

# Monthly Financial Update

Oral Report

Finance & Budget Committee

April 2009

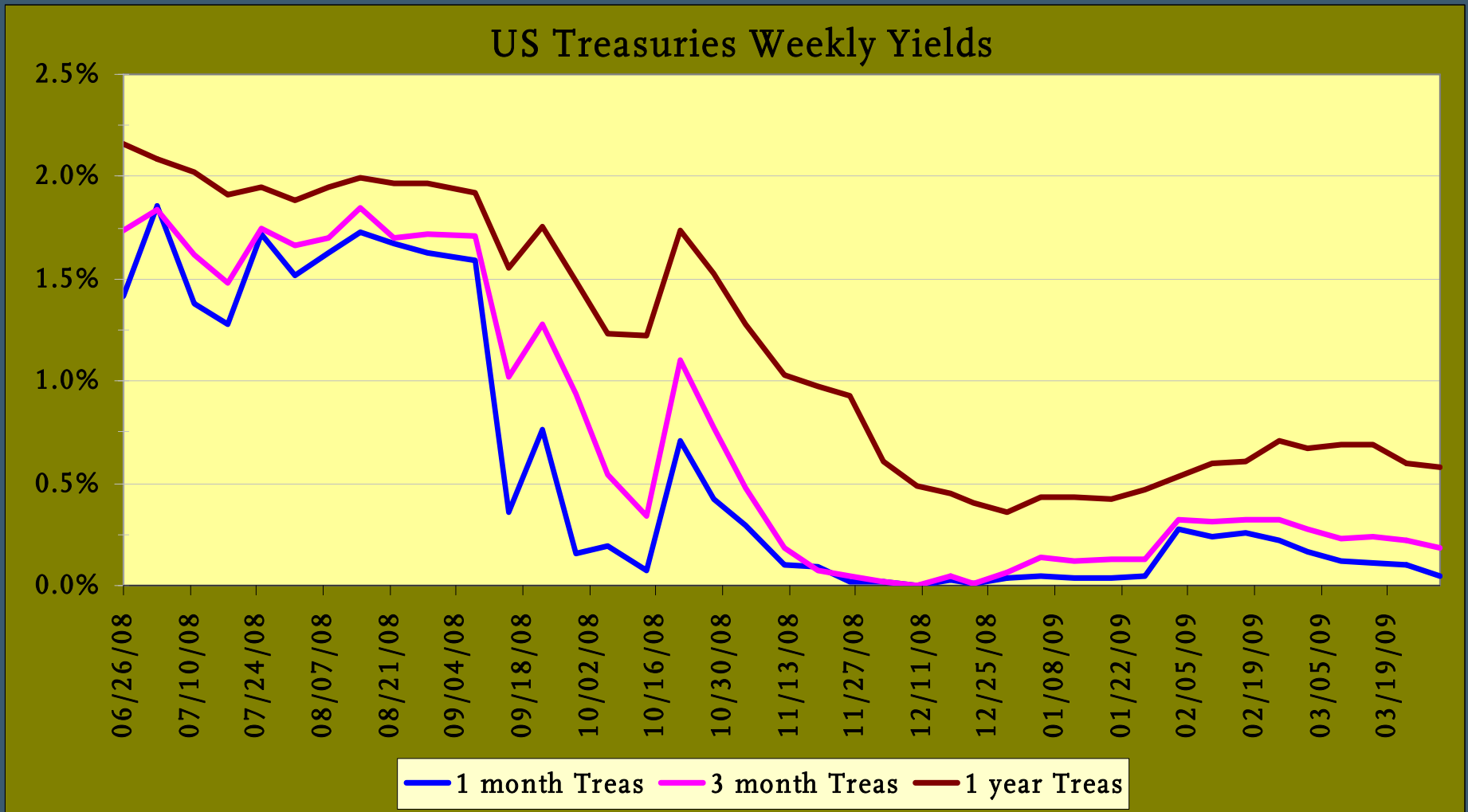


**Metro**

# Headlines

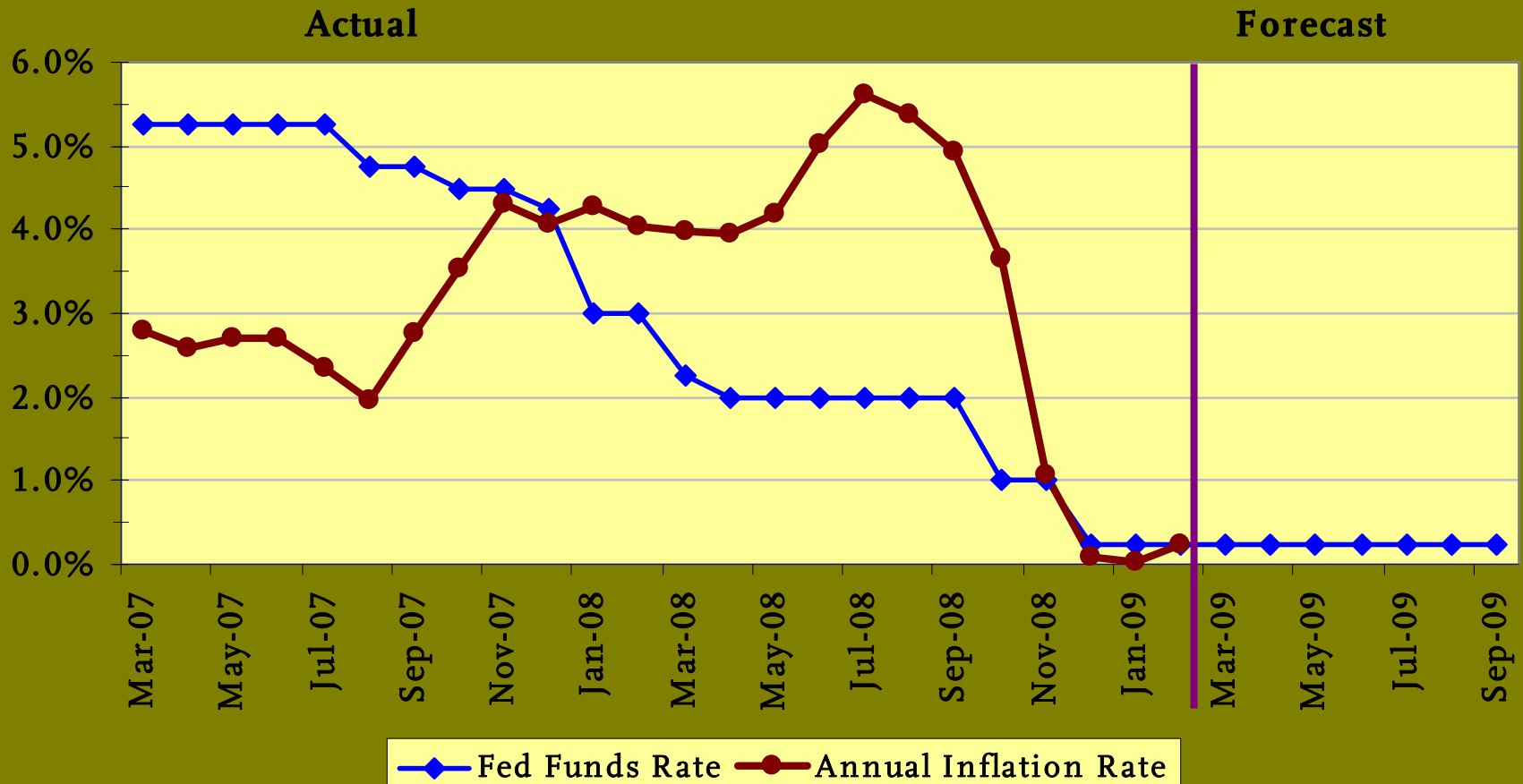
- GM, Chrysler near bankruptcy
- Credit markets warmed as Treasury expanded plans to buy toxic assets
- State of CA GO bond sale well received
- UCLA Forecast predicts 2011 for CA recovery
- Implemented Stimulus tax tables and transportation subsidy for Metro payroll
- Sales tax receipts declined for fourth straight quarter

