

# Monthly Financial Update

Oral Report  
Finance & Budget Committee  
February 2009

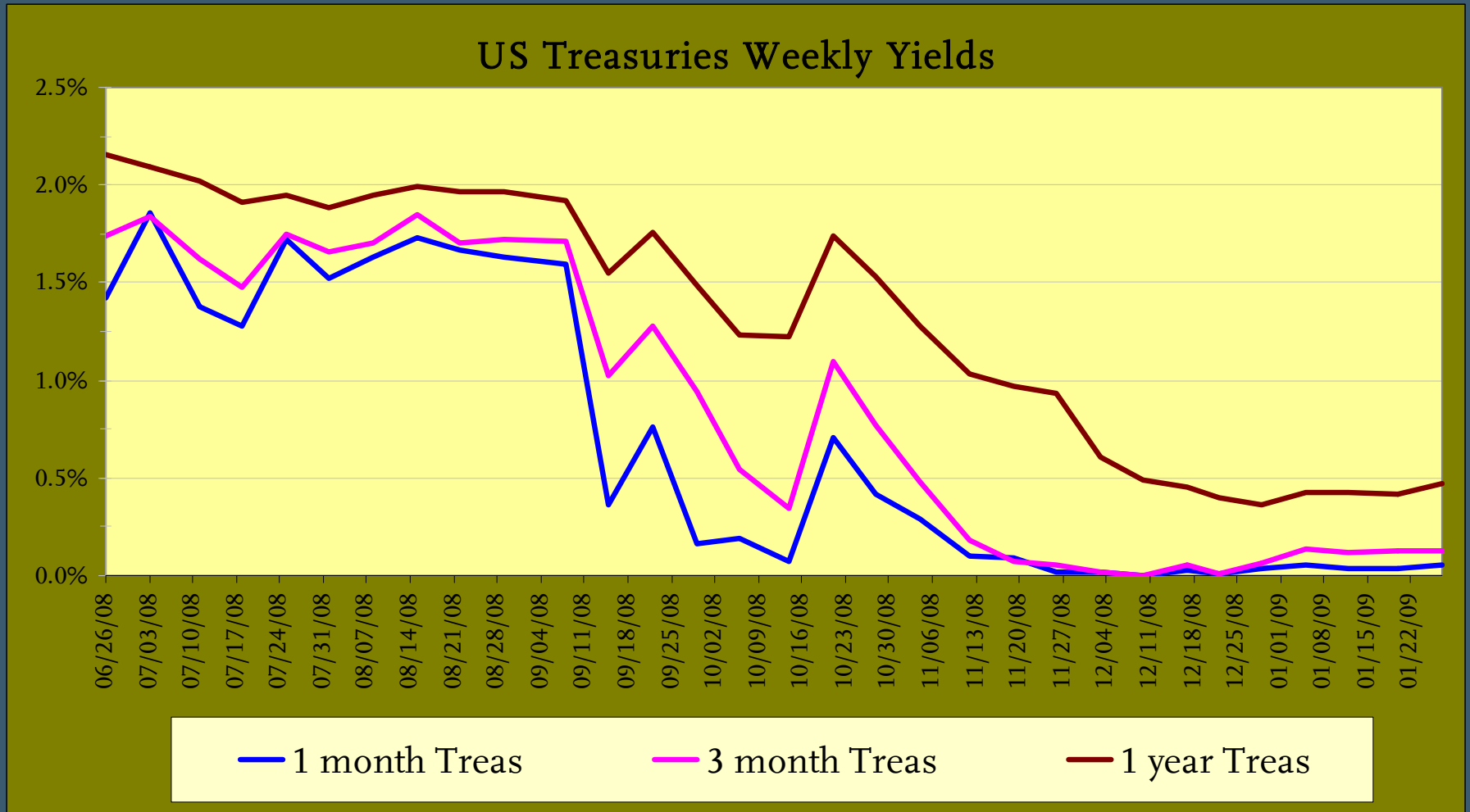


**Metro**

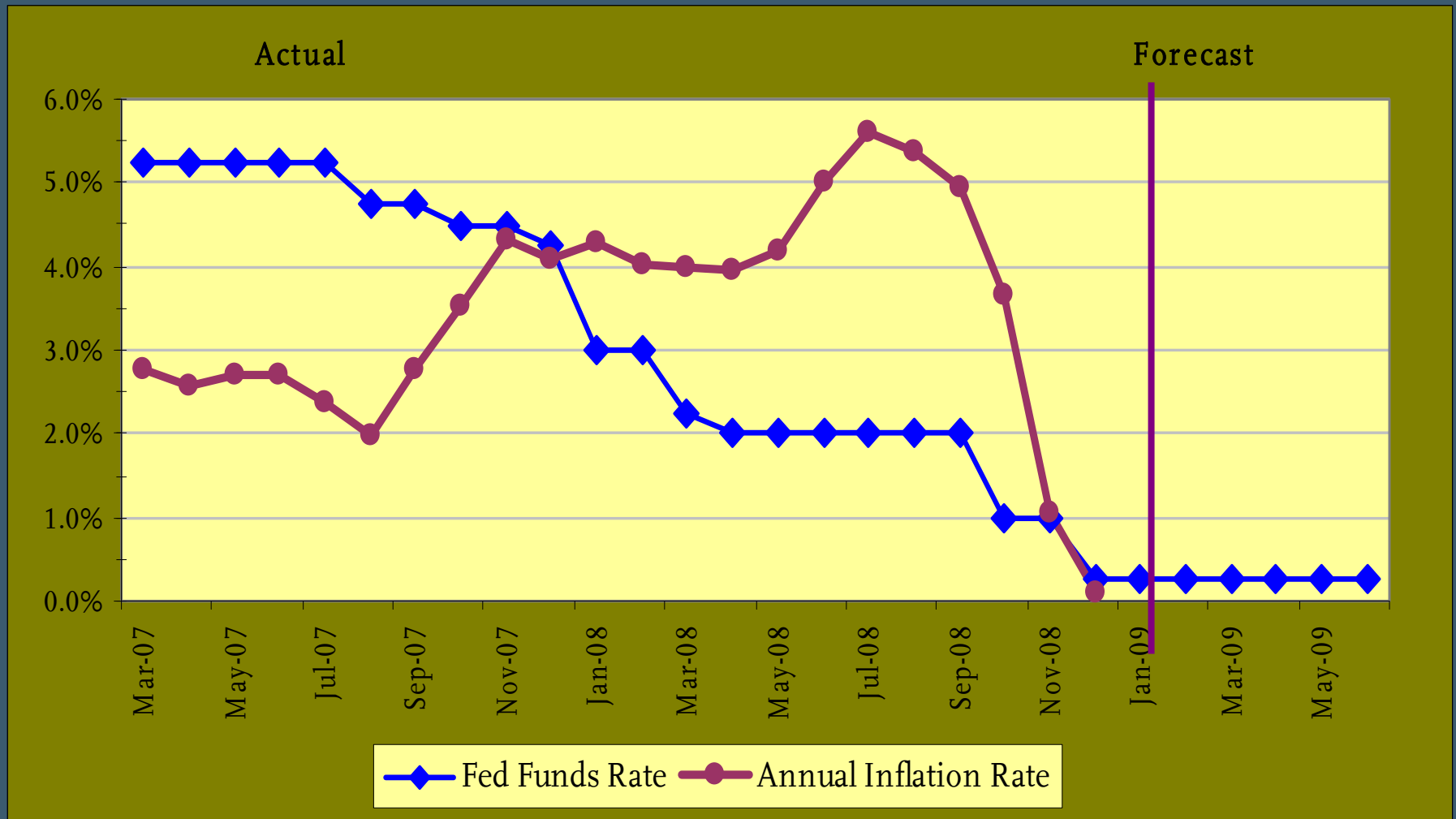
# Headlines

- Short-term rates at all time lows
- Unemployment rate at 7.6% and rising
- Gasoline prices rising
- Financial condition of B of A, Citibank, continue to slide
- State of CA budget woes continue

