

Date: November 3, 2009

To: Investment Review Committee (11/10) and Management Committee (11/18)

From: Mercy Ndungu (651-602-1436)
Treasury Analyst

Subj: 3rd Quarter Report on Investments (3Q2009)

The following items are attached for your review

1. Agenda
2. Minutes from Past Meeting
3. 3Q09 Report on Investments

If you have any questions between meetings, please call me (602-1436) or Allen Hoppe (602-1629).



Thank you.

Investment Review Committee

November 10, 2009 at 11:30 A.M., in Lower Level, Room A

IRC Administrative Coordinator: Mercy Ndungu (651)-602-1436

Agenda

1. Minutes from Past Meeting — August 11, 2009 (2Q09).
2. Update on Victoria Finance Security
3. Results from Bond Sale (2009E & 2009F refundings)
4. Authorized Financial Institutions
5. Annual Transaction Based Financial Contracts
6. Presentation of 3Q09 Quarterly Report

Committee members:

Roger Scherer, *Treasurer & Council member*
Craig Peterson, *Council member*
Leon (Lee) Binger, *Appointee*
Walter (Bud) Meadley, *Appointee*
Wes Kooistra, *CFO*

Reference staff: *(not members of the IRC)*

Mary Bogie, *Deputy CFO*
Katie Shea, *Director Internal Audit*
Allen Hoppe, *Treasury Manager*
Mercy Ndungu, *Treasury Analyst*
Trudy Aldrich, *Executive Assistant*



Investment Review Committee

IRC Administrative Coordinator: Mercy Ndungu (651)-602-1436

Minutes

August 11, 2009 at 2:30 P.M., in Room LL-A

Present

Committee members: Walter (Bud) Meadley, Appointee; Craig Peterson, Appointee; Wes Kooistra, Chief Financial Officer;

Reference staff: Mary Bogie, Deputy Chief Financial Officer; Allen Hoppe, Treasury Manager; Mercy Ndungu, Treasury Analyst

Call to Order

A quorum being present, Chief Financial Officer W. Kooistra called the quarterly meeting (2Q09) of the Investment Review Committee to order at 2:30 p.m. on Tuesday, August 11, 2009.

Approval of Agenda and Minutes

It was moved by B. Meadley, seconded by C. Peterson to approve the agenda.

Motion carried.

It was moved by B. Meadley, seconded by W. Kooistra to approve the minutes of the May 12, 2009 quarterly meeting (1Q09)

Motion carried.

Business

Wells Fargo Offer

Allen Hoppe gave a brief explanation of the Wells Fargo offer:

On behalf of the Council, Wells Fargo managed and invested a joint pool of cash for the Council via their securities lending program. Several other government entities also participated in the pool. Only investments complying with state statute can be purchased for this type of program.

A \$3.2 million top-rated investment known as Victoria Finance was purchased by Wells in 2007. In early 2008, Victoria Finance defaulted. The Council has been receiving partial repayments since then but the value of the holding dropped from an original price of 100% to an estimated price of 44% per dollar held on 6-30-09, for an unrealized loss of about \$1.3 million on the remaining balance.

An offer from Wells Fargo has been made whereby Wells will buy Victoria Finance from the Council, resulting in a net dollar loss of about \$129,000 to the Council.

A motion was made by B. Meadley to accept this offer and seconded by C. Peterson. *Motion carried.*

Presentation of 2Q09 Quarterly Report

Allen Hoppe and Mercy Ndungu gave an overview of the 2Q09 Quarterly Report which included:

Economy:

- 2009 Review
- Real GDP – declines from peak
- Percent job losses in post WWII recessions
- Mortgage loans 60+ days delinquent
- New home sales
- Trend line of the S&P 500 Stock Index

Yields:

- Treasury yields

Portfolio Results:

- 2Q09 Total return
- Total Return, ST Port
- Short Term Yields
- Total Return, LT Port
- LT Port Returns vs. Benchmark (duration)
- Trading Activity
- OPEB Port Results
- Status of Victoria Finance Security

Debt:

- Debt issuance, interest rates
- Met Council debt issuance (Aug. '09)

Hedging

- Price of heating oil (23 years)
- Diesel hedging results – budget vs. actual
- Price of natural gas (19 years)
- Natural gas hedging results – budget vs. actual
- Hedging Program (as of 2Q09)

Additional charts and details were shown on the PowerPoint presentation.

For further questions, please contact Mercy Ndungu directly at: 651-602-1436.

The next meeting is scheduled on November 10, 2009, 11:30 a.m. – 12:30 p.m., LLA.

Business completed, the meeting adjourned at 12:15 p.m.

Respectfully submitted,

Lana Lindstrom
Recording Secretary



Report on Investments

3rd Quarter, 2009

Economic Review

Past. Gross Domestic Product (GDP) rose at a 3.5% annual rate in the third quarter of 2009 (versus -0.7% in the 2Q09). The positive number was helped by a 0.9% rise in inventories, 3.4% rise in consumption, a 7.9% rise in federal government spending, and an unexpected 23.4% rise in residential investment. This was the first increase since 2Q2008. Housing and manufacturing continued to improve but the labor market remained weak. The ISM manufacturing index, which gauges manufacturing activity came in at 55.7 in October (versus 52.6 in September) while the ISM non-manufacturing index which gauges the service sector came in at 50.6 in October (vs. 50.9 in September). A reading above 50 signals expansion while any reading below 50 indicates contraction. The Industrial production index increased in July (0.8%), August (1.2%) and September (0.7%), ending the streak of eight consecutive months of decline. Retail sales (ex-autos) came in at 0.5% in September (vs. -1.0% in August), thanks to the Cash for Clunkers program. While the economy is improving, there remain some concerns. The most worrisome statistic relates to unemployment, which stands at 9.8%, the highest level in 26 years. The third quarter saw average monthly job loss of \$256,000, an improvement over the first two quarters of 2009. Note however, that the unemployment number is a lagging indicator – one of the last to show improvement.

Interest rates declined during the quarter, which helped the performance of long-term fixed income securities. The Merrill Lynch Agency Master Index returned 1.68% in the third quarter of 2009.

Present. The Federal Open Market Committee held Fed funds rate steady at a range of 0% to 0.25%. The FOMC pointed out improvements in the current environment and stated that rates would remain low for a very long time. Economic data continues to be mixed. The Conference Board's index of leading economic indicators, a gauge of the economic outlook for the next 3-6 months rose 1% in September, following a 0.4% gain in August and a 1% rise in July. This marked the longest series of consecutive gains since 2004. This index incorporates such leading indicators as gains in stock prices, consumer confidence and homebuilding, all of which contributed to the indexes' advance. Durable goods orders

rose 1.0% in September (versus -2.4% in August). It marks the fourth time in six months that factory orders have increased. Job losses continue to weigh on the economy. For the week ended October 24th, 530,000 more Americans filed for unemployment benefits for the first time. Although unemployment is a lagging indicator, it signals future pressures on consumption and housing. In summary, the above mentioned signs indicate the economy is no longer contracting. Because consumer activity remains constrained by unemployment and increased savings, the pace of recovery will be slow and markets will remain volatile.

Future. The current consensus is that the economy will continue to improve but growth will be less robust. This position relates primarily to the continued upward movement in the unemployment rate and downward trend in core inflation. Most analysts at top U.S banks expect the Fed to keep interest rates on hold until mid 2010 or later. The interest rate futures markets are pricing in an increase earlier in 2010. Long term interest rates will likely rise as the Federal Reserve winds down their \$300 billion Treasury Purchase Program. The Fed extended the mortgage related asset purchase program into early 2010 in order to facilitate a smooth market transition. Both programs helped stabilize the housing market and limited increases in borrowing costs.

Finally, there is considerable amount of money on the sidelines with institutional money markets. According to Bianco Research, during the second quarter, U.S. corporations were holding about \$994 billion in cash and short term investments. Once the economy starts to exhibit growth, institutions will most likely spend their money on investments and hiring.

