

Monthly Financial Update

Oral Report
Finance & Budget Committee
July 2009



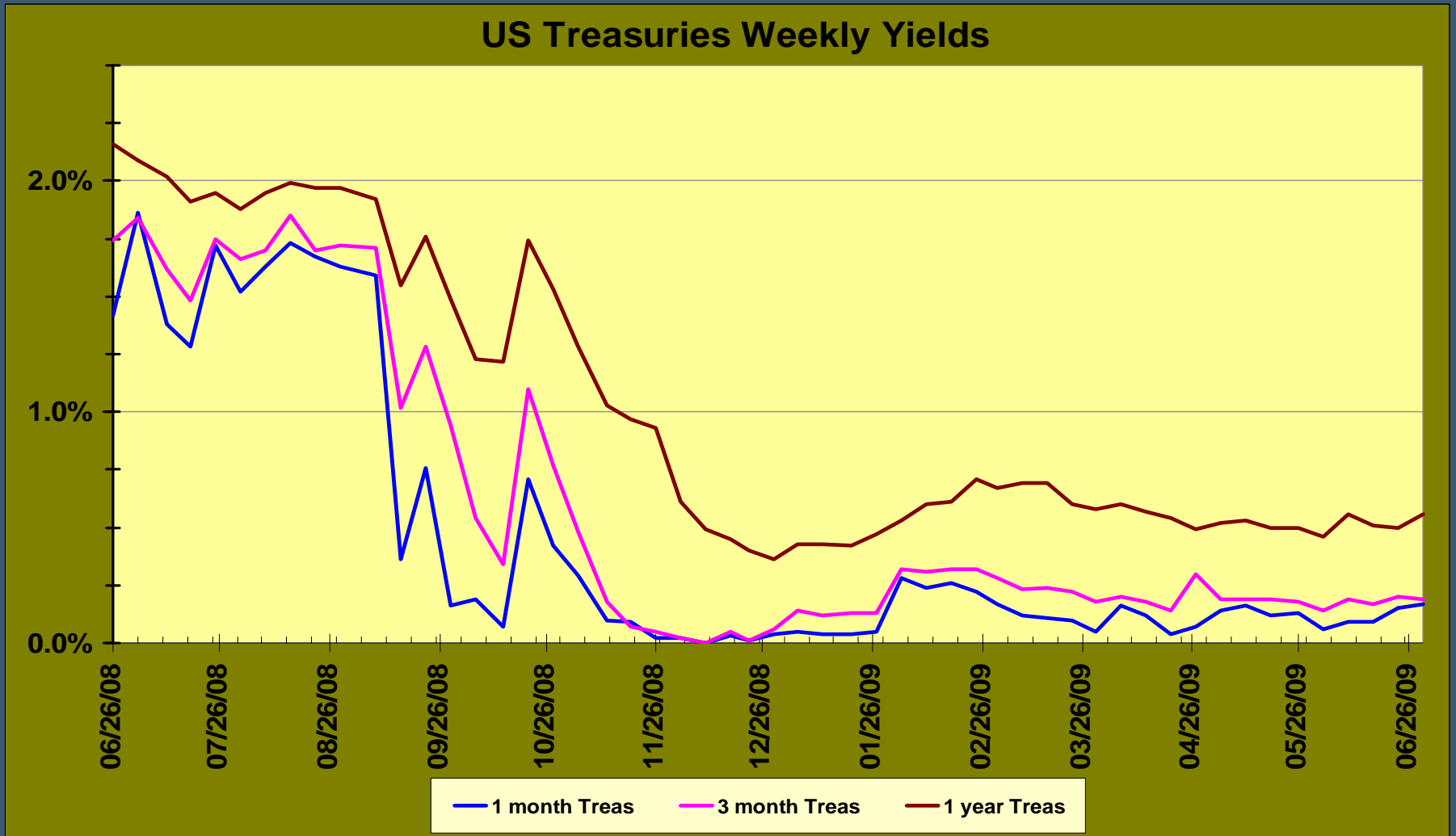
Metro

Headlines

- Economy weak but projected to expand by 3rd quarter 2009
- Housing price declines have slowed
- State budget impasse
- Fed Funds target unchanged at 0 - .25%
- Municipal bond rates lower

