

Monthly Financial Update

CFSO Oral Report
Finance, Budget and Audit Committee
March 2012



Metro

Headlines & Economic Overview

- US economy expands at moderate pace in January and February
- European Central Bank's liquidity injection mitigates fears
- Pension reform

Economic Dashboard

	Current Trend	
GDP Growth Forecast	2.1%	Below Normal – Steady
LA County Unemployment	11.6%	High – Improving
Inflation	2.9%	Normal – Steady
Consumer Confidence	75.3	Below Normal – Modest Improvement

Economic Dashboard

Current Trend		
Fed Funds Rate	0.25%	Low – Steady
US Treasury 10 year	1.98%	Low – Steady

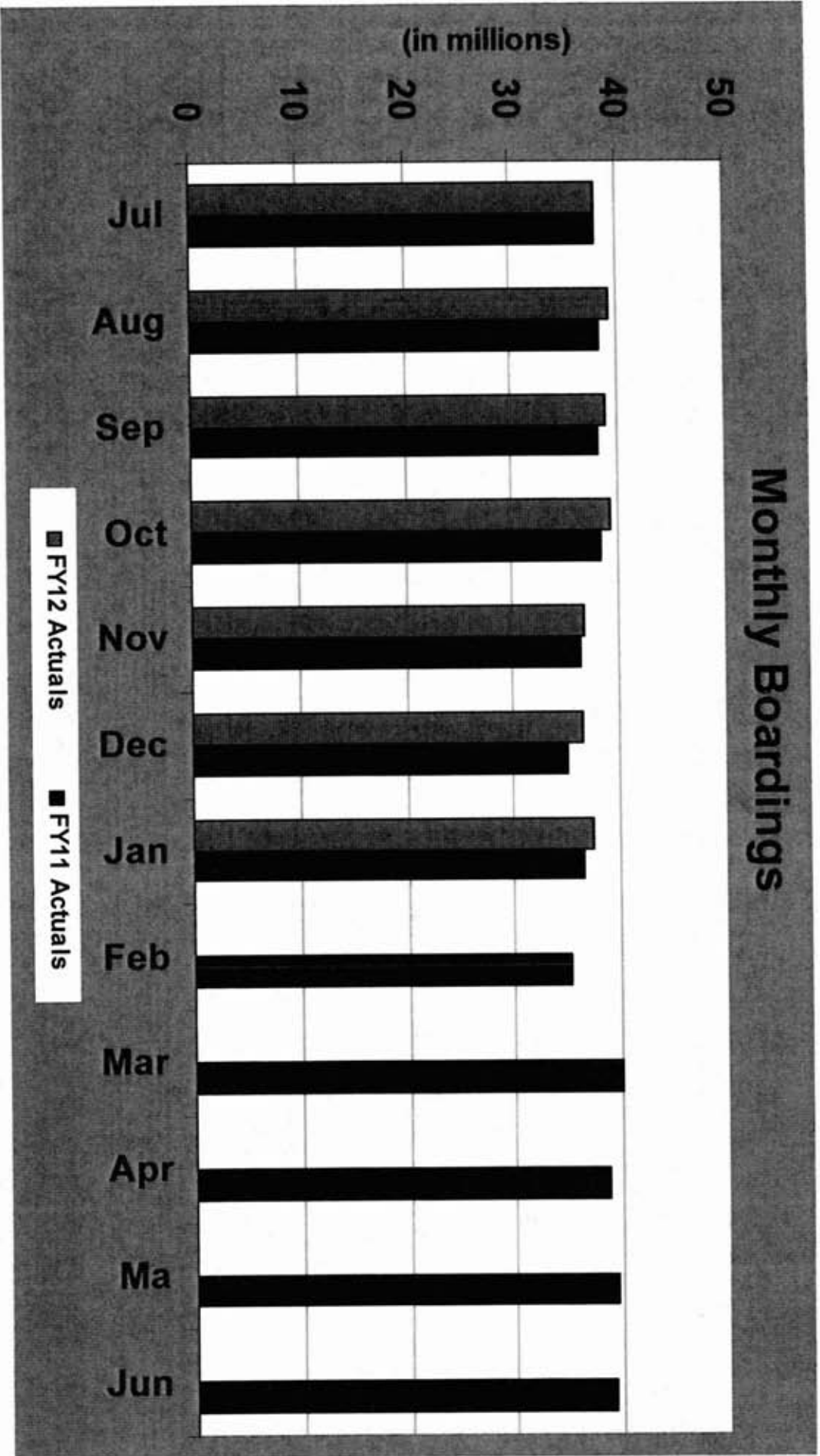


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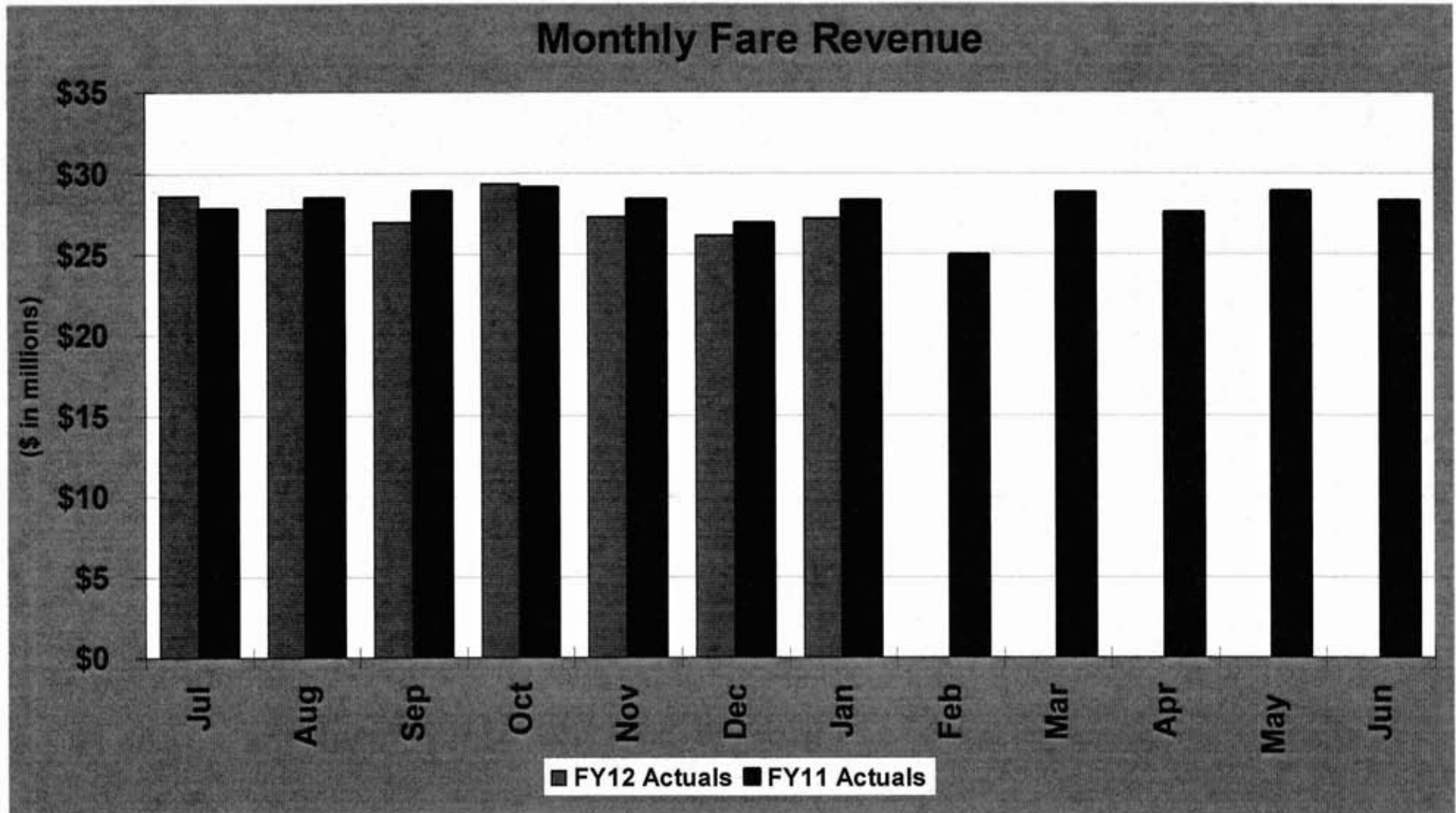
Impacts:

