

Report of the Chief Financial Services Officer

Item #9

Oral Report

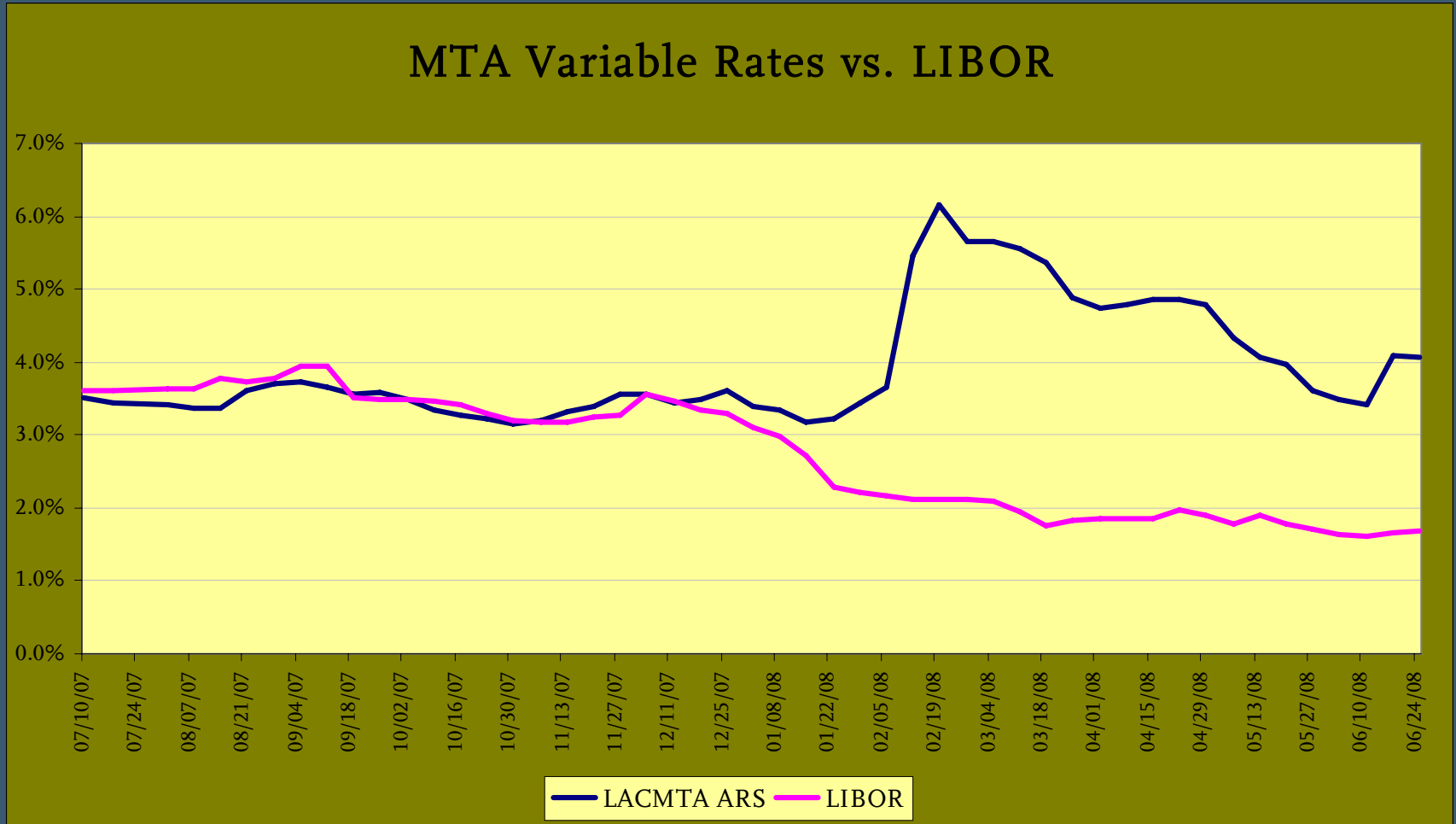
Finance & Budget Committee

July 2008



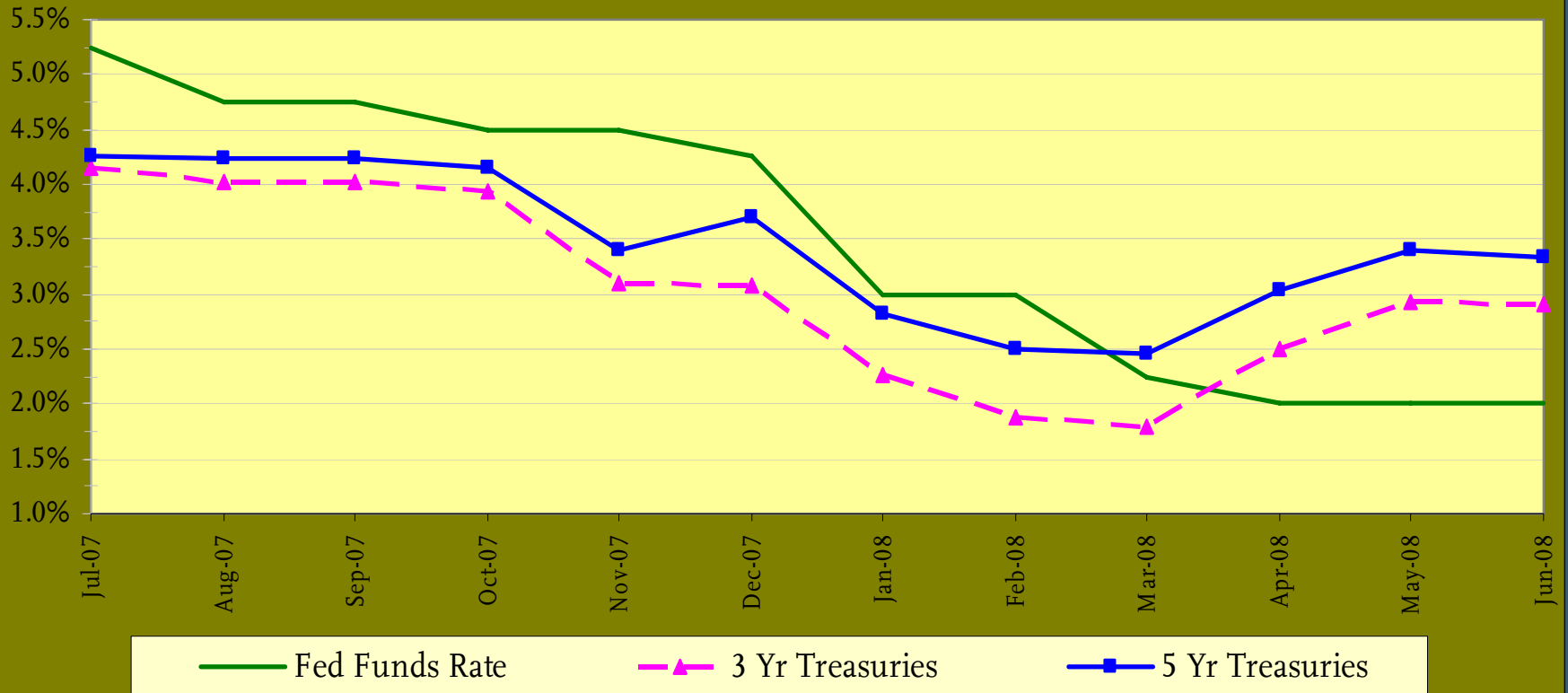
Metro

Variable Rate vs LIBOR

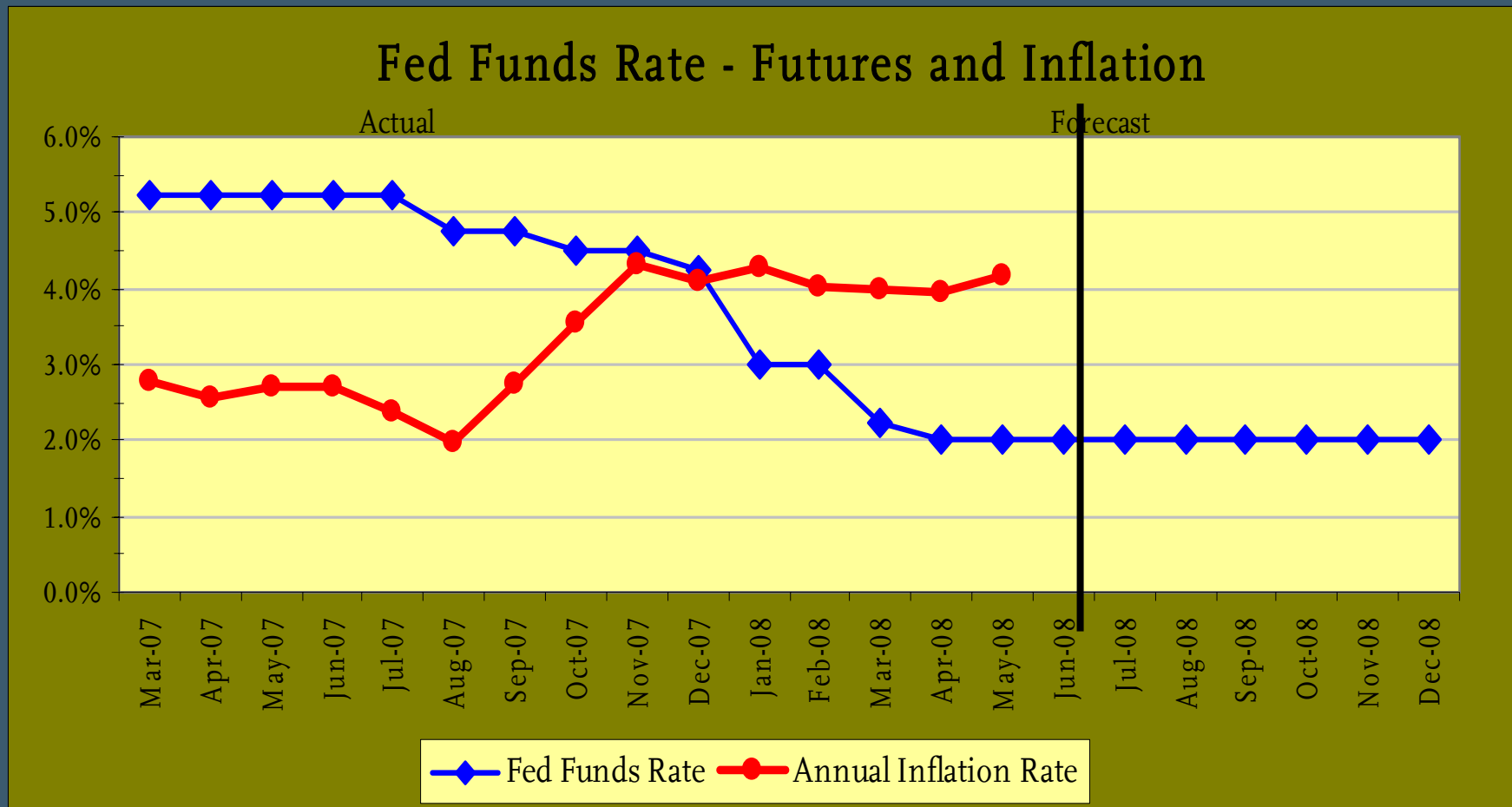


Short Term Rates