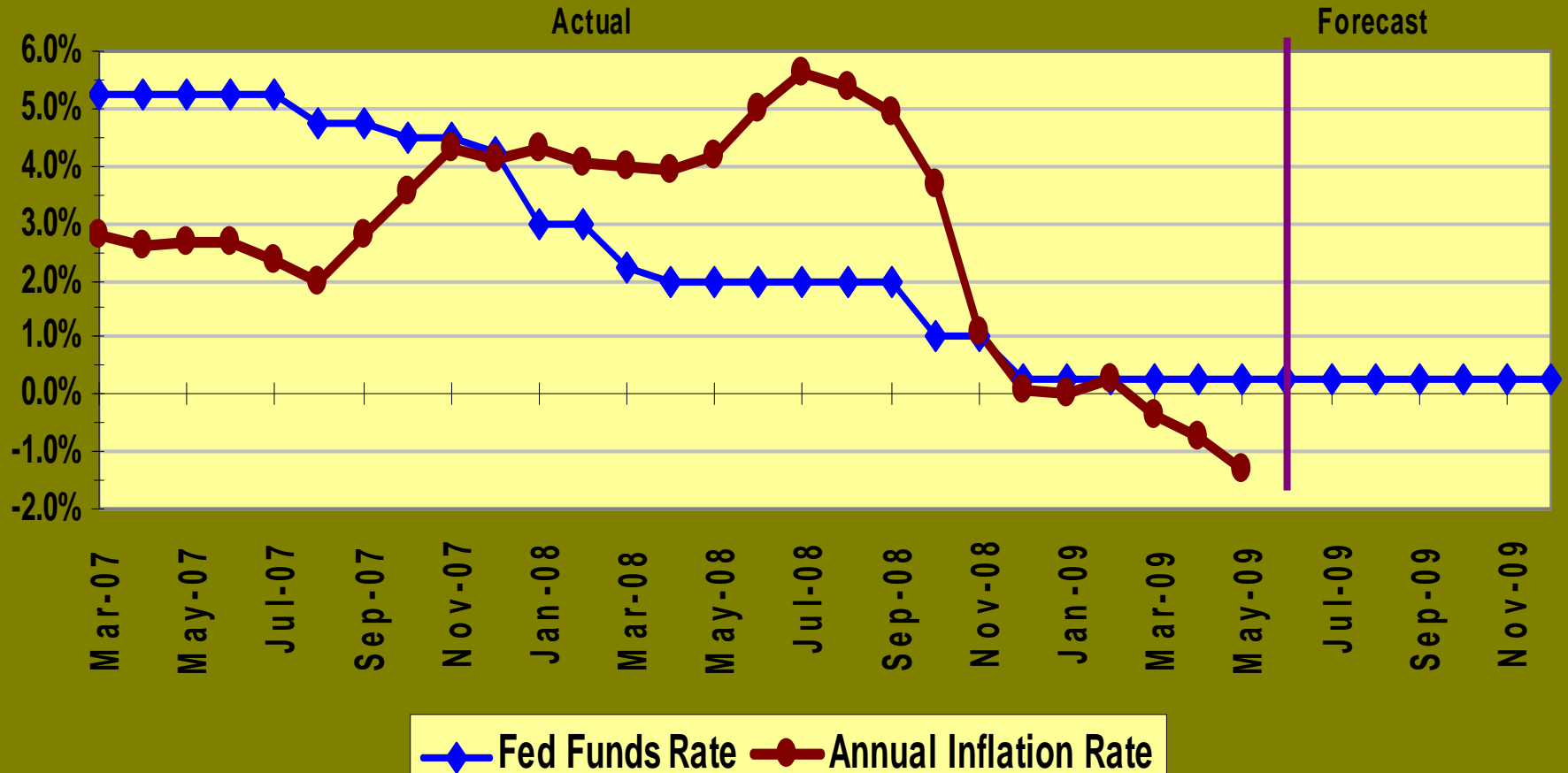
Financial Markets

US Treasuries Weekly Yields