- Sales tax receipts are improving gradually with the economy
- Proposed pension reforms increase employee cost and potentially turnover

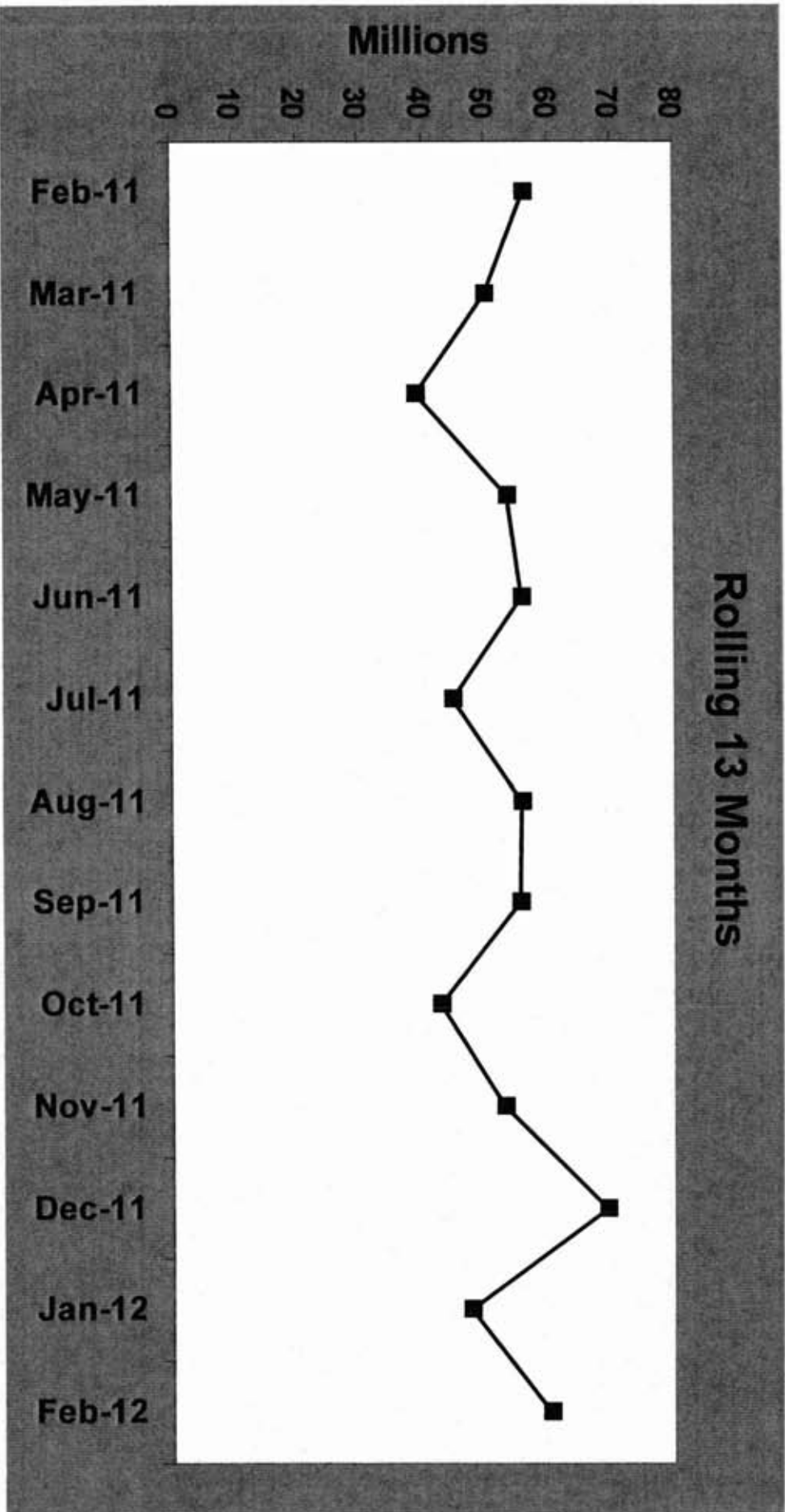
Boardings



Fare Revenue



Prop A Sales Tax Receipts



Pension Reform

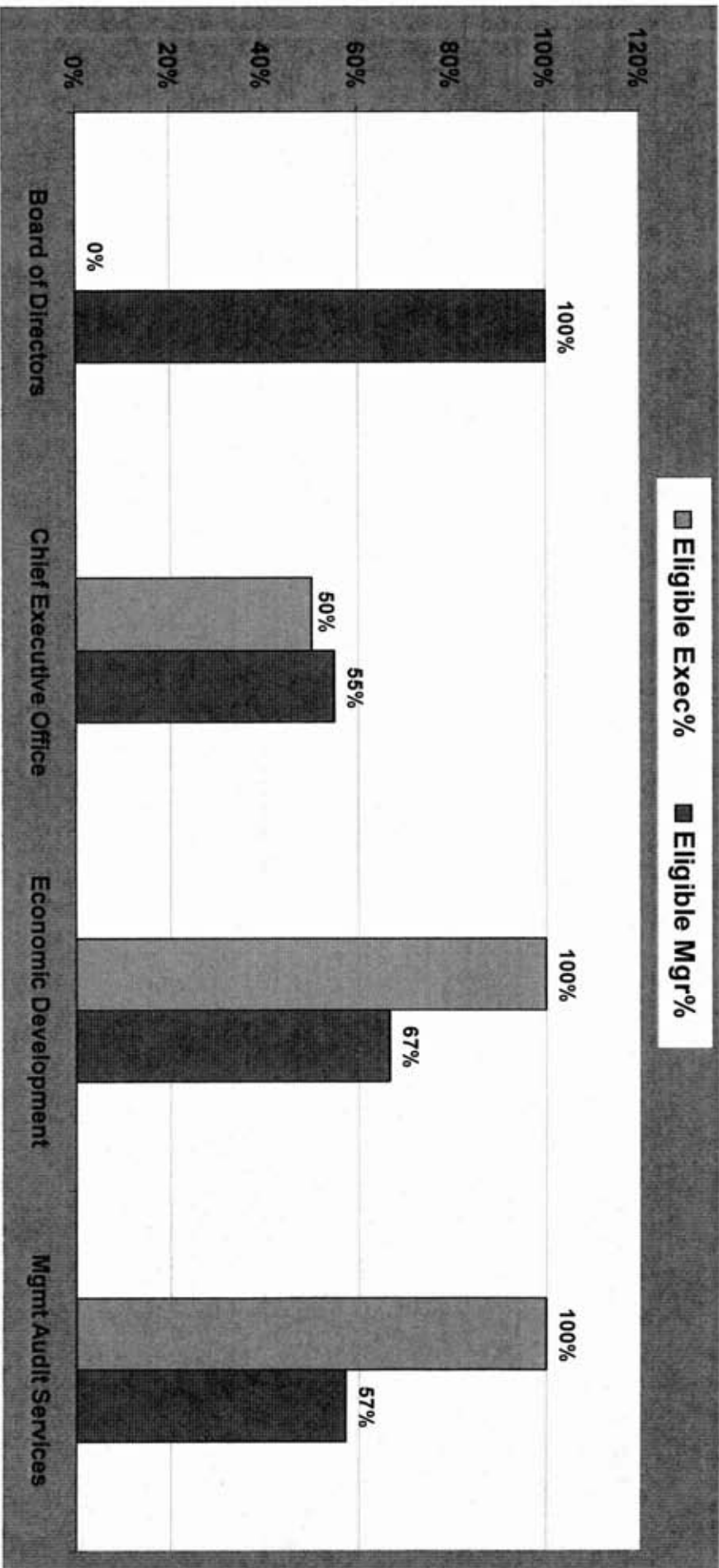
Impacts

Item #	Governor's Proposed Pension Reform	Impacts		
		All Employees	New Employees Only	LACMTA
1	Employees pay 50% of annual contribution for normal cost of pension benefit	X		X
2	Requires Hybrid Risk-Sharing pension plan		X	
3	Increase retirement ages		X	
4	Define final compensation as highest 3-year average		X	
5	Define compensation as base pay		X	
6	Limit post-retirement employment	X		
7	Felons forfeit pension benefits	X		
8	Prohibit retroactive pension increases	X		
9	Prohibit contribution payment holidays	X		X
10	Prohibit purchase of service credit	X		
11	Increase pension board independence and expertise – CalPERS only	NA	NA	NA
12	Reduce retiree health care costs – State Employees only	NA	NA	NA