Council Impact. Municipal bonds continued to rally in the third quarter. Unlike the second quarter rally, the third quarter rally was distributed across the entire curve – parallel downward shift. This boosted our total return in the long term portfolio (4.48%) when compared to the Merrill Lynch Agency Master Index (1.68%). The average coupon rate is at 4.5% (versus benchmark at 3.8%) and average yield-to-maturity is at 5.9% (versus benchmark at 2.05%). Unlike the long term portfolio, the short term portfolio did not perform as well. Yields remained below 0.25% in the short end of the curve. A low yield environment is viewed as an opportunity for the Council to refund some of our bond issues. In particular, the Council is planning to refund the series 2001B Metro Transit bonds via a current refunding and the series 2001D Waste Water bonds via a cross-over refunding. Both bond issues were rated AAA by Moody's and Standard & Poor's.

Investment Results & Strategy

MCOA—Short Term

3Q09 Results. Total return for this portfolio was above the index by 6 basis points. This portfolio has averaged 33 bps per year more than its benchmark over the past 10 years. We moved out of money markets during the third quarter because they provided lower yields (average of 0.16% in the institutional prime fund category) versus the interest bearing checking account (net 0.35% after fees). We continued to invest in the interest bearing (NOW) checking account that is available through the FDIC's Transaction Account Guarantee Program (TAGP). Funds in the account have unlimited FDIC coverage.

4Q09 Strategy. The Fed continues to maintain short term rates near zero. This provides limited opportunities for our short term portfolio. US Bank opted out of the TAGP program which was nationally extended through June 30, 2010. At end of October, US Bank lowered the NOW checking account rate from 0.49% to 0.25% (net 0.11% after fees). We will explore the possibility of moving back into money markets before year end.

Longer Strategy (12-months). Continue to monitor the market environment and if opportunity arises, invest in high credit quality investments which may include Treasury bills, agency discos, commercial paper, bank CDs, and prime money market funds. The outlook for short term investment income does not look good.

MCOA—Long Term

3Q09 Results. Total return was above the Merrill Lynch Agency Master index by 448 basis points. Several factors contributed to the higher return. First, our portfolio had a longer duration (4.71) than the benchmark (3.48). The longer duration positioning enhanced relative returns by participating in the yield rally. Second, about a third of our portfolio holdings are composed of municipal bonds. Municipal bonds outperformed agencies during the third quarter. Finally, we accepted an offer from Wells Fargo to settle the Victoria Finance security. As of August 31, 2009, the security was valued at forty-six cents on the dollar. We gained about 57 basis points in total return from the offered price.

4Q09 Strategy. Maintain duration within the 4 - 6 range. We will also continue to look for municipal issues in a very cautious and selective manner. Some shorter maturity municipal bonds (1-3) may be added to keep our duration from going much higher.

Longer Strategy (12-months). If interest rates rise in the near future, more investment opportunities

will become available in the short end of the curve. We will also look at the possibility of investing in high quality mortgage backed securities in the 2010 after the Feds reduce their purchases.

EFPMs – Hedging Accounts

The energy forward pricing mechanisms (EFPMs) program manages the risk of swings in the cost of diesel fuel consumed by Metro Transit and Metro Mobility and natural gas consumed by Environmental Services and Metro Transit. During the third quarter 2009, diesel and natural gas contracts (combined) generated \$2.6 million in net realized losses which was offset by a comparable drop in the price of fuel purchased. About \$1.7 million in net unrealized gains occurred.

MCOA--Margin Account

The margin account supports both the diesel fuel and natural gas hedging programs; it includes cash, a money market balance, and a Treasury bill. Currently the cash position is earning less than 0.10% on an annualized basis. To enhance income, during the fourth quarter, we will swap out the Treasury bill with an agency note. The Chicago Mercantile Exchange allows us to meet our margin requirement with up to 90% of market value of an agency or Treasury security.

Low Activity Portfolios

The MCOA—The HUD portfolio received limited activity. The HUD account is kept liquid for operating purposes.

OPEB

3Q09 Results. Our OPEB portfolio is 97% invested in equities (returned 15.4%), 2% in fixed income (returned 4.24%) and 1% invested in cash (returned 0.14%). At end of 3Q2009, both the S&P 500 Index and our OPEB portfolio posted positive returns of 15.6% and 14.9%, respectively. For the quarter, the portfolio had \$8 million of unrealized gains.

4Q09 Strategy. Equity markets continued to rally. At October 30, the S&P 500 Index was up 57% from its low in March 2009. We believe our results will improve on both an absolute and relative basis as the economy continues to recover. The current market value of \$65 million reflects a cumulative unrealized loss of \$14 million since inception.

Longer Strategy (12-months). Continue with our current asset allocation of mostly equities with minor adjustments when markets become historically expensive.

METROPOLITAN COUNCIL--Report on Investments
Quantitative Policy Results for the Quarter Ending:

September 30, 2009

	Operating Account (MCOA)			Diesel & NG Hedging Accounts	HUD	OPEB
	Short- Term	Futures Margin	Long- Term			
Compliance	OK	OK	OK	OK	OK	OK
Safety (Defaults)	None	None	None	None	None	None
Liquidity (Effective Duration Years)						
Target Duration Range:	0-1	0-6	2-6	n.a.	0-1	0-1
Result	0.00	0.04	4.71	n.a.	0.01	n.a.
Less: Index	0.14	0.04	3.48	n.a.	0.01	n.a.
Longer <Shorter> Index	-0.14	0.00	1.23	n.a.	0.00	n.a.
Note: Index Source:	iMoneyNet (Prime Funds)	n.a.	ML Agy. Master	n.a.	n.a.	n.a.
Diversification						
Sectors	See Charts	n.a.	See Charts	n.a.	U.S. Bank	Mixed
Effective Duration	See Charts	n.a.	See Charts	n.a.	Acct.	n.a.
Rate of Return						
<u>Revenue by Component:</u>						
Accrued Interest	\$ 77,025	\$ 6,330.9	\$ 1,193,723.1	\$ -	\$ 424.5	\$ 306,853.6
Realized Gains/Losses	\$ -	\$ -	\$ (742,297.6)	\$ (2,552,517.9)	\$ -	\$ -
Unrealized Gains/Losses	\$ (18.20)	\$ (1,081.7)	\$ 7,806,786.8	\$ 1,677,834.0	\$ -	\$ 8,053,484.1
Total Int. Rev.	\$ 77,007	\$ 5,249	\$ 8,258,212	\$ (874,684)	\$ 425	\$ 8,360,338
Total Investment Revenue, All Portfolios, Current Quarter						\$ 15,826,670