# Short Term Rates



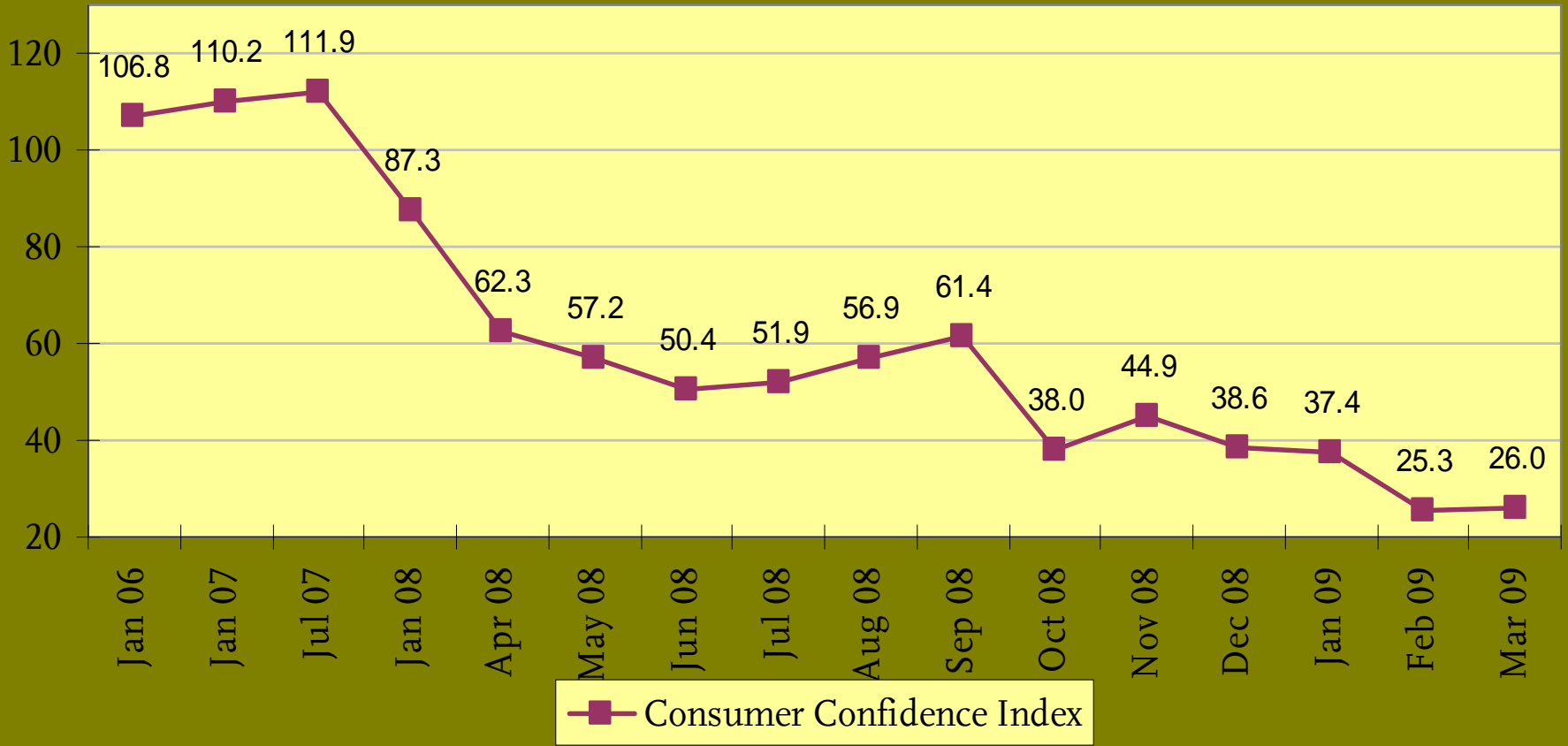
# Financial Markets

## Fed Funds