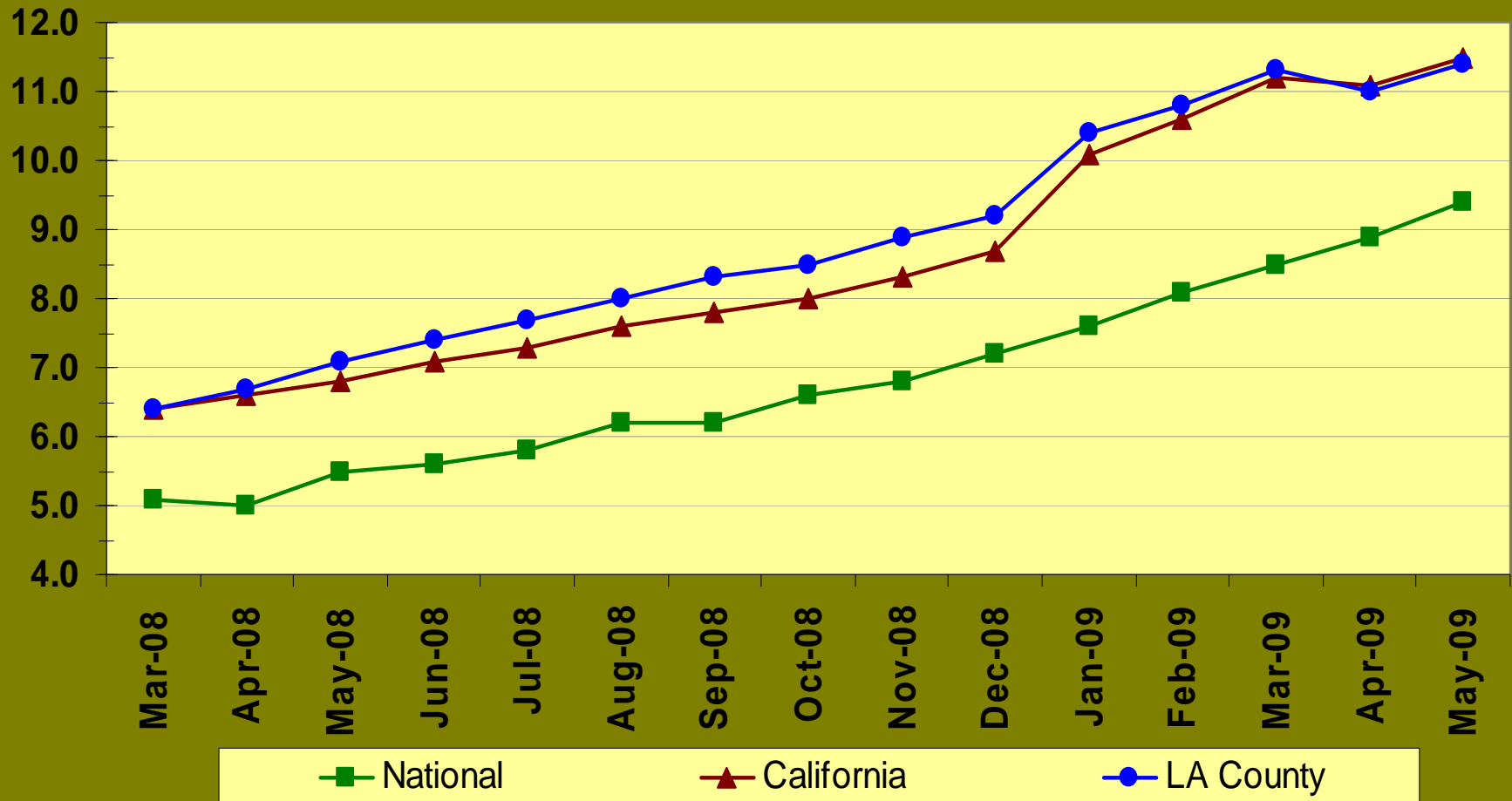
Financial Markets (cont'd)