Book Yield: 0.22% 0.13% 3.78% n.a. 0.05% 1.43%

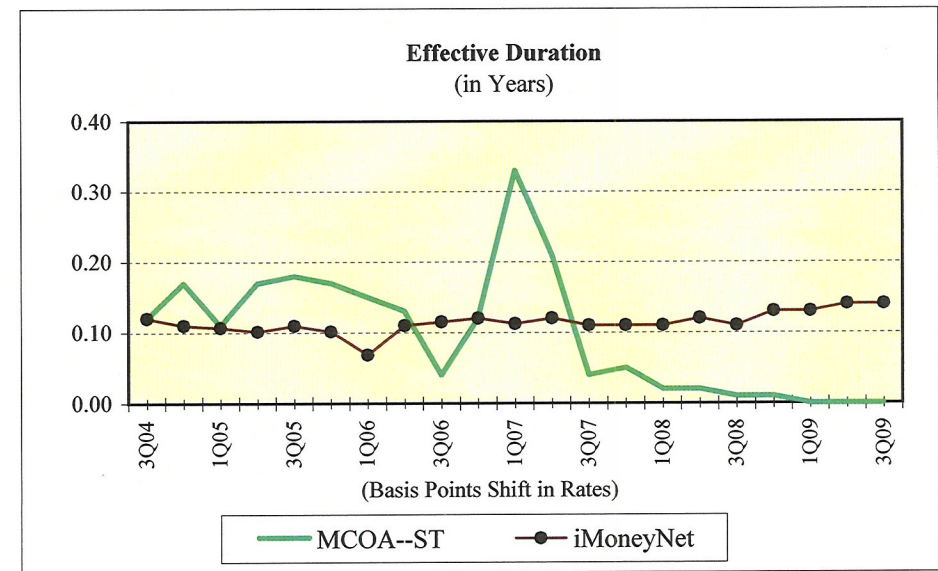
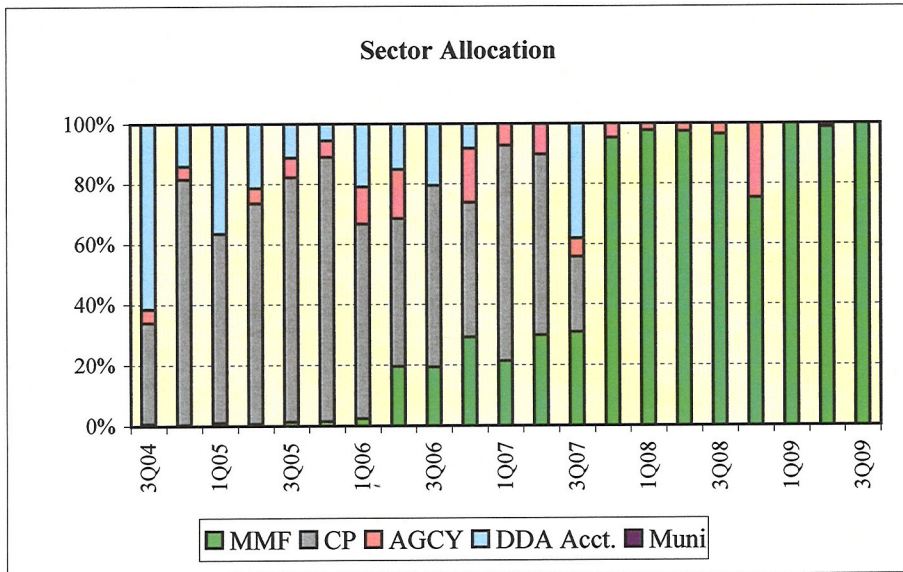
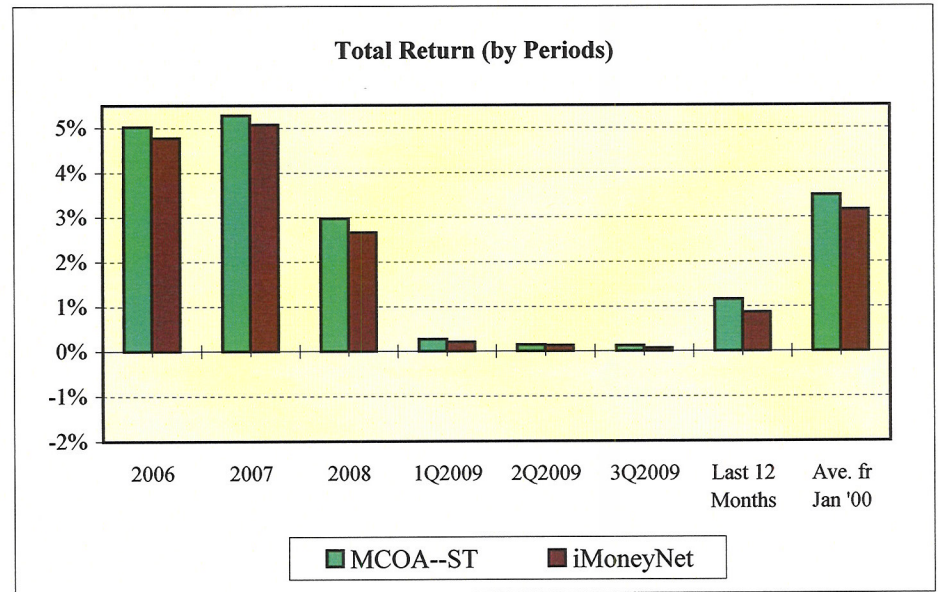
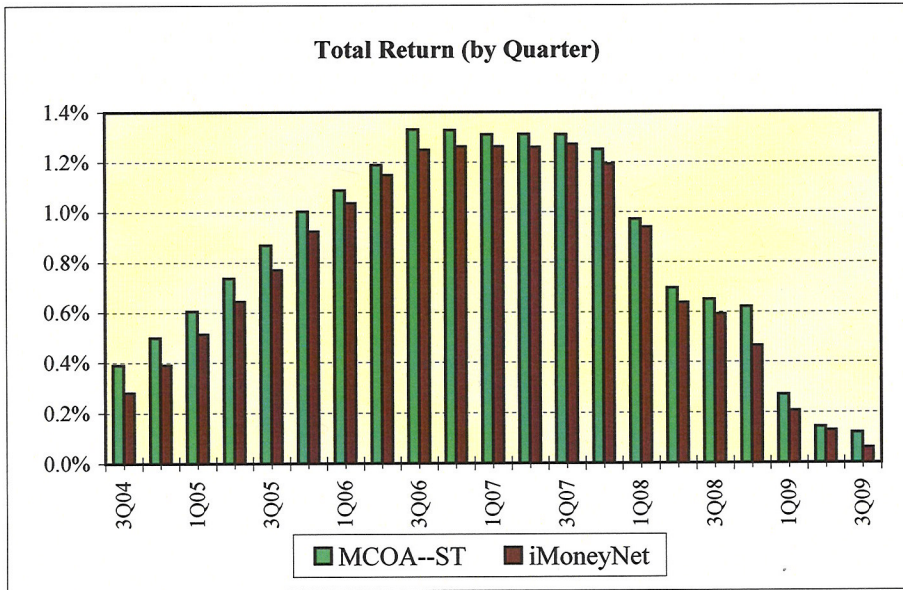
Total Return:

<u>Current Quarter, Council</u>	0.12%	n.a.	4.48%	n.a.	0.01%	14.89%
<u>Index</u>	0.06%	n.a.	1.68%	n.a.	0.01%	15.61%
<u>Difference</u>	0.06%	n.a.	2.80%	n.a.	0.00%	-0.72%
FDIC Fee Impact, Gross	0.08%	n.a.	4.44%	n.a.		
FDIC Fee Impact, Wgt	0.09%	n.a.	4.47%	n.a.		
<u>Last 12 Months, Council</u>	1.16%	n.a.	7.59%	n.a.	0.12%	-6.11%
<u>Index</u>	0.86%	n.a.	7.93%	n.a.	0.12%	-6.91%
<u>Difference</u>	0.29%	n.a.	-0.34%	n.a.	0.00%	0.80%
<u>Start Date:</u>	12-31-99	05-01-04	12-31-99	05-01-04	03-31-01	07-03-06
<u>Ave. Annual Rtn., Council</u>	3.49%	n.a.	5.89%	n.a.	2.51%	n.a.
<u>Index</u>	3.16%	n.a.	5.66%	n.a.	2.51%	n.a.
<u>Difference</u>	0.33%	n.a.	0.24%	n.a.	0.00%	n.a.