# Short Term Rates

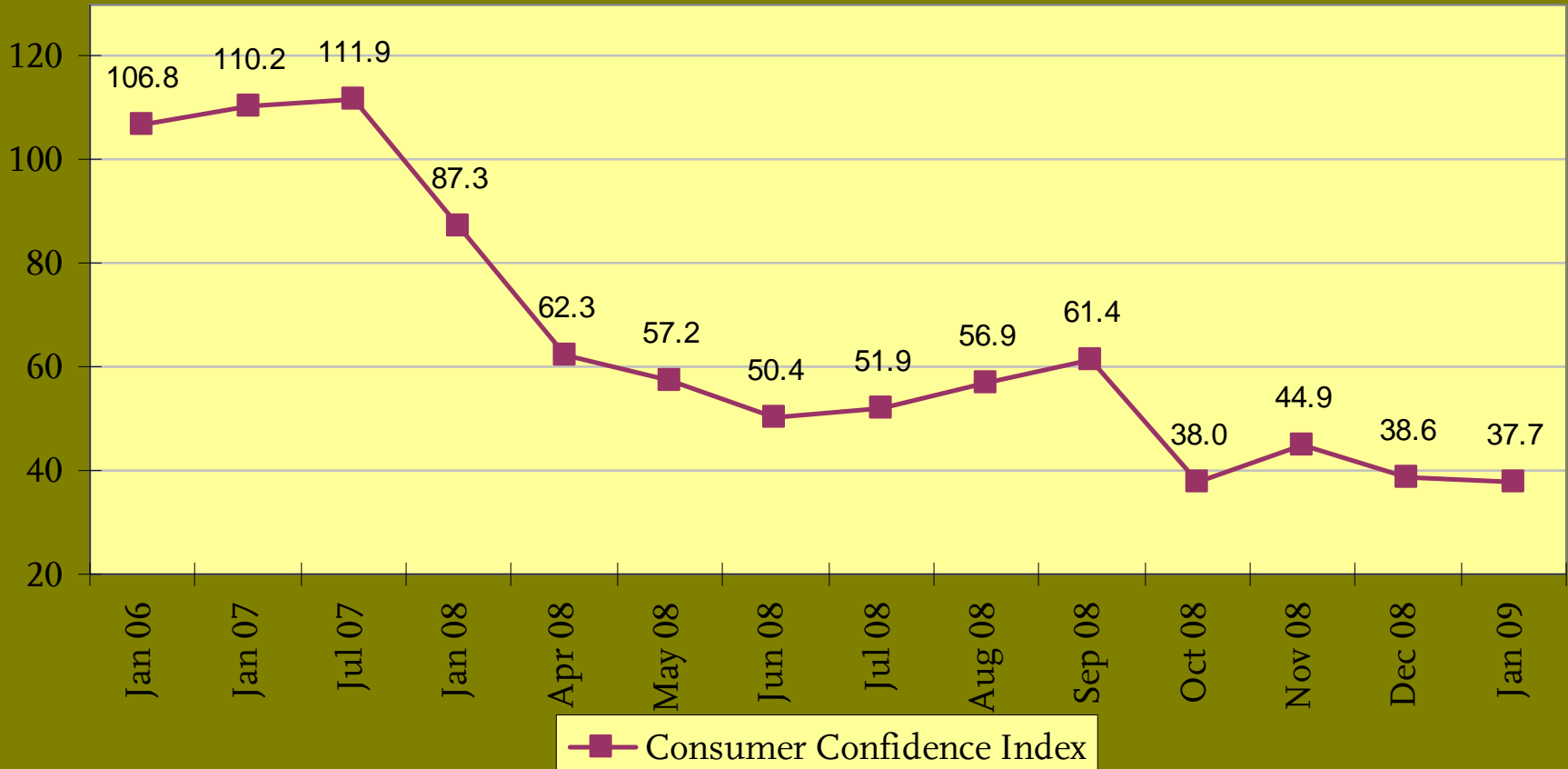


# Financial