Fed Funds Rate and Inflation Rate



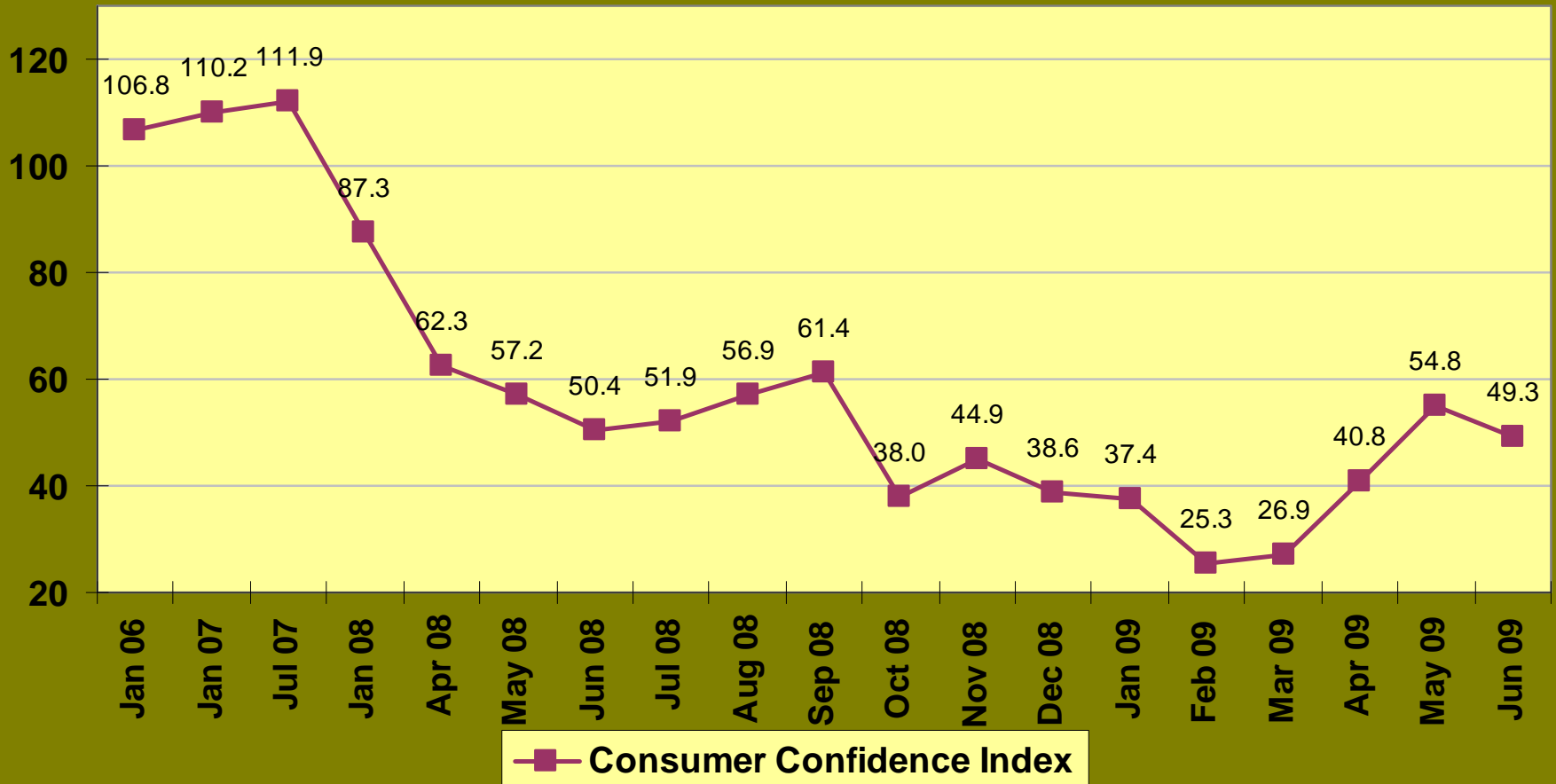
Financial Markets (cont'd)