Pension Reform

- Status of Pension Reform in Sacramento

Non Contract Retirement Eligibility – CEO



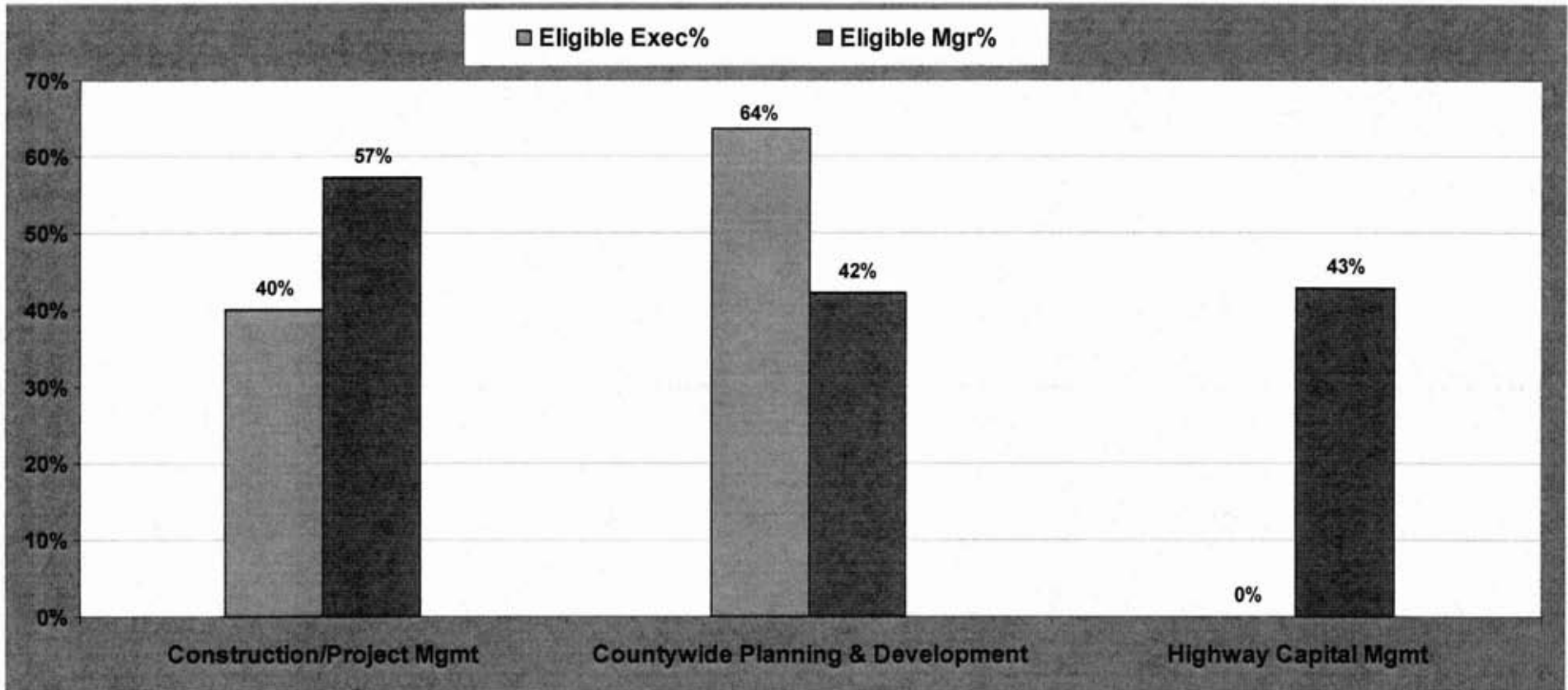
Eligible Exec
Total Exec
Eligible Mgrs
Total Mgrs

	Board of Directors	Chief Executive Office	Economic Development	Mgmt Audit Services
Eligible Exec	0	6	2	1
Total Exec	0	12	2	1
Eligible Mgrs	5	17	4	4
Total Mgrs	5	31	6	7