Markets



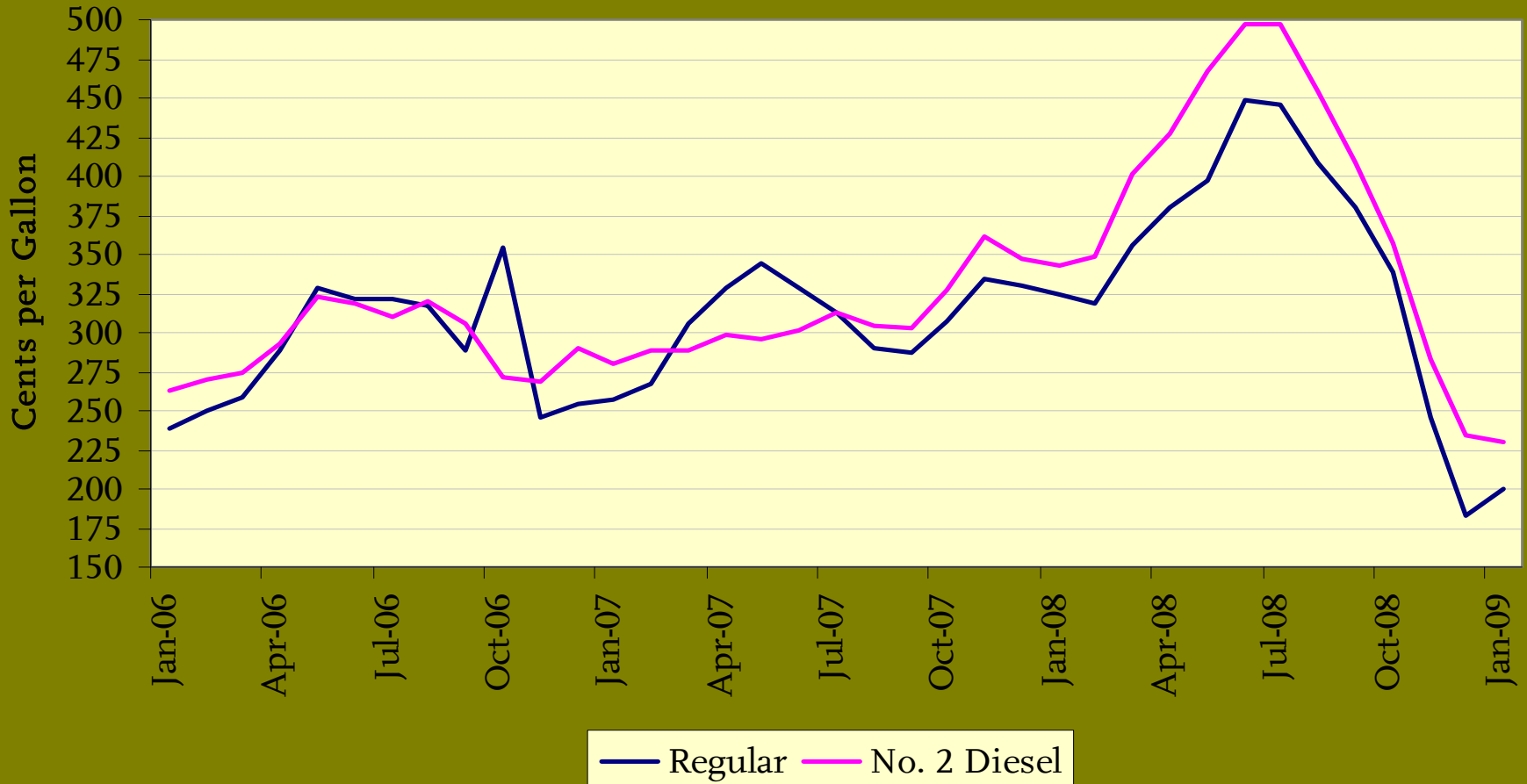
# Financial Markets (cont'd)