Rate and Inflation Rate



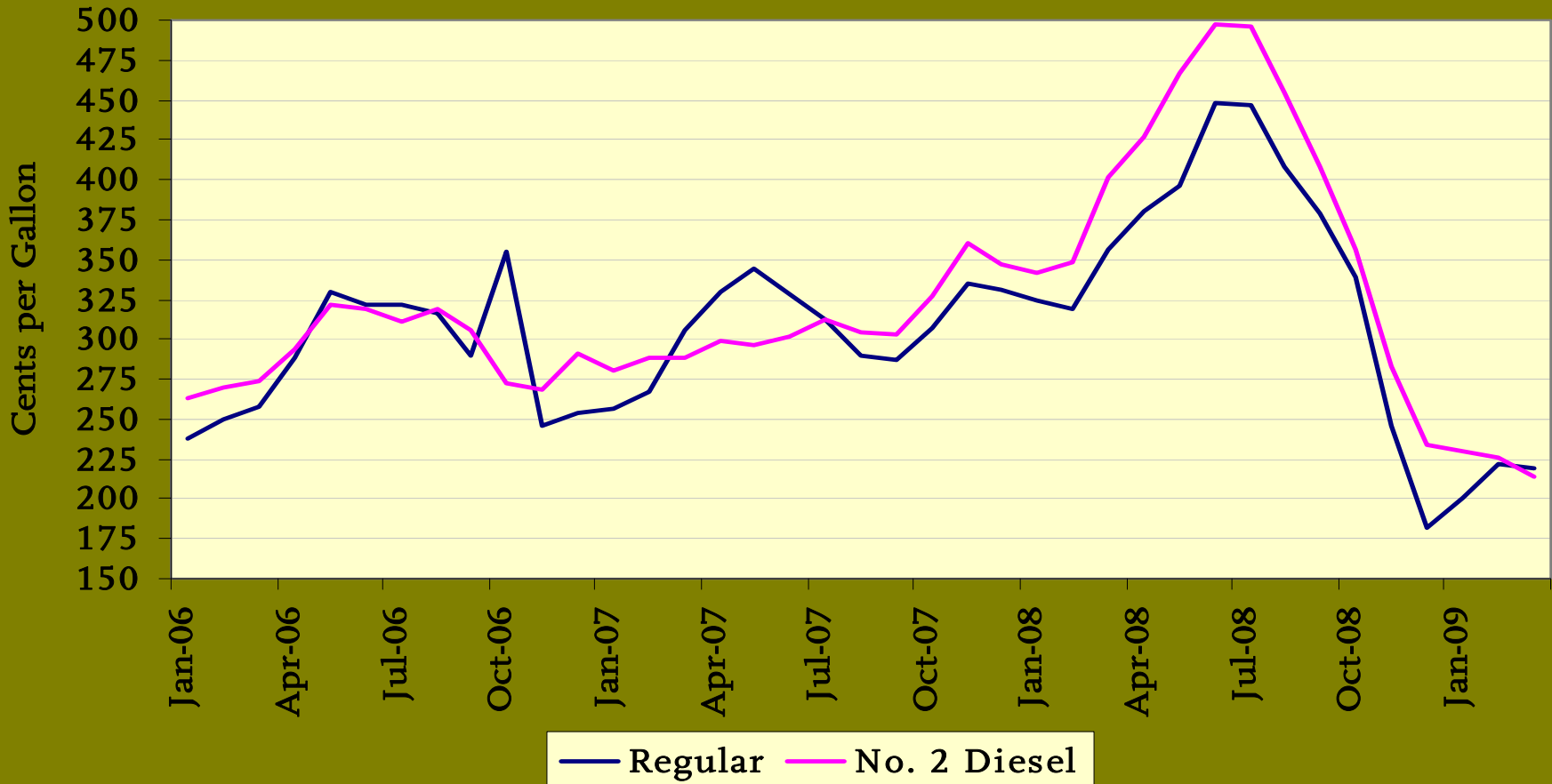
# Financial Markets (cont'd)