Unemployment Rate Comparisons



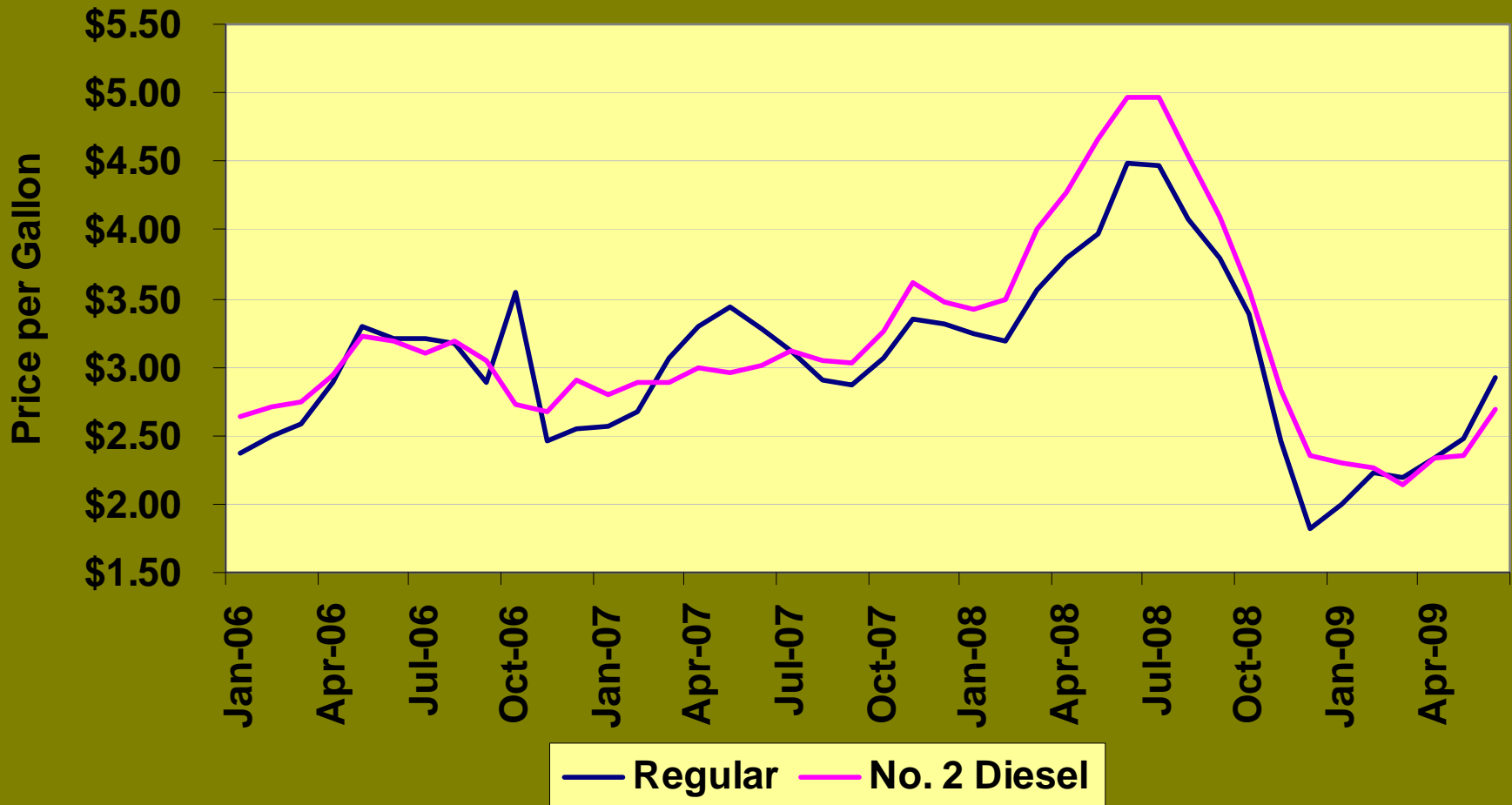
Financial Markets (cont'd)