## Selected Consumer Confidence Index Points



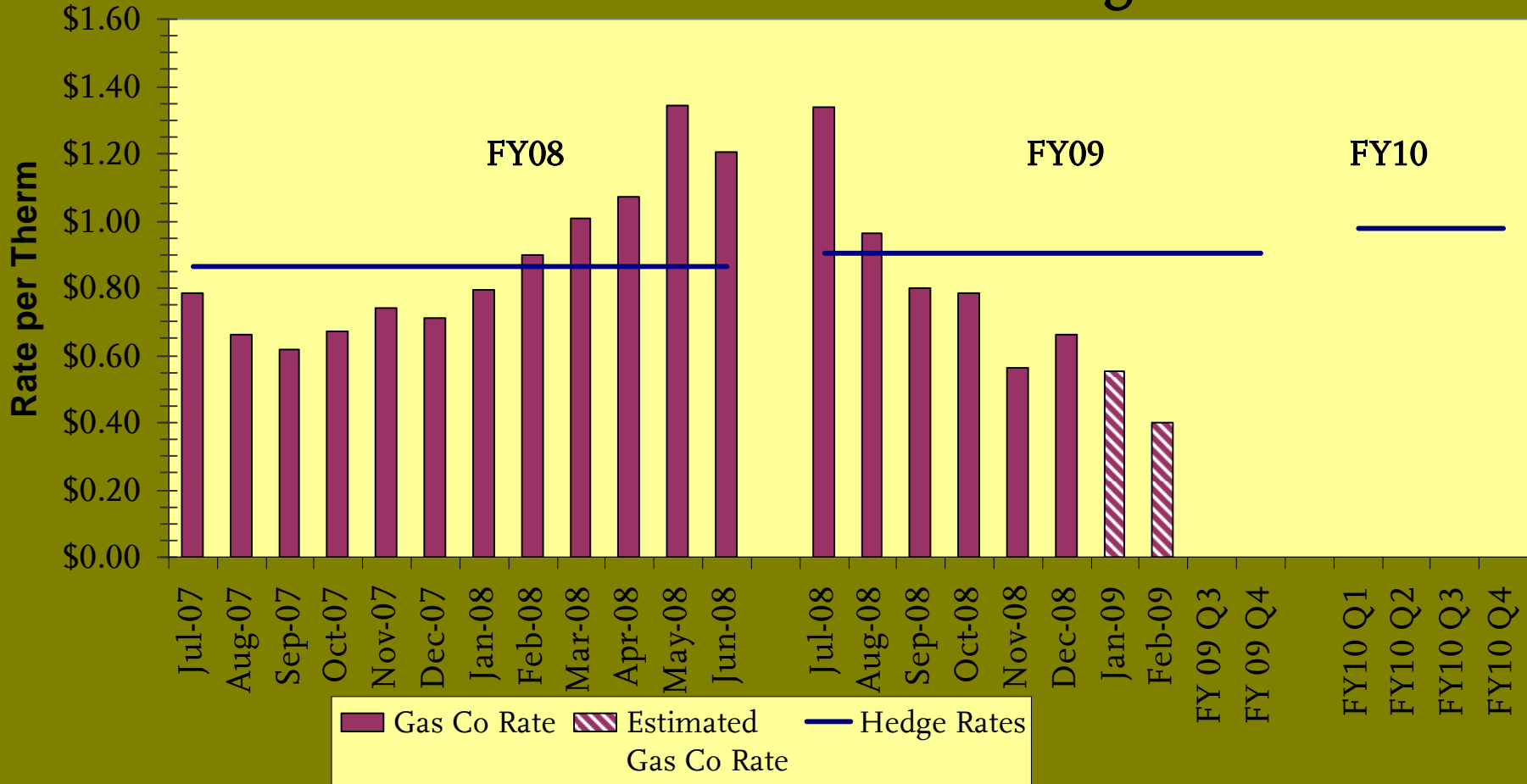
# Financial Markets (cont'd)