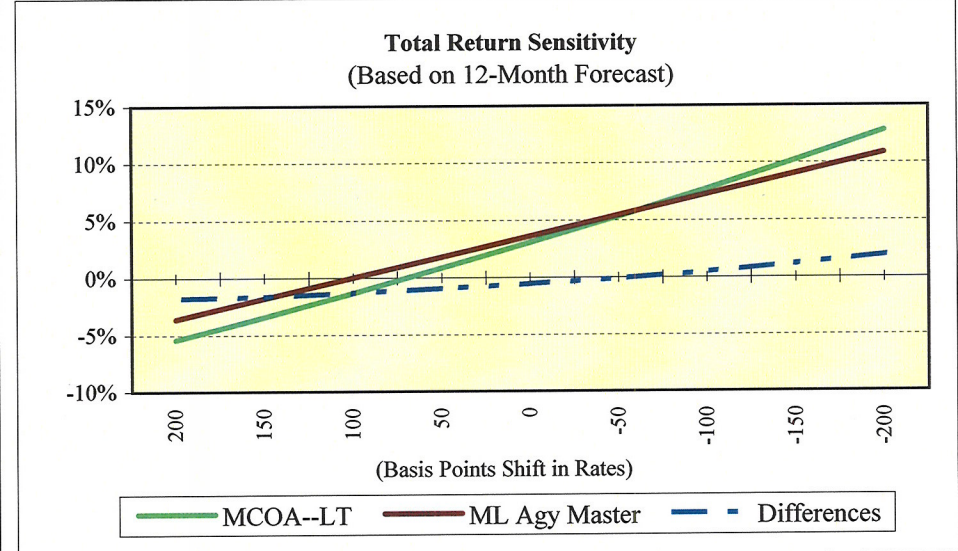
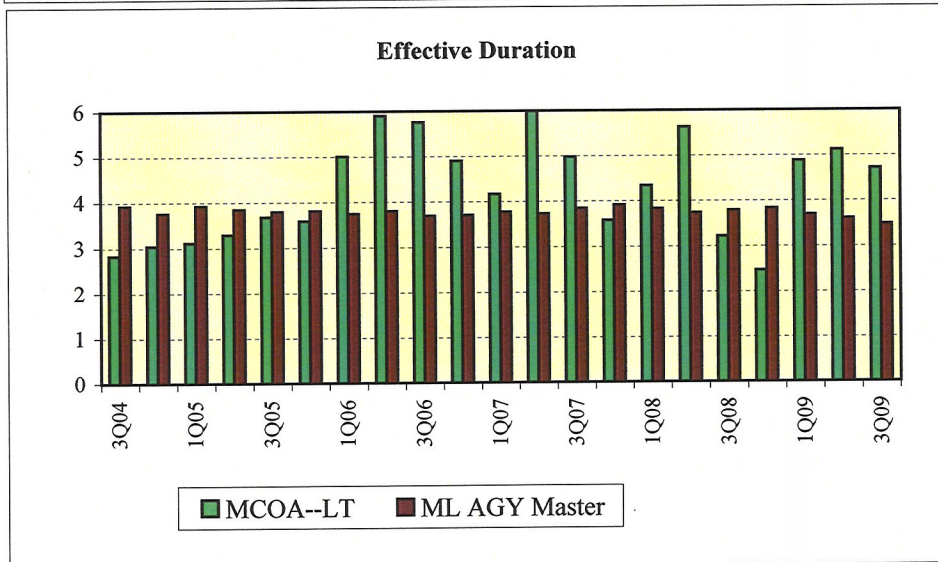
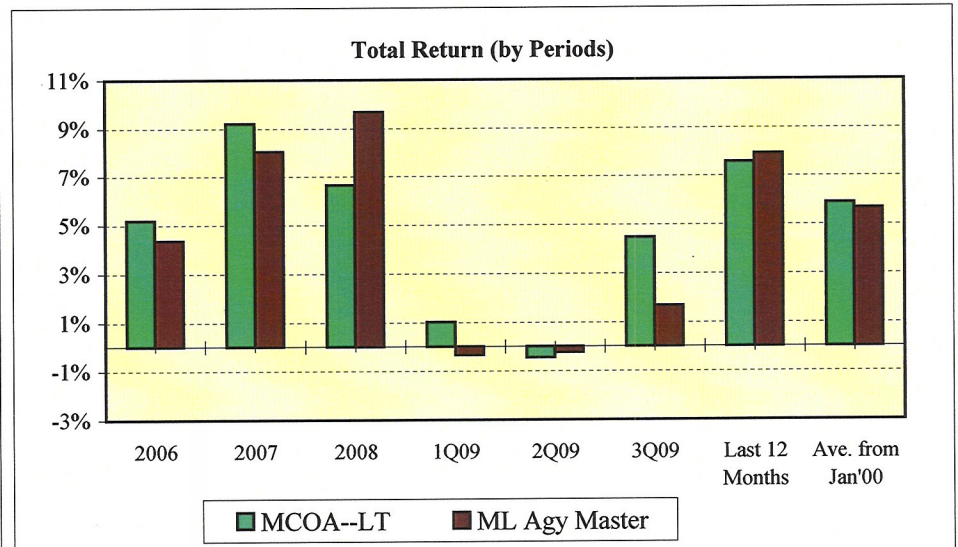
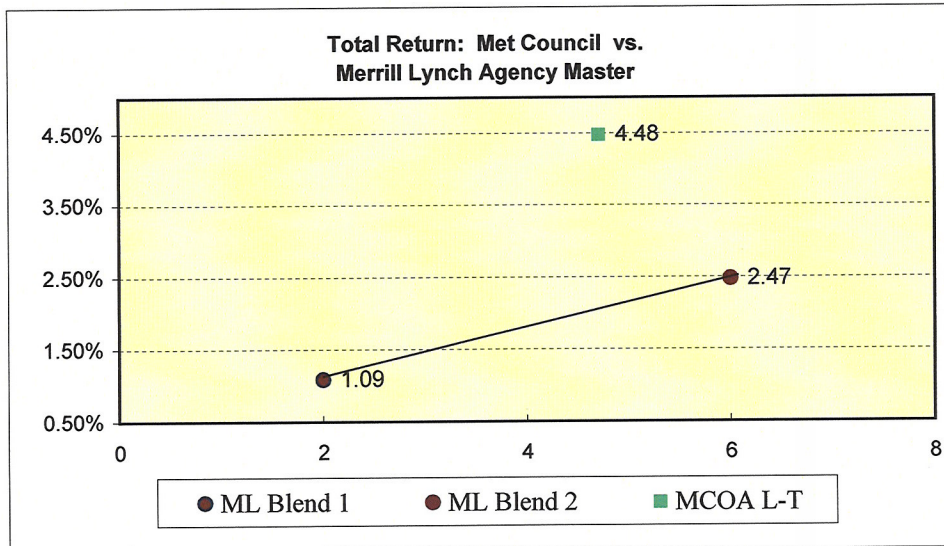
METROPOLITAN COUNCIL--Investment Review Committee
Historic Statistics--All Portfolios
 September 30, 2009