Selected Consumer Confidence Index Points



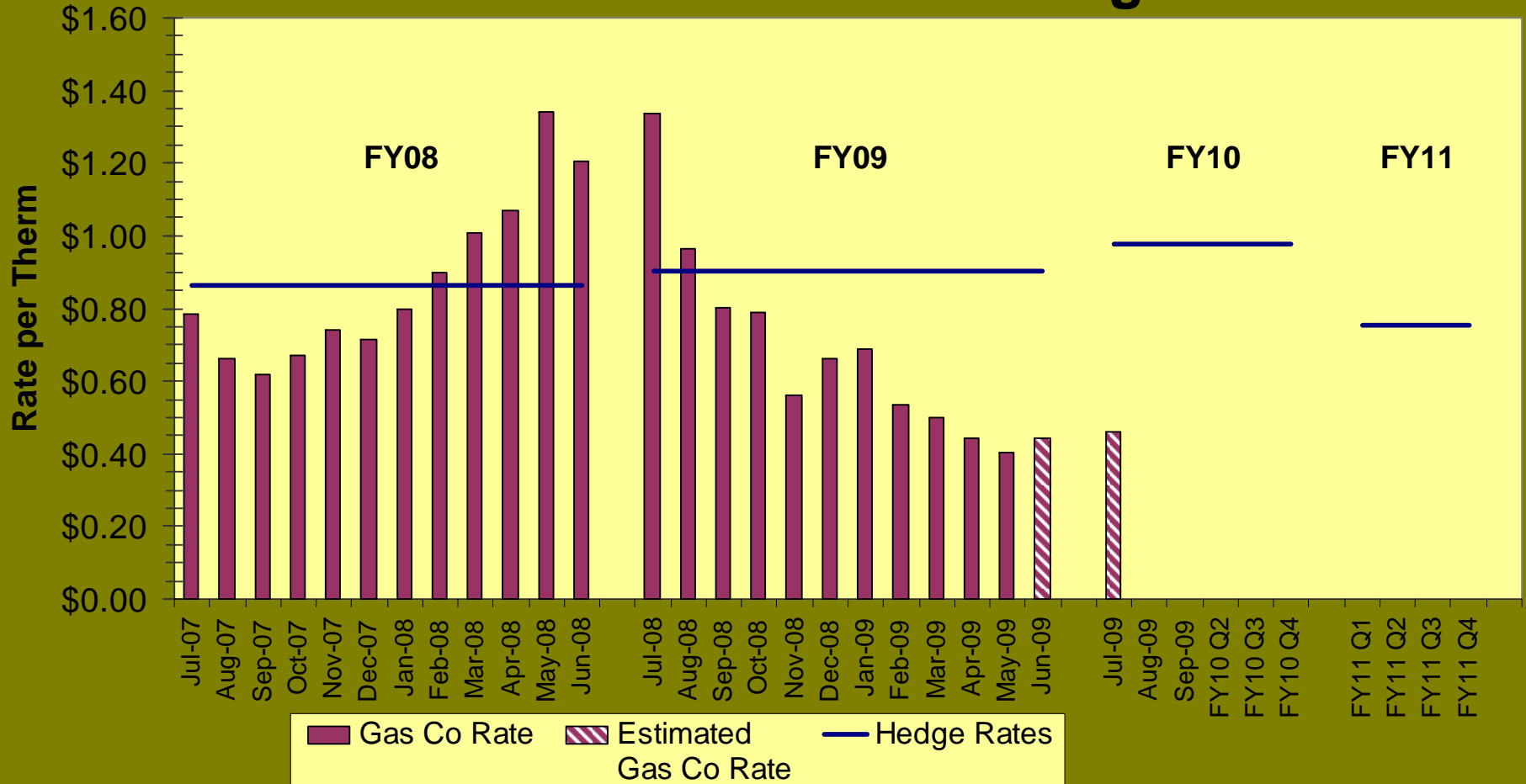
Financial Markets (cont'd)

Regular Gas & Diesel Fuel Price Tracking



Financial Markets (cont'd)