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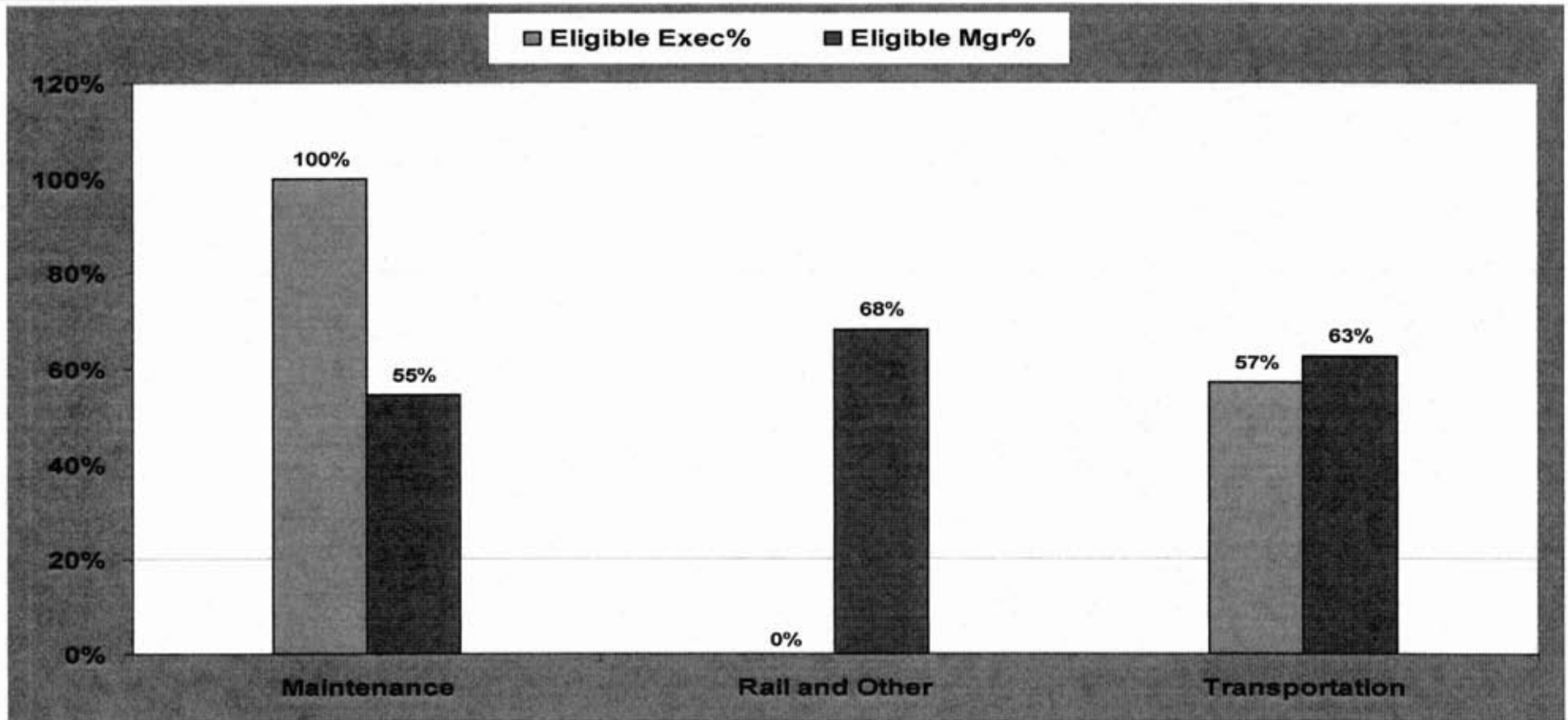
Non Contract Retirement Eligibility – Programs



	Construction / Project Mgmt	Countywide Planning & Development	Highway Capital Mgmt
Eligible Exec	4	7	0
Total Exec	10	11	3
Eligible Mgrs	20	19	3
Total Mgrs	35	45	7