Account Group	1Q07	2Q07	3Q07	4Q07	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09
Total Return(%):											
MCOA-Taxable, ST	1.31%	1.31%	1.31%	1.25%	0.97%	0.70%	0.65%	0.62%	0.27%	0.14%	0.12%
MCOA-Taxable, Margin, w/Cash	0.73%	1.28%	1.39%	1.63%	1.69%	2.19%	1.74%	0.11%	0.08%	0.03%	0.23%
MCOA-Taxable, LT	1.94%	-0.72%	3.94%	3.82%	3.08%	-1.17%	1.44%	2.39%	1.02%	-0.44%	4.48%
MCOA-Taxable Combined	1.75%	-0.23%	3.22%	2.92%	1.74%	0.03	1.12	1.69	0.67%	-0.35%	3.33%
MCOA-Tax Exempt, ST	0.78%	0.83%	0.76%	0.72%	0.65%	0.54%	0.37%	0.72%	0.48%	n.a.	n.a.
HUD-Savings Acct.	1.29%	1.30%	1.31%	1.12%	0.70%	0.34%	0.31%	0.07%	0.02%	0.01%	0.01%
OPEB @ MN SBI	0.61%	6.04%	2.09%	-3.16%	-9.15%	-2.77%	-8.13%	-20.82%	-10.45%	15.25%	14.89%
ES-SAC-Taxable	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Effective Duration (Yrs):											
MCOA-Taxable, ST	0.33	0.21	0.04	0.05	0.02	0.02	0.01	0.01	0.01	0.00	0.00
MCOA-Taxable, Margin, w/Cash	0.26	0.38	0.28	0.11	0.04	0.02	-	-	0.00	0.00	0.02
MCOA-Taxable, LT	4.16	5.99	4.98	3.58	4.34	5.63	3.22	2.47	4.88	5.12	4.71
MCOA-Taxable Combined	3.21	4.88	3.59	2.33	1.55	2.20	1.80	1.51	3.76	4.08	3.75
MCOA-Tax Exempt, ST	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.00
HUD-Savings Acct.	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
OPEB @ MN SBI	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
ES-SAC-Taxable	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Ave. Maturity (Yrs):											
MCOA-Taxable, ST	0.33	0.21	0.04	0.04	0.03	0.02	0.01	0.01	0.01	0.01	0.01
MCOA-Taxable, Margin, w/Cash	0.26	0.40	0.29	0.30	0.17	0.01	0.00	0.00	0.00	0.00	0.00
MCOA-Taxable, LT	10.96	12.08	10.84	7.82	4.58	5.03	6.71	8.07	9.79	6.86	5.72
MCOA-Taxable Combined	8.36	9.79	7.82	5.08	4.60	5.05	3.75	4.92	7.53	5.46	4.21
MCOA-Tax Exempt, ST	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.00
HUD-Savings Acct.	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
OPEB @ MN SBI	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
ES-SAC-Taxable	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Ortry Earnings (\$millions):											
MCOA-Taxable, ST	\$ 0.9	\$ 0.9	\$ 1.0	\$ 1.1	\$ 1.1	\$ 1.4	\$ 1.4	\$ 0.9	\$ 0.3	\$ 0.3	\$ 0.1
MCOA-Taxable, Margin, w/Cash	0.1	0.1	0.0	0.0	0.1	0.1	0.0	0.0	-	-	0.0
MCOA-Taxable, LT	3.7	(1.7)	8.5	7.9	7.3	(0.8)	2.2	4.0	2.3	(0.8)	8.3
MCOA-Taxable Combined	\$ 4.6	\$(0.7)	\$ 9.5	\$ 9.0	\$ 8.5	\$ 0.7	\$ 3.6	\$ 4.9	\$ 2.6	\$(0.6)	\$ 8.4
MT Futures Contracts, Realized	(0.8)	(0.0)	0.03	0.60	1.4	3.3	2.4	(1.2)	(3.0)	(2.0)	(2.6)
MT Futures Contracts, Unrealized	2.5	0.4	0.5	3.0	2.9	13.2	(16.3)	(17.5)	(0.0)	7.2	1.7
MCOA-Tax Exempt, ST	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
HUD-Savings Acct.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OPEB @ MN SBI	0.3	3.6	1.4	(2.2)	(6.4)	(1.8)	(5.3)	(12.9)	(5.7)	7.2	8.4
ES-SAC-Taxable	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Aggregate (Less Combined)	\$ 6.6	\$ 3.4	\$ 11.5	\$ 10.4	\$ 6.4	\$ 15.4	\$ (15.6)	\$ (26.7)	\$ (6.2)	\$ 11.9	\$ 15.9
Investment Balances (MV, \$millions):											
MCOA-Taxable, ST	\$ 68.4	\$ 49.2	\$ 80.1	\$ 105.3	\$ 214.0	\$ 194.0	\$ 138.4	\$ 121.0	\$ 51.0	\$ 36.4	\$ 66.1
MCOA-Taxable, Margin, w/Cash	6.5	3.6	3.3	6.7	12.0	13.0	8.4	5.0	9.0	13.5	11.7
MCOA-Taxable, LT	228.5	220.7	212.1	204.5	123.0	132.0	185.4	196.2	199.0	195.0	215.6
MCOA-Taxable Combined	303.4	273.4	295.5	316.5	349.0	339.0	332.2	322.2	259.0	244.9	293.4
MCOA-Tax Exempt, ST	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
HUD-Savings Acct.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OPEB @ MN SBI	58.0	64.9	68.4	67.5	63.2	64.0	60.0	49.3	44.7	54.7	64.9
ES-SAC-Taxable	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Aggregate (Less Combined)	\$ 361.4	\$ 338.3	\$ 363.9	\$ 384.0	\$ 412.2	\$ 403.0	\$ 392.2	\$ 371.5	\$ 303.7	\$ 299.6	\$ 358.3
Market Yield (%):											
MCOA-Taxable, ST	5.31%	5.34%	5.10%	4.92%	3.25%	2.69%	2.34%	1.66%	0.73%	0.61%	0.22%
MCOA-Taxable, Margin, w/Cash	4.92%	4.98%	4.92%	4.44%	3.05%	2.37%	2.16%	1.50%	1.05%	0.26%	0.13%
MCOA-Taxable, LT	5.24%	5.55%	5.18%	4.69%	4.35%	5.11%	4.33%	3.02%	3.56%	3.35%	3.09%
MCOA-Taxable Combined	5.25%	4.99%	4.16%	4.76%	3.63%	3.62%	3.45%	2.49%	2.92%	2.77%	2.33%
MCOA-Tax Exempt, ST	3.22%	3.33%	3.34%	3.34%	2.12%	1.80%	1.51%	1.61%	0.00%	0.00%	0.00%
HUD-Savings Acct.	5.21%	5.21%	4.93%	4.93%	2.14%	1.25%	1.25%	0.05%	0.05%	0.05%	0.05%
OPEB @ MN SBI	2.42%	2.23%	2.56%	2.56%	2.05%	2.31%	2.23%	1.96%	1.57%	1.51%	1.43%
ES-SAC-Taxable	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Book Yield (%):											
MCOA-Taxable, ST	5.28%	5.27%	5.11%	4.86%	3.26%	2.69%	2.36%	2.09%	0.73%	0.56%	0.22%
MCOA-Taxable, Margin, w/Cash	4.92%	4.97%	4.89%	4.50%	3.05%	2.37%	2.16%	1.50%	1.05%	0.26%	0.13%
MCOA-Taxable, LT	5.48%	5.59%	5.64%	5.64%	6.17%	5.11%	4.60%	4.59%	4.08%	3.76%	3.42%
MCOA-Taxable Combined	5.42%	5.53%	5.49%	5.36%	4.00%	3.93%	3.61%	3.60%	3.32%	3.09%	2.57%
MCOA-Tax Exempt, ST	3.22%	3.33%	3.34%	2.99%	2.12%	1.80%	1.51%	1.61%	0.00%	0.00%	0.00%
HUD-Savings Acct.	5.21%	5.21%	4.93%	4.16%	2.14%	1.25%	1.25%	0.07%	0.05%	0.05%	0.05%
OPEB @ MN SBI	2.42%	2.23%	2.56%	2.67%	2.05%	2.31%	2.23%	1.96%	1.57%	1.51%	1.43%
ES-SAC-Taxable	na.	na.	na.	na.	na.	na.	na.	na.	na.	na.	na.