US Treasuries - Benchmark Yields

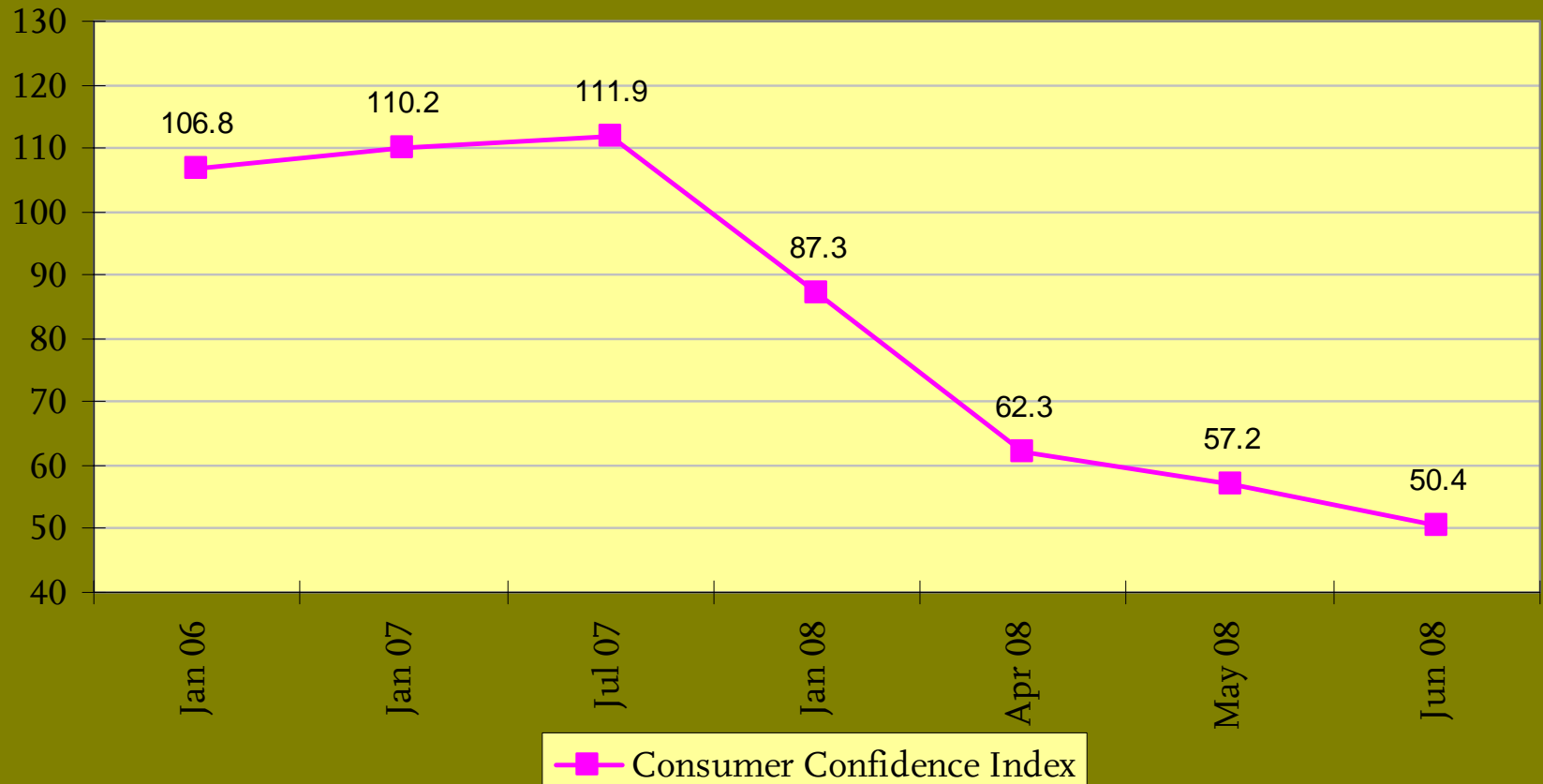


Short Term Reality and Outlook



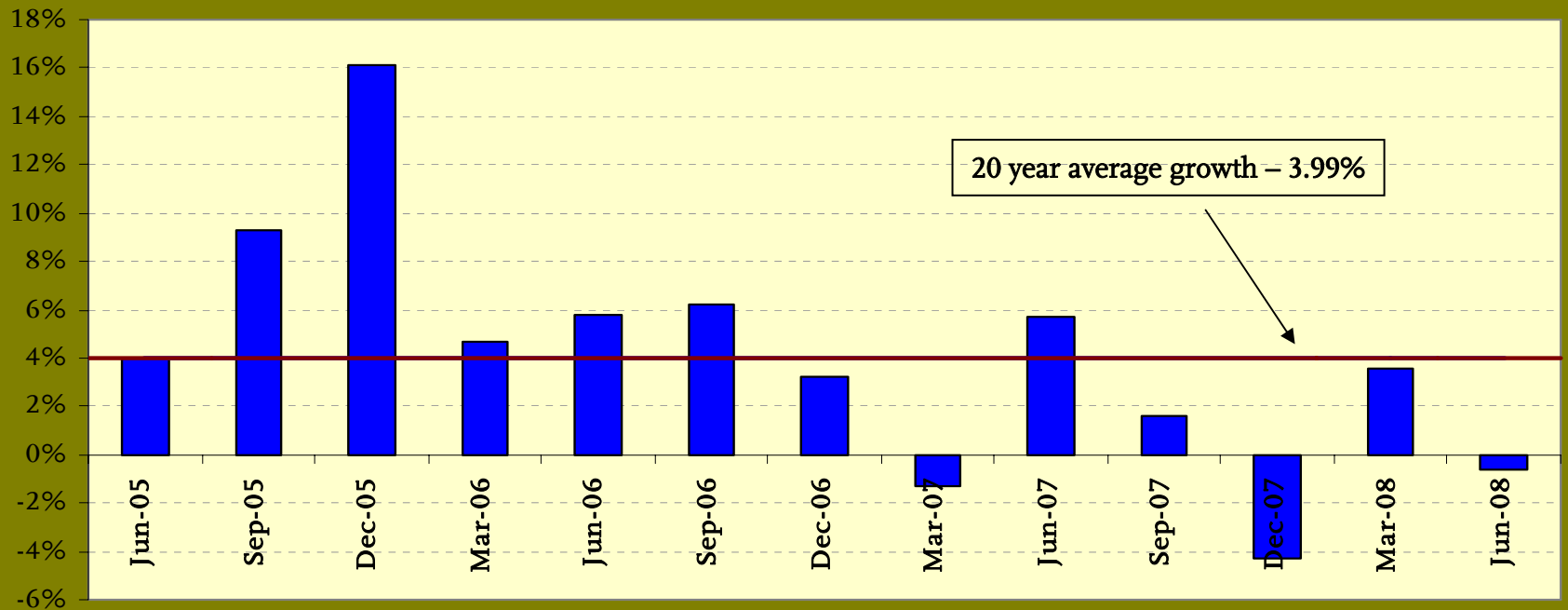
Financial Markets

Selected Consumer Confidence Index Points



Financial Markets

Quarterly Sales Tax Revenue History
Year over Year Proposition A and C Growth Rate



Impacts

- Variable rate interest cost - \$1.4 million / month unfavorable
- Sales tax receipts: 1% variance = \$14 million

Since Last Update

- Hedging program stabilizing CNG costs
- Federal Funds Rate kept at 2.0%
- Completed Prop C refunding, \$7 mil. savings
- Goldman replaced UBS as remarketing agent
- Renegotiated two interest rate swaps
- Board authorized refunding of General Revenue & Capital Grant Bonds
- Bond insurers Ambac, Financial Guaranty Insurance Company (FGIC) and MBIA, Inc. downgraded further

Status/Next Steps

- Continue efforts to restructure and renegotiate six affected bond issues, the related swaps and bank liquidity facilities
- Replace \$111 million reserve fund surety policy provided by FGIC
- Receive collateral under MBIA investment agreement

Questions/discussion