## Regular Gas & Diesel Price Tracking



# Financial Markets (cont'd)

## CNG Rates Invoiced and Hedged



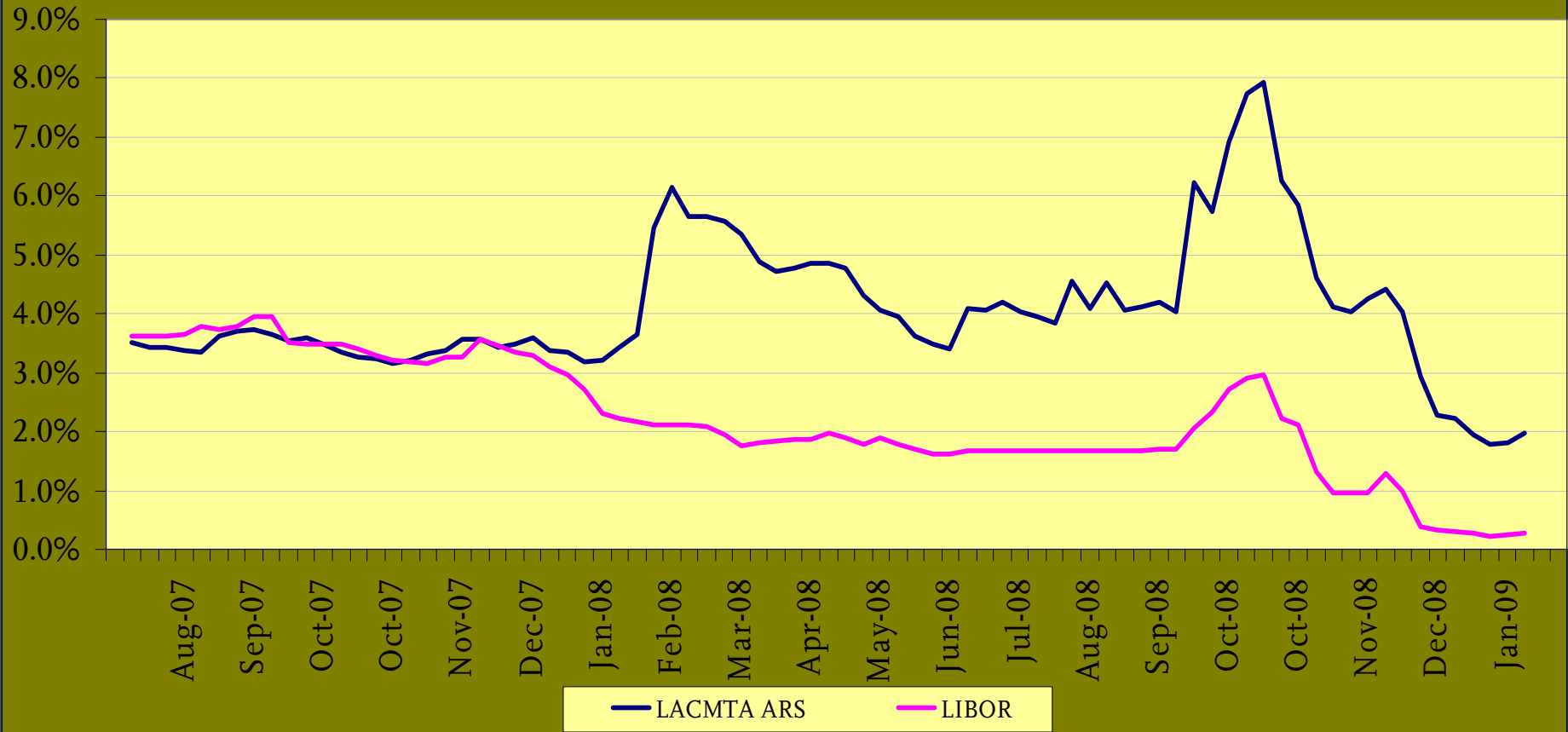
# Impacts

- UCLA significantly reduced sales tax forecast
- Low short-term rates will reduce interest earnings
- Variable rate interest cost - \$1.6 million / month unfavorable
- Natural gas prices continued to move lower
- Lessors maintain pressure. Two of seven lessors have provided extensions