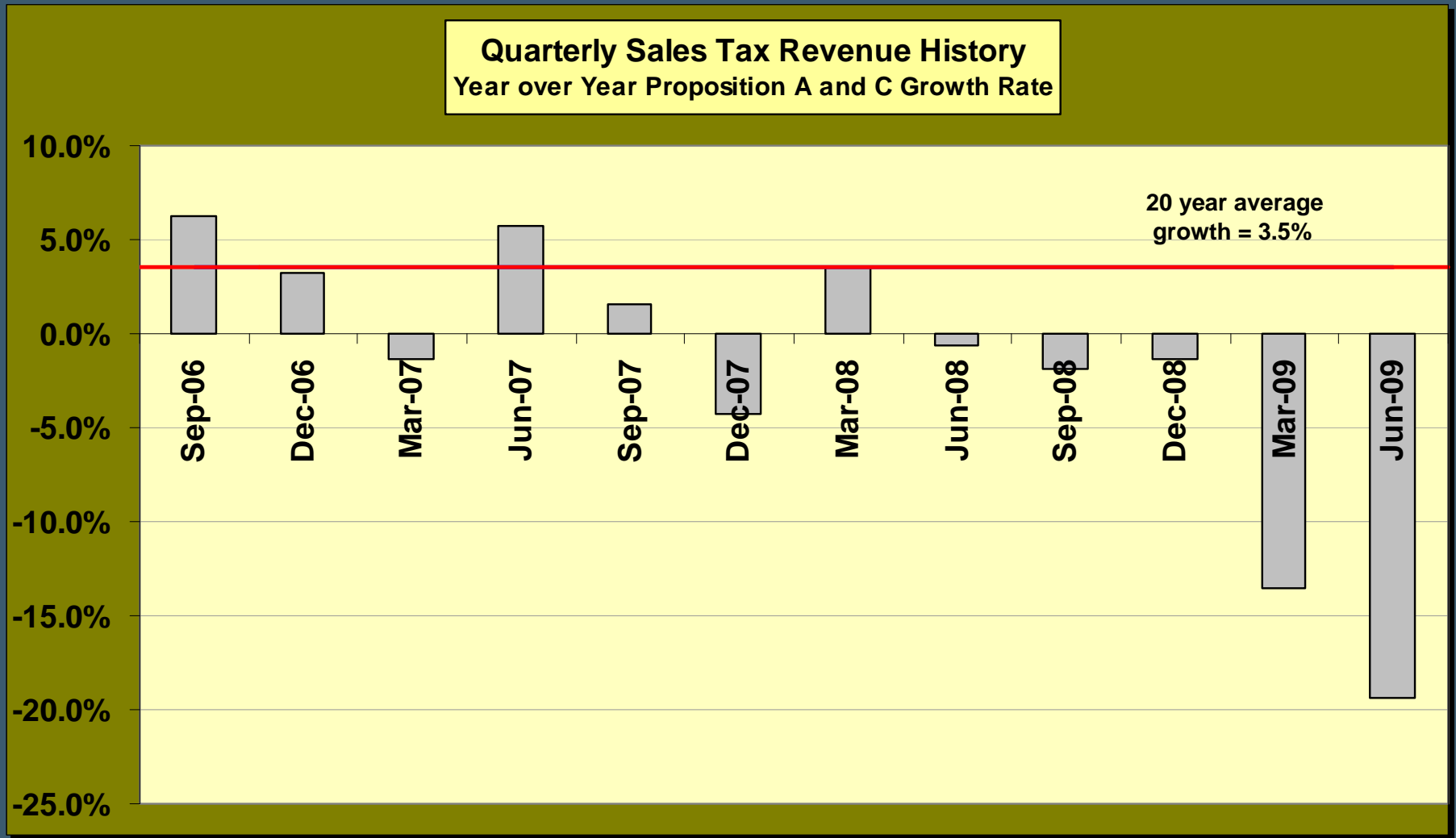
CNG Rates Invoiced and Hedged



Impacts

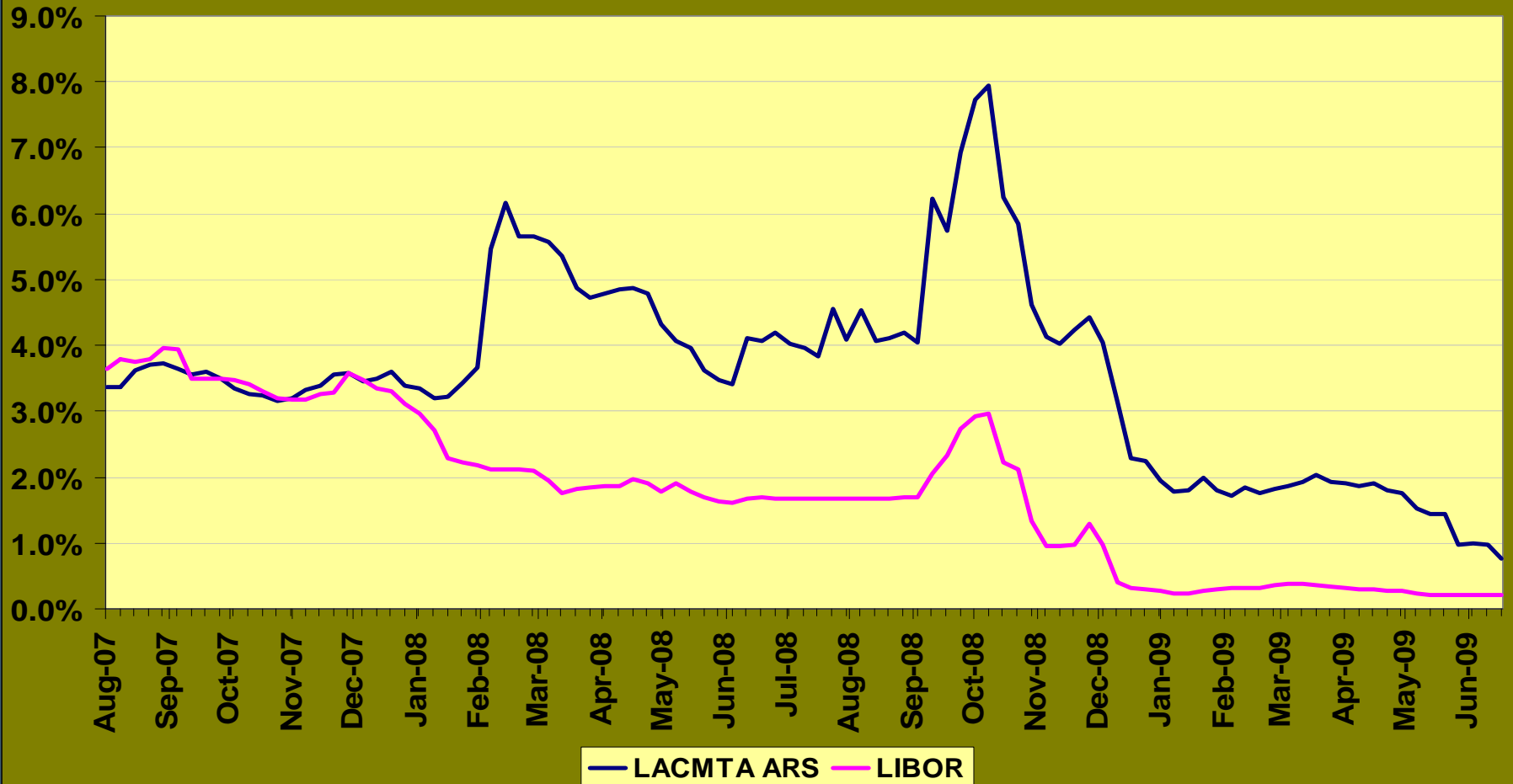
- Refundings using fixed rate bonds have become economic
- Variable rate interest cost - \$1.2 million / month unfavorable
- State not likely to issue additional bonds due to ongoing budget crisis
- Sales tax receipts for 4th quarter declined 19% vs. same quarter last year

Sales Tax Receipts



LACMTA's Variable Rates

LACMTA Variable Rates vs LIBOR



Since Last Update

- Completed refunding of Prop C 1993-A variable rate bonds totaling \$245mm with projected savings of \$6.9mm relative to FY10 budget, including termination of \$195mm swap with AIG
- Excise tax legislation introduced, related to SILO transactions

Next Steps

- Refund Prop C 2003-C bonds to fix variable rate problems
- Complete economic refundings of Prop A & C fixed rate bonds for savings and reduction of commercial paper balances

End Presentation

Discussion