## Selected Consumer Confidence Index Points



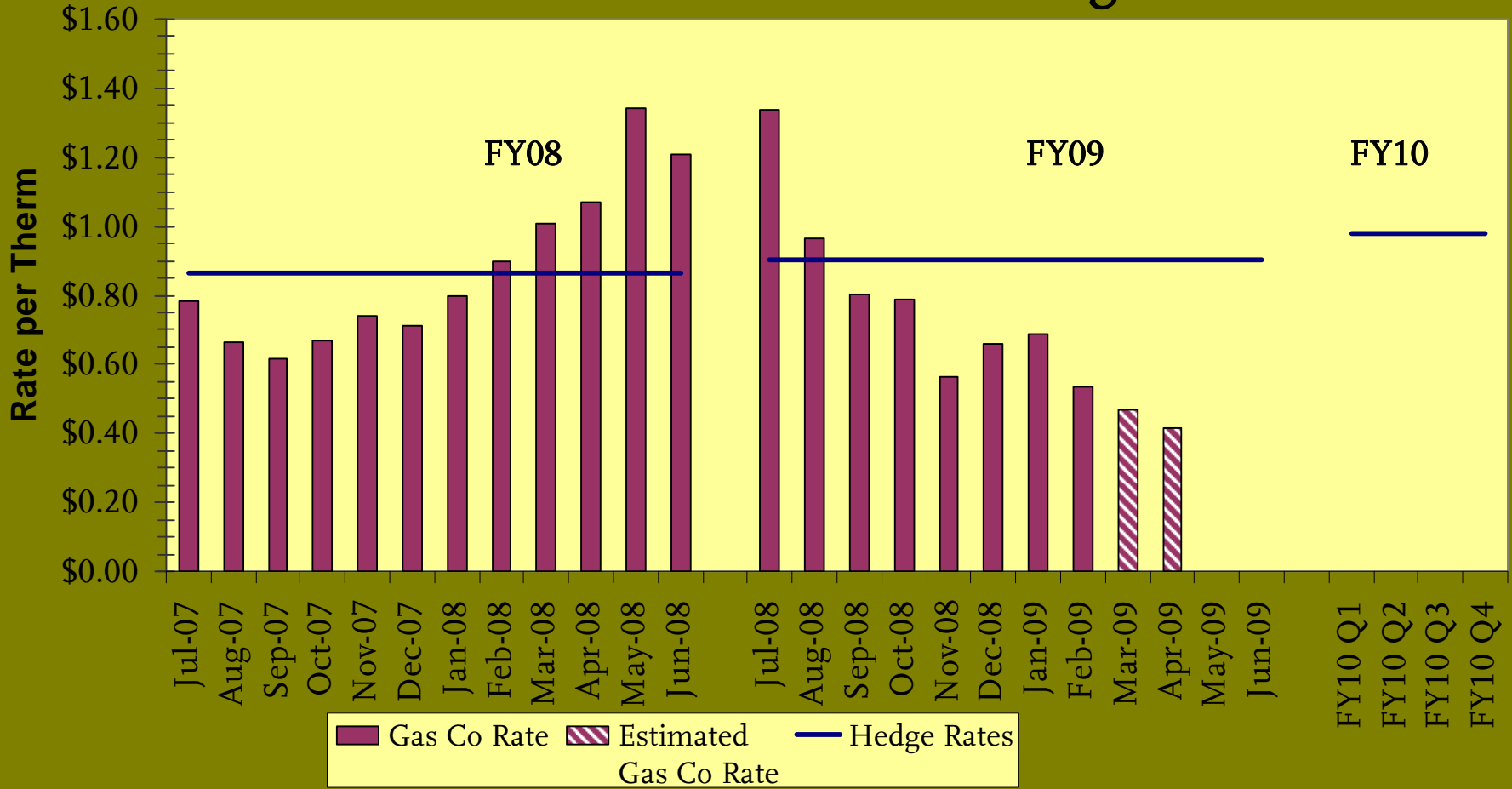
# Financial Markets (cont'd)