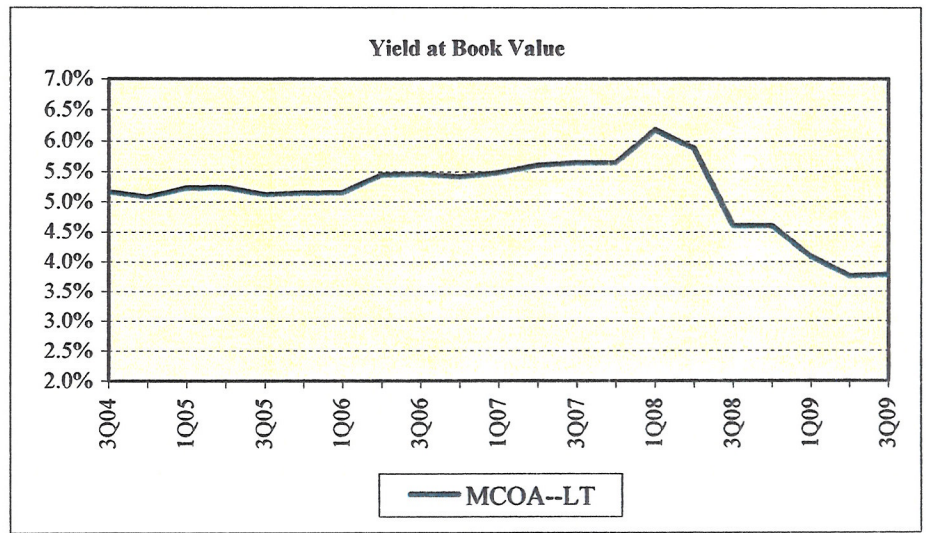
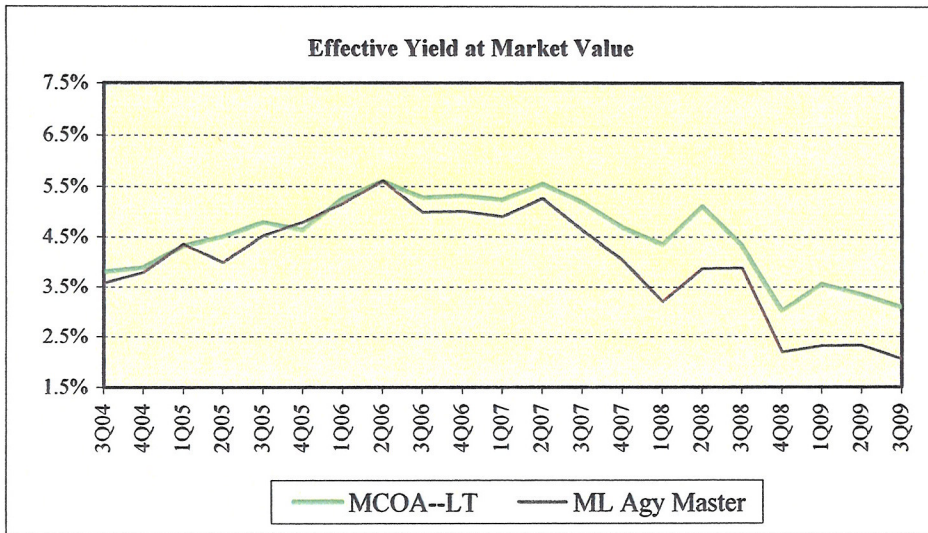
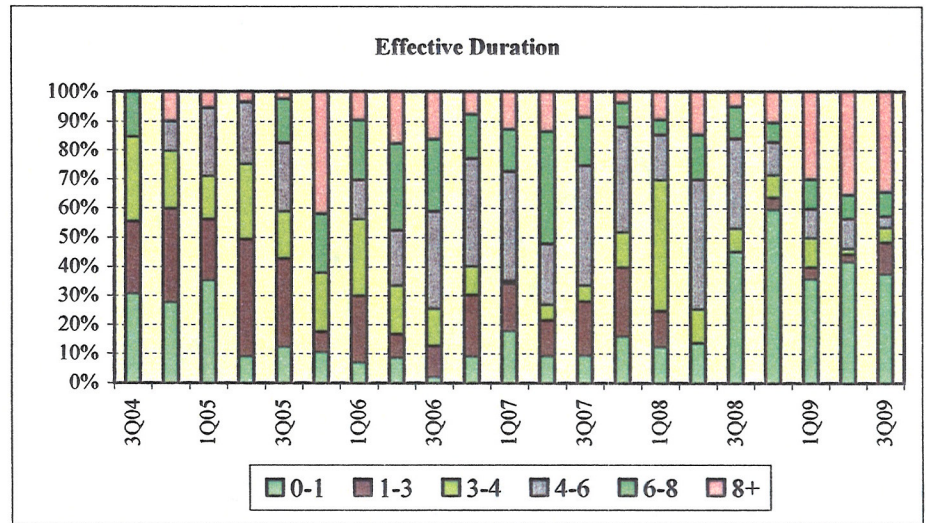
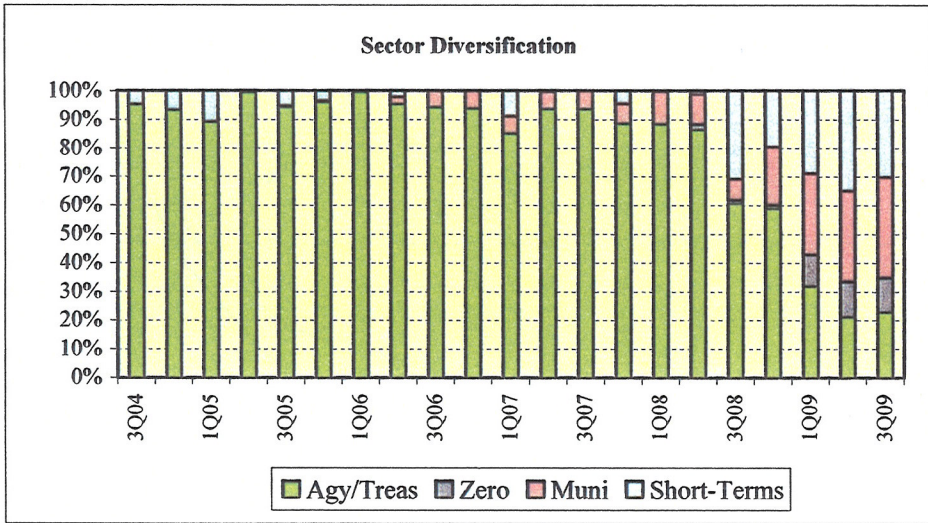
METROPOLITAN COUNCIL--Investments
Operating Account--Short-Term Investments, (Analysis of Returns and Diversification)
 September 30, 2009



METROPOLITAN COUNCIL--Investments
Operating Account--Long Term Investments, (Analysis of Returns)
 September 30, 2009



METROPOLITAN COUNCIL--Investments
Operating Account--Long Term Investments, (Selected Data)
 September 30, 2009



METROPOLITAN COUNCIL—Investment Review Committee

U.S. Agency & Treasury Charts

September 30, 2009

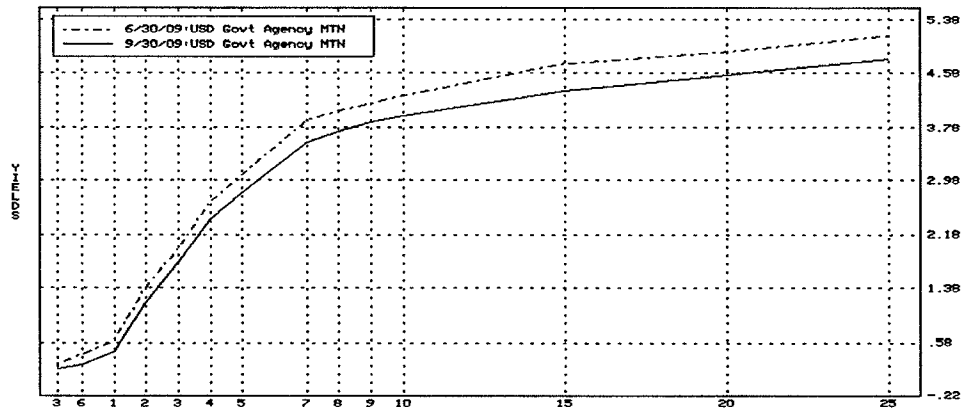
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Govt FMCH 1