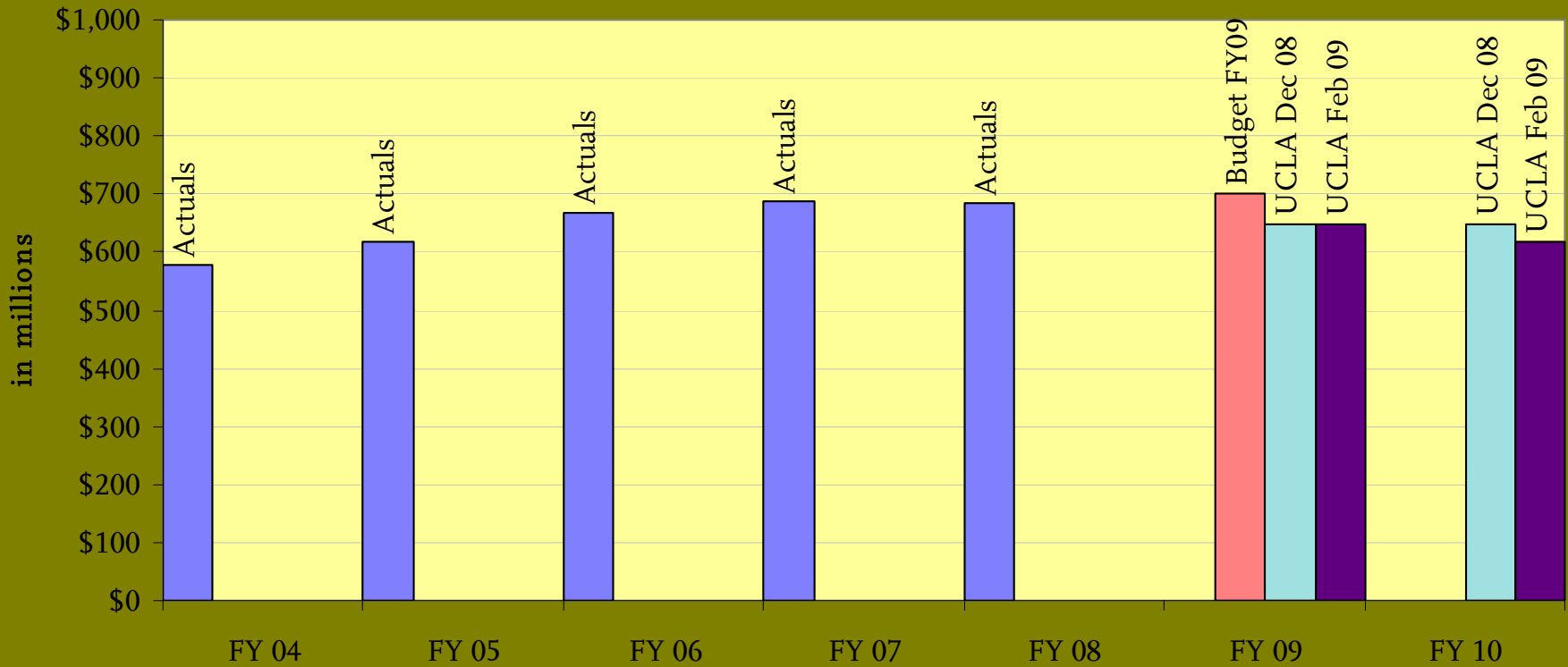
# LACMTA's Variable Rates

## LACMTA Variable Rates vs LIBOR



# Sales Tax Revenue

## Prop A Fiscal Year Receipts



# Since Last Update

- Negotiating Private Placement purchase of CA Prop 1B bonds
- Continuing dialogue with our seven lease equity investors to provide extensions of the deadlines to replace the facilities and to discuss alternative solutions
- 1 of 3 expiring extensions was successfully replaced

# Since Last Update (cont'd)

- Continuing to lobby the new Congress and administration to seek a no-cost solution where the Treasury, Federal Reserve or DOT would:
  1. Implement a TIFIA loan or guaranty program
  2. Step into AIG's position in the transactions, or
  3. Backstop (guaranty) AIG facilities in the lease agreements

## Since Last Update (cont'd)

- Pursuing legislation that would direct the actions listed above
- Obtained additional \$300 million of bank liquidity facilities, allowing refunding of Prop C 1993 and Prop A 1992 bonds in addition to Prop C 2003 bonds

# Next Steps

- Obtain extensions of deadlines to replace lease facilities and negotiate for alternative solutions
- Locate providers of surety policies and payment undertaking agreements for the defeased lease transactions affected by AIG
- Refund three bond issues Prop A 1992, Prop C 1993 & 2003 bonds
- Continue outreach to locate letters of credit to support refunding of General Revenue 2004 bonds

# End Presentation

## Discussion