## Regular Gas & Diesel Fuel Price Tracking



# Financial Markets (cont'd)

## CNG Rates Invoiced and Hedged



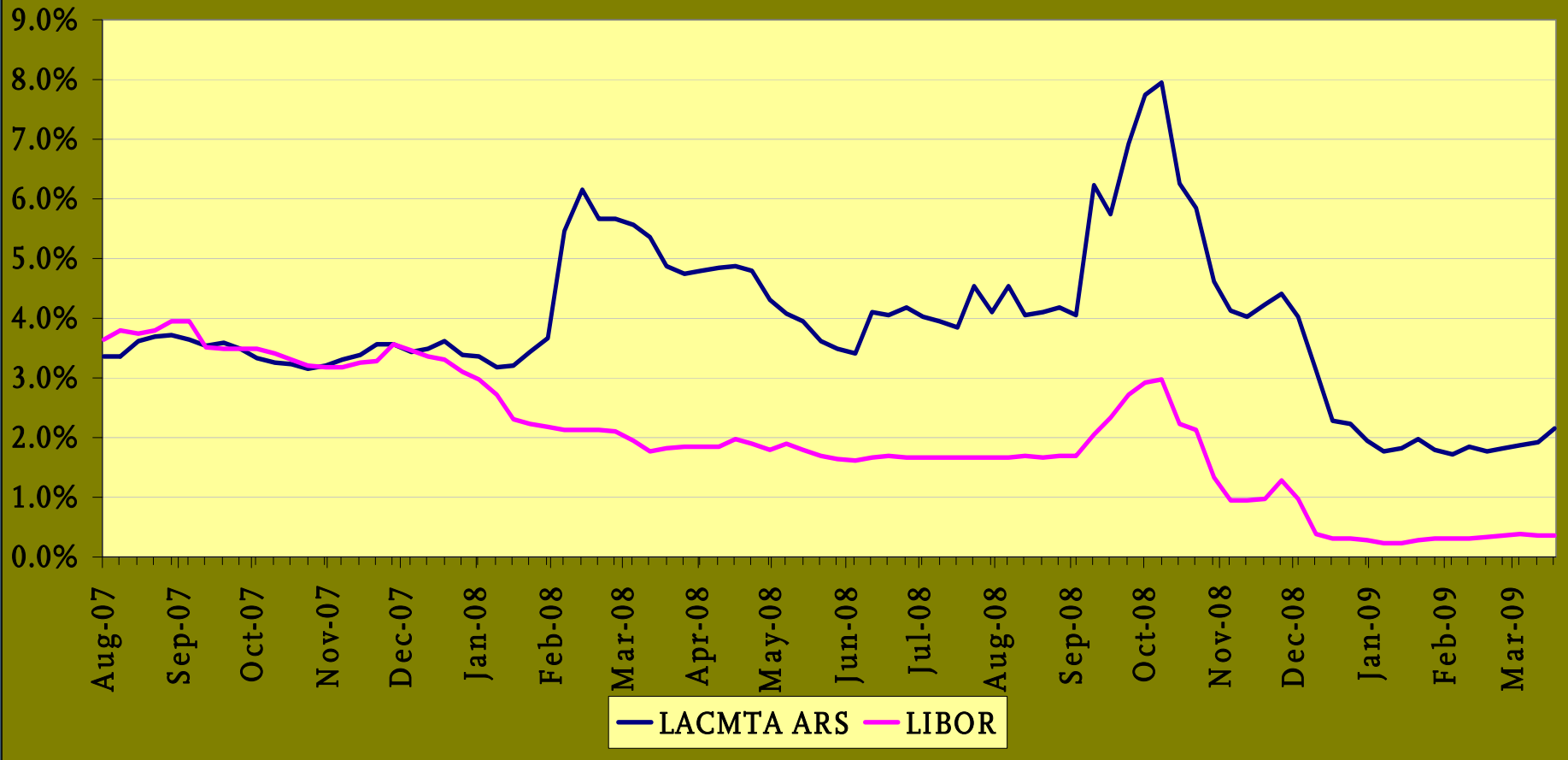
# Impacts

- Sales tax forecast significantly reduced: each 1% decline approx. \$14 million
- Variable rate interest cost - \$1.6 million / month unfavorable
- State may resume issuing PROP 1B funds
- Lessors maintain pressure. Four of seven currently providing extensions