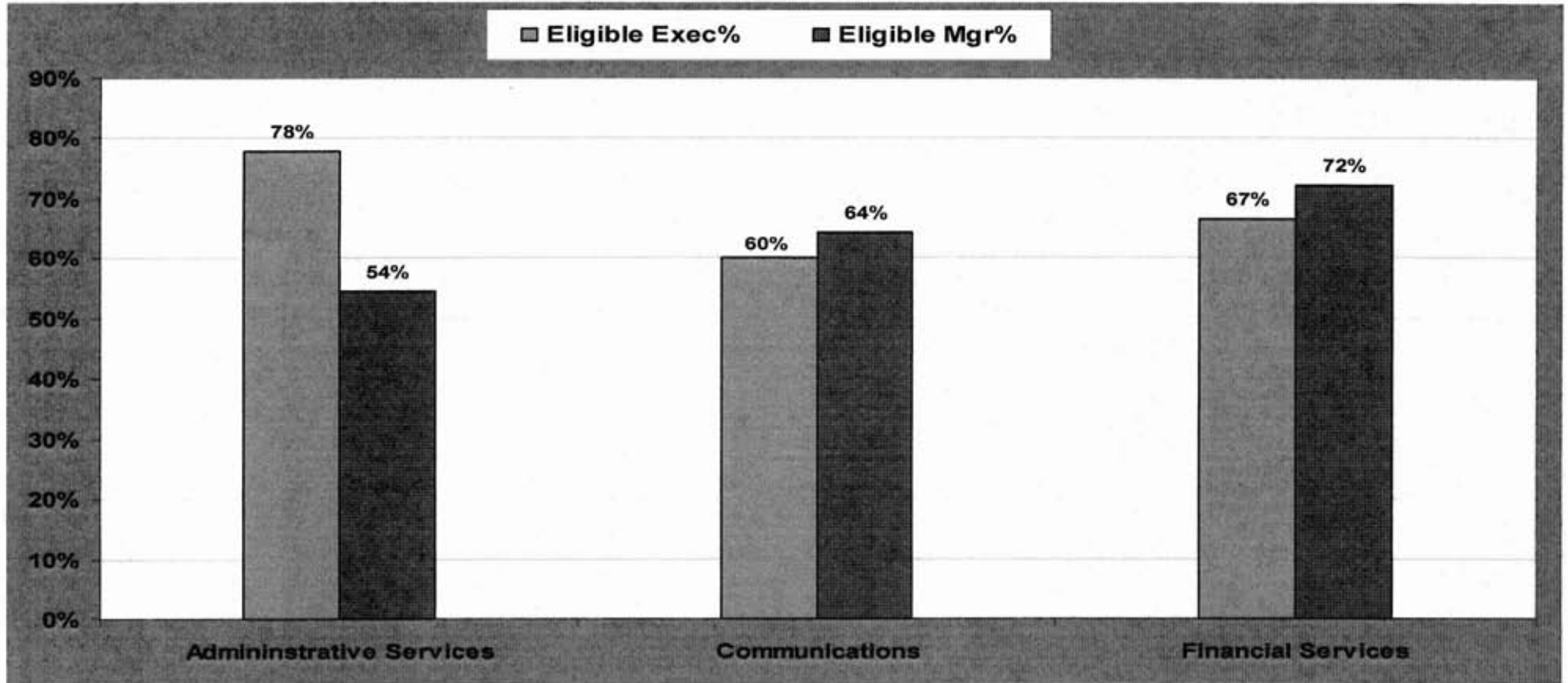
Non Contract Retirement Eligibility - Operations



	Maintenance	Rail and Other	Transportation
Eligible Exec	4	0	4
Total Exec	4	3	7
Eligible Mgrs	12	28	42
Total Mgrs	22	41	67



Non Contract Retirement Eligibility - Support



	Administrative Services	Communications	Financial Services
Eligible Exec	7	3	2
Total Exec	9	5	3
Eligible Mgr	25	18	13
Total Mgr	46	28	18



Since Last Update:

- Executed \$166 million replacement liquidity facility for Prop C 2009-A bonds
- Provided responses to USDOT regarding Crenshaw TIFIA loan application
- Executed final CNG hedge for FY13 budget

Next Steps:

- Solicit banks for replacement liquidity facilities expiring this August
- Request Measure R Oversight Committee to make finding related to Crenshaw TIFIA loan
- Respond to USDOT information requests for Crenshaw TIFIA loan application

End Presentation

Discussion