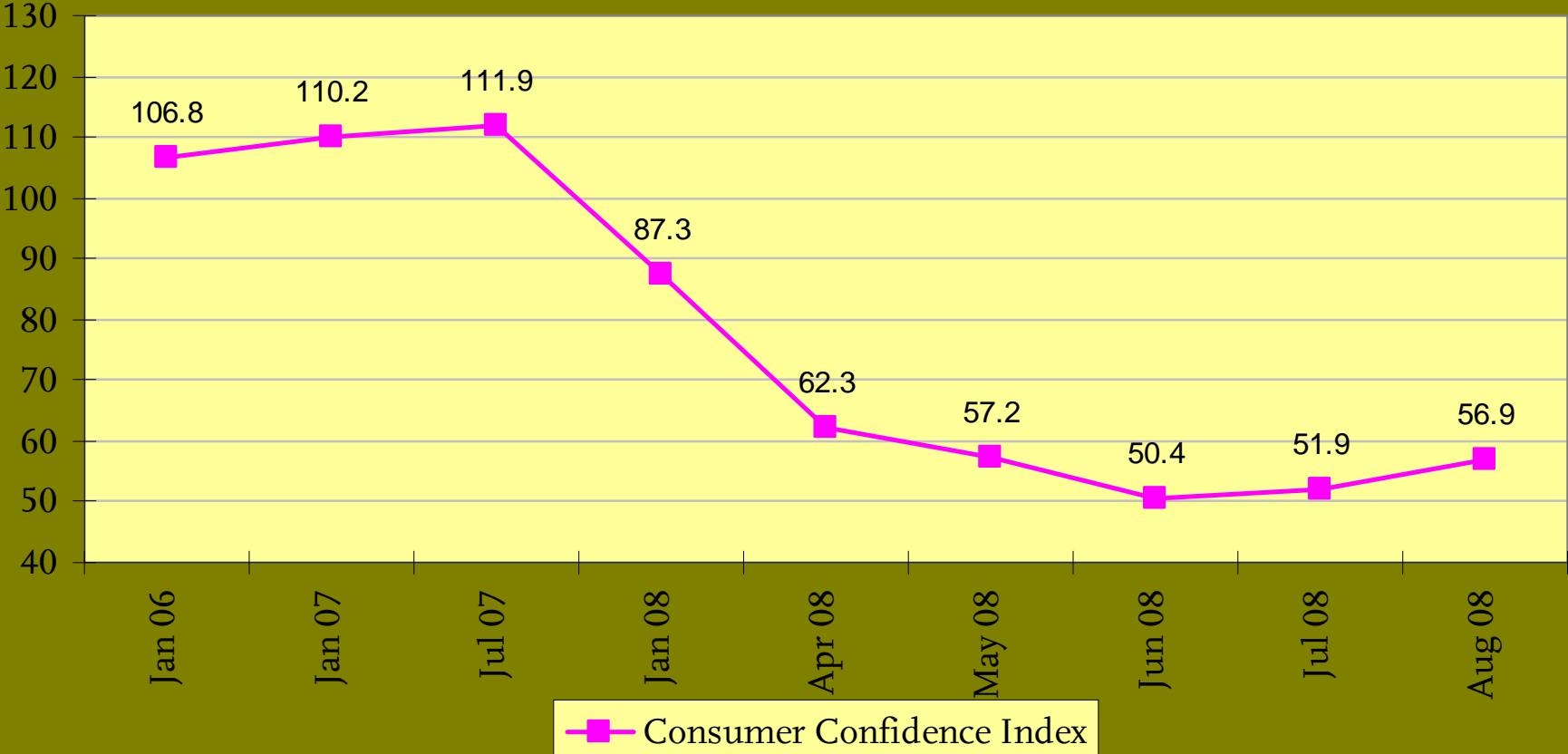


# Short Term Reality and Outlook



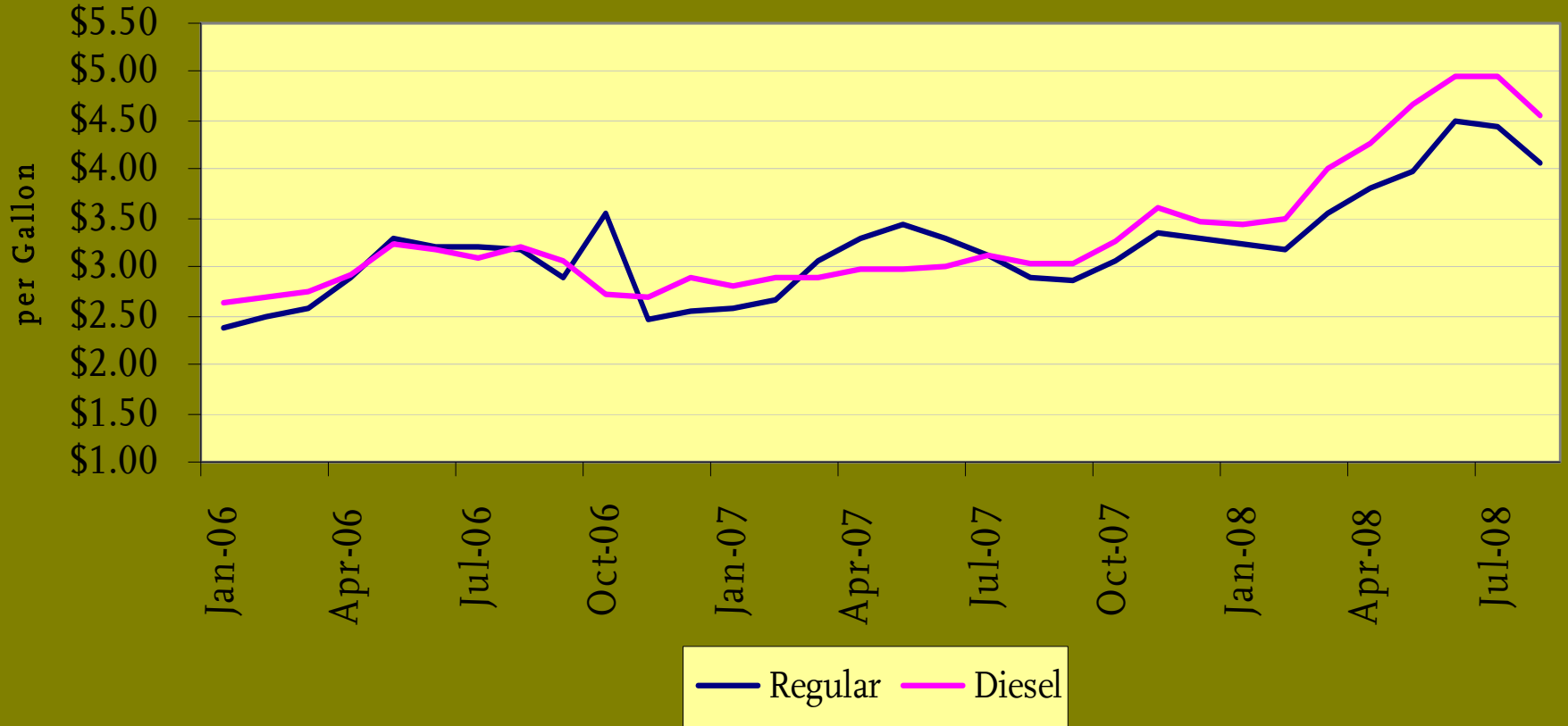
# Financial Markets

## Selected Consumer Confidence Index Points



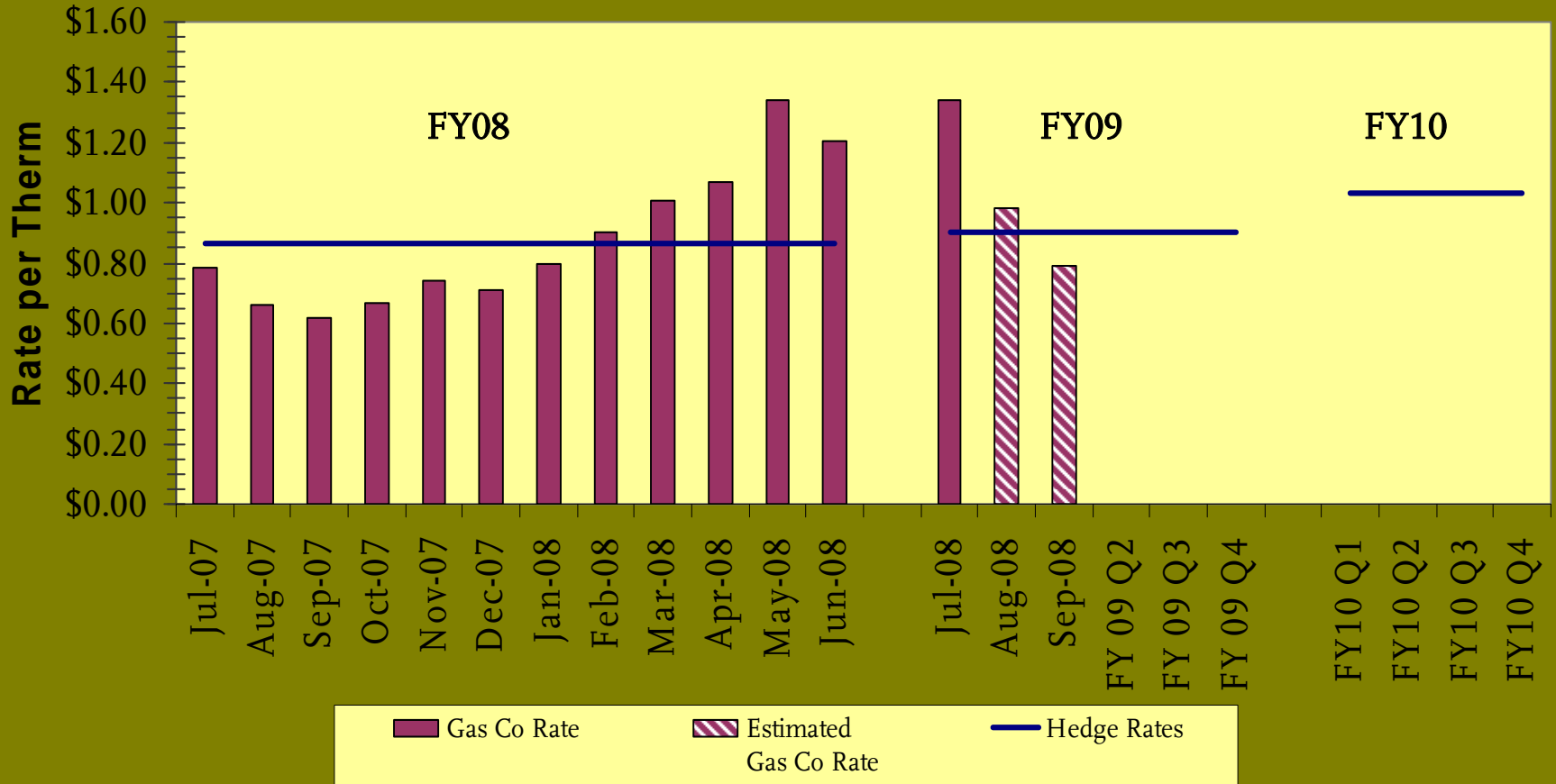
# Financial Markets

## Fuel Price Tracking



# Financial Markets

## CNG Rates Invoiced and Hedged



# Impacts

- Variable rate interest cost - \$2.4 million / month unfavorable
- Natural Gas prices retreating from recent highs



# Since Last Update

- FY10 CNG hedges exceed FY09 rates by 15%
- Federal Funds Rate remains at 2.0%
- Obtained additional \$400 million liquidity from six banks, related to three refundings
- Restructured two interest rate swaps to reduce costs for Prop A 92 and Prop C 93 bonds

## Since Last Update (cont.)

- Replaced \$111 million reserve fund surety policy previously provided by downgraded insurer FGIC
- Implemented interim amendment to reduce costs by up to \$200,000 per week in advance of refunding bonds

# Next Steps

- Close \$288 million refunding of Prop A 2005 Bonds, reduce cost \$40,000 per week
- Refund Capital Grants Bonds by issuing Prop A tax-exempt commercial paper
- Continue efforts to refund the four remaining affected bond issues, negotiate amendments to related interest rate swaps
- Negotiate four bank liquidity facilities supporting \$185 million refunding of 2005 General Revenue Bonds

# End Presentation

Questions/discussion