Govt FMCH

FAIR MARKET YIELD CURVES - HISTORY

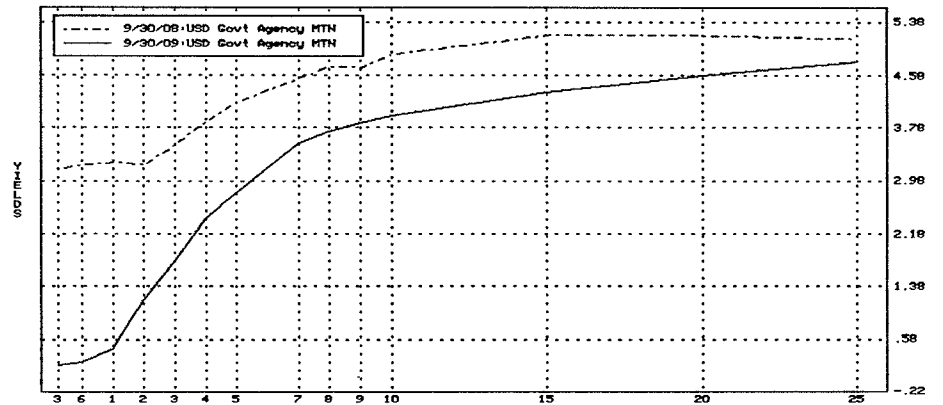
Maturity Range **3MO** - **30Y**



Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000
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FAIR MARKET YIELD CURVES - HISTORY

Maturity Range **3MO** - **30Y**



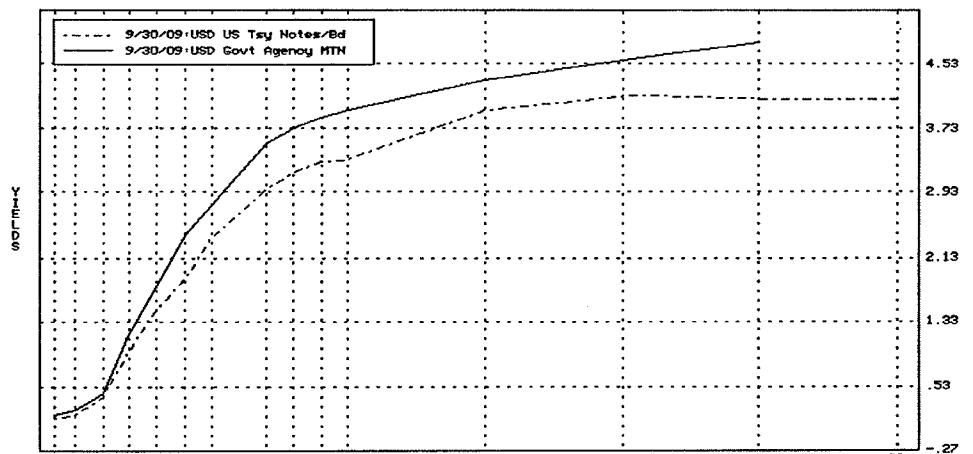
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FAIR MARKET YIELD CURVES - HISTORY

Maturity Range **3MO** - **30Y**

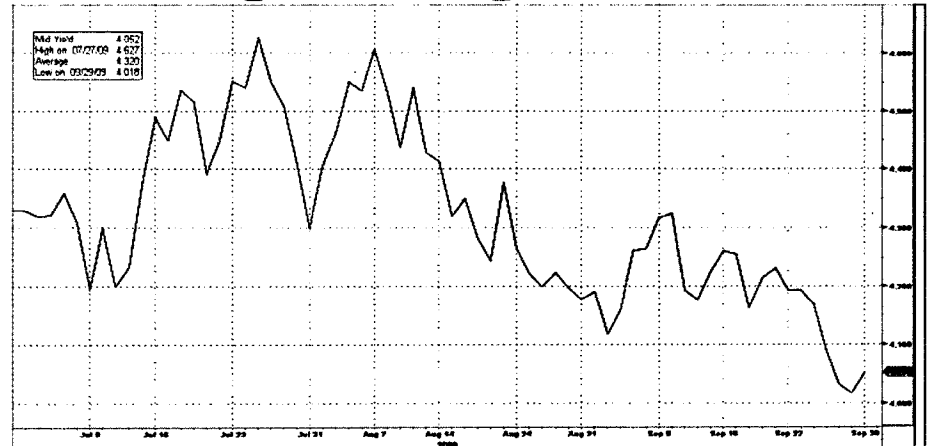


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GY
 US TREASURY N/B T 4 1/4 05/15/39 99-05 / 99-07 (4.30 /30) BGN @ 9:46

Govt GY

1 4 4 05/15/39 30/31 Hide GY - Yield Chart Page 1/3
 Range 06/30/09 - 09/30/09 Upper Bid Yield to Maturity Mov. Avgs Currency USD
 Period Daily Lower None Mov. Avg Source Events



Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000
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 SN 712864 H427-128-1 30-Oct-2009 09:48:45

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METROPOLITAN COUNCIL—Investment Review Committee
OPEB and Hedging Reference Charts
 September 30, 2009

30 Day Commercial Paper History

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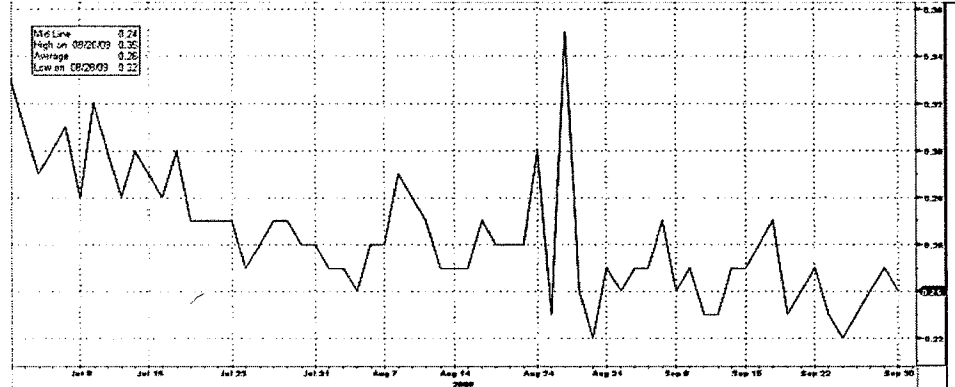
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DCPB030D INDEX Hide

GP - Line Chart

Page 1/3

Range 06/30/09 - 09/30/09 Upper Mid Line Lower Mov. Avgs Currency USD
 Period Daily Lower None Mov. Avg 15 Events



Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2009 Bloomberg Finance L.P. SN 712864 H427-128-0 30-Oct-2009 10:03:54

S & P 500 Stock Index

SPX ↓ 1058.30 -7.81 m

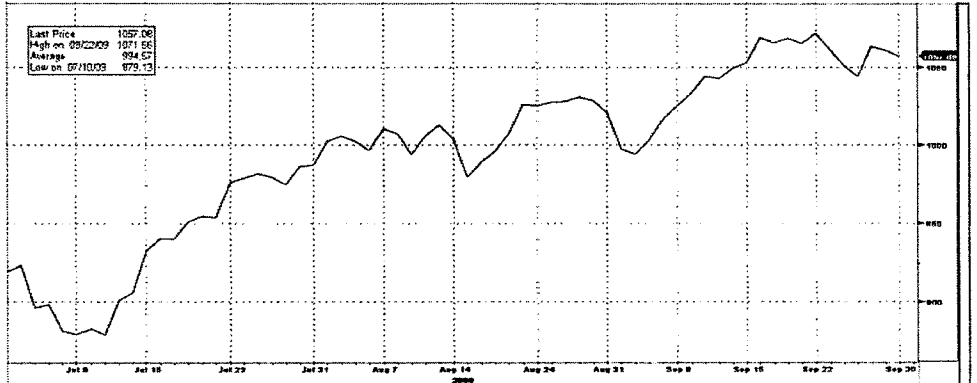
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SPX INDEX Hide

GP - Line Chart

Page 1/3

Range 06/30/09 - 09/30/09 Upper Line Chart Lower Mov. Avgs Currency USD
 Period Daily Lower None Mov. Avg 15 Events



Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2009 Bloomberg Finance L.P. SN 712864 H427-128-0 30-Oct-2009 10:05:55