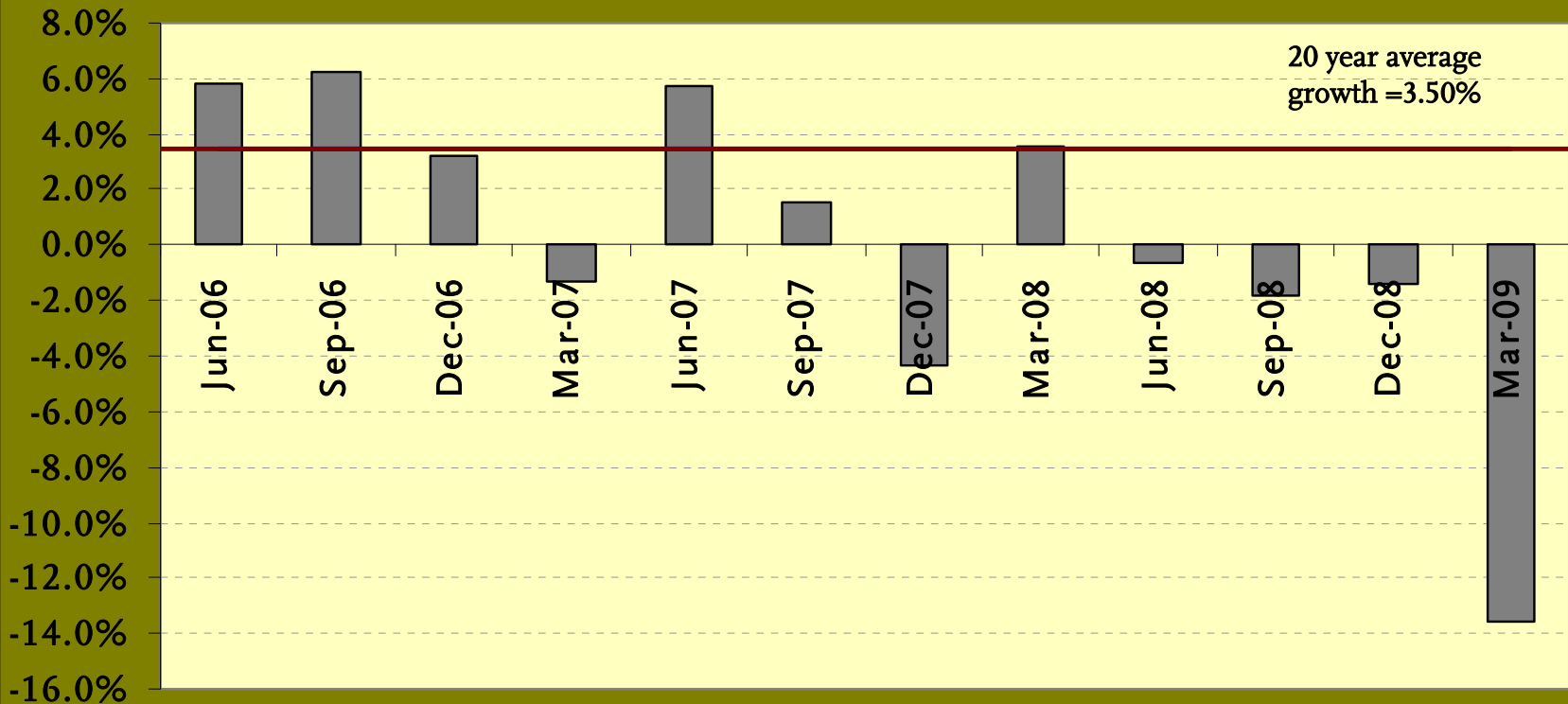
# LACMTA's Variable Rates

## LACMTA Variable Rates vs LIBOR



# Sales Tax Revenue

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



# Since Last Update

- Closed \$132.8 million private placement transaction with State
- Completed refunding of Prop C 2003-B bonds
- Negotiating with SILO lessor to fix AIG problem or terminate at no cost
- Discussing with AIG termination of interest rate swaps

# Next Steps

- Refund three bond issues Prop A 1992, Prop C 1993 & 2003-C bonds
- Continue to locate letters of credit:
  - to support refunding of General Revenue 2004 bonds
  - as contingency for replacement of current liquidity banks that may suffer credit rating downgrades in the future.
  - considering use of self-liquidity backed by bank syndicate revolving line of credit.

# End Presentation

## Discussion