Heating Oil, Nearest Futures Contract

HO1 ↑ 201.75 -3.67 S S 201.71/201.86 S

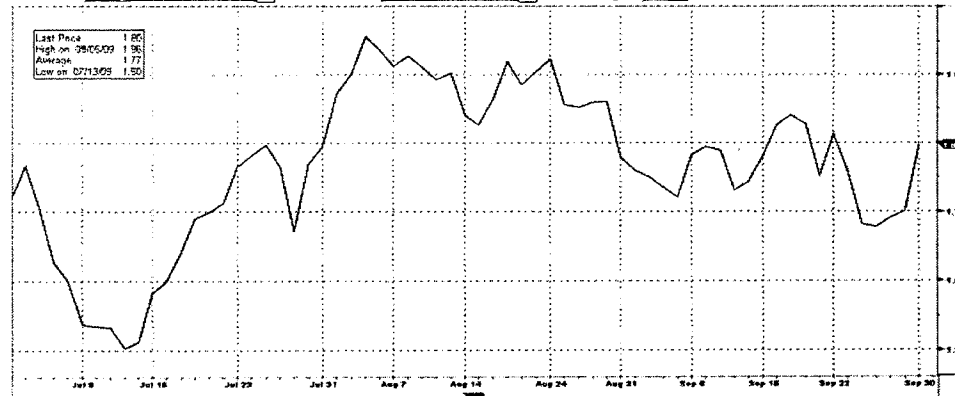
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HO1 COMB COMDTY Hide

GP - Line Chart

Page 1/3

Range 06/30/09 - 09/30/09 Upper Line Chart Lower Mov. Avgs Currency USD
 Period Daily Lower None Mov. Avg 15 Events



Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2009 Bloomberg Finance L.P. SN 712864 H427-128-0 30-Oct-2009 09:57:19

Natural Gas, Nearest Futures Contract

NG1 ↑ 5.224 +.162 S S 5.223/5.225 S

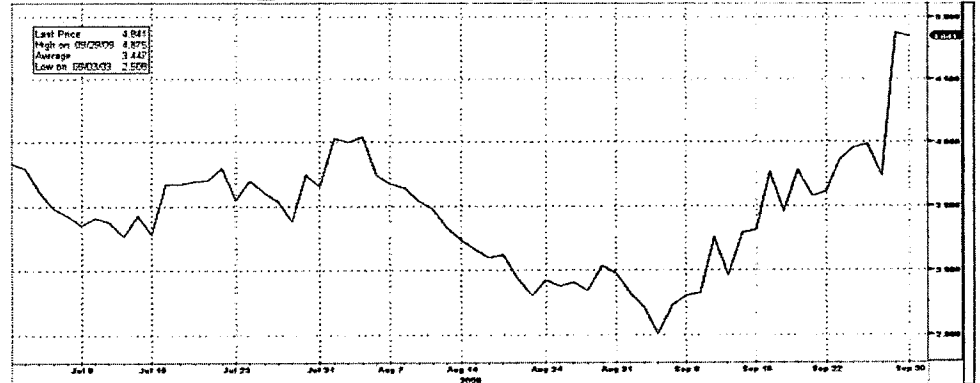
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GP - Line Chart

Page 1/3

Range 06/30/09 - 09/30/09 Upper Line Chart Lower Mov. Avgs Currency USD
 Period Daily Lower None Mov. Avg 15 Events



Australia 61 2 9777 8600 Brazil 5511 3048 4500 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6000
 Japan 81 3 3201 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2009 Bloomberg Finance L.P. SN 712864 H427-128-0 30-Oct-2009 10:00:50

Quarterly percent change, unless otherwise indicated

Full year to full year percent change, unless otherwise indicated

	2009				2010				2011		2008	2009	2010
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2			
<i>Growth indicators</i>													
GDP	-6.4	-1.0	3.2	1.4	0.7	0.8	2.2	2.2	2.3	2.3	0.4	-2.3	1.7
Final sales	-4.1	0.4	-0.1	-0.1	0.5	0.8	2.1	2.3	2.6	2.3	0.8	-1.8	1.1
Consumer spending	0.6	-1.0	0.5	-1.0	0.0	0.5	1.0	1.0	1.5	1.5	-0.2	-1.1	0.1
Fixed investment	-39.0	-13.5	-27.2	-17.8	-6.1	-3.2	-1.1	1.7	4.6	6.2	-5.1	-20.7	-6.9
Nonresidential	-39.2	-10.9	-7.9	-7.3	-7.8	-5.5	-2.9	0.0	2.9	4.9	1.6	-19.9	-8.3
Structures	-43.6	-15.1	-20.0	-15.0	-10.0	-7.0	-5.0	0.0	5.0	5.0	10.3	-19.5	-11.0
Equipment	-36.4	-8.4	-15.0	-10.0	-7.0	-5.0	-2.0	0.0	2.0	5.0	-2.6	-20.4	-7.4
Residential	-38.2	-22.8	-10.0	-5.0	0.0	5.0	5.0	7.0	10.0	10.0	-22.9	-23.5	-2.0
Inventory investment (\$bn)	-113.9	-159.2	-50.0	0.0	10.0	15.0	20.0	20.0	15.0	20.0	-25.9	-80.8	16.3
Foreign trade (\$bn)	-386.5	-331.8	-286.5	-247.4	-222.9	-196.1	-165.7	-136.6	-119.5	-117.4	-494.3	-313.0	-180.3
Government spending	-2.6	6.4	10.0	8.0	2.0	-0.5	2.5	2.0	2.0	2.0	3.1	3.3	3.9
Treasury budget (fiscal yr, \$bn)	-332.5	-448.9	-304.9	-392.5	-580.3	-466.2	-207.4	-280.8	-497.7	-396.3	-454.8	-1,478.7	-1,534.7
Housing starts, (mn of units)	0.528	0.539	0.587	0.605	0.627	0.652	0.681	0.714	0.749	0.786	0.90	0.565	0.668
Unemployment rate (end of qtr)	8.5	9.5	9.6	9.6	9.5	9.3	9.1	8.8	8.5	8.2	7.2	9.6	8.8
<i>Inflation indicators (quarter on previous yr's same quarter, at an annual rate. Annual figures are Dec. change from prior Dec.)</i>													
PCE	0.4	-0.2	-0.8	0.8	1.5	1.5	1.5	1.8	2.0	2.0	0.8	1.6	1.9
Core PCE	1.7	1.6	1.2	1.1	1.0	0.8	1.0	1.4	1.5	1.6	1.7	1.2	1.5
PPI	-1.9	-4.4	-2.2	-1.0	0.5	2.0	2.5	3.0	3.2	3.3	-0.9	-3.0	3.0
Core PPI	3.9	3.2	1.1	0.5	1.0	1.5	2.0	2.3	2.4	2.5	4.5	0.4	2.3
<i>Interest rates: end of period</i>													
Federal funds rate	0.16	0.18	0.18	0.25	0.25	0.25	0.50	1.00	1.50	2.00	0.25	0.25	1.00
3-month LIBOR	1.19	0.60	0.33	0.40	0.40	0.43	0.80	1.30	1.55	1.85	1.43	0.40	1.30
3-mo Treasury bills	0.31	0.19	0.15	0.30	0.35	0.40	0.90	1.40	1.40	1.50	0.11	0.30	1.40
2-yr Treasury notes	0.81	1.11	0.91	0.95	1.25	1.50	1.50	2.00	2.25	2.50	0.76	0.95	2.00
5-yr Treasury notes	1.67	2.54	2.46	2.50	2.60	2.70	2.75	2.80	2.85	2.90	1.55	2.50	2.80
10-yr Treasury notes	2.71	3.53	3.50	3.65	3.80	4.00	4.15	4.30	4.50	4.60	2.25	3.65	4.30
Fed primary credit (discount rate)	0.50	0.50	0.50	0.50	0.50	0.50	0.75	1.25	1.75	2.25	0.50	0.50	1.25
Prime bank rate	3.25	3.25	3.25	3.25	3.25	3.25	3.50	4.00	4.50	5.00	3.25	3.25	4.00
Avg. fixed mortgage rate	4.85	5.28	5.25	5.40	6.00	6.25	6.30	6.30	6.30	6.40	5.10	5.40	6.30

Actual values in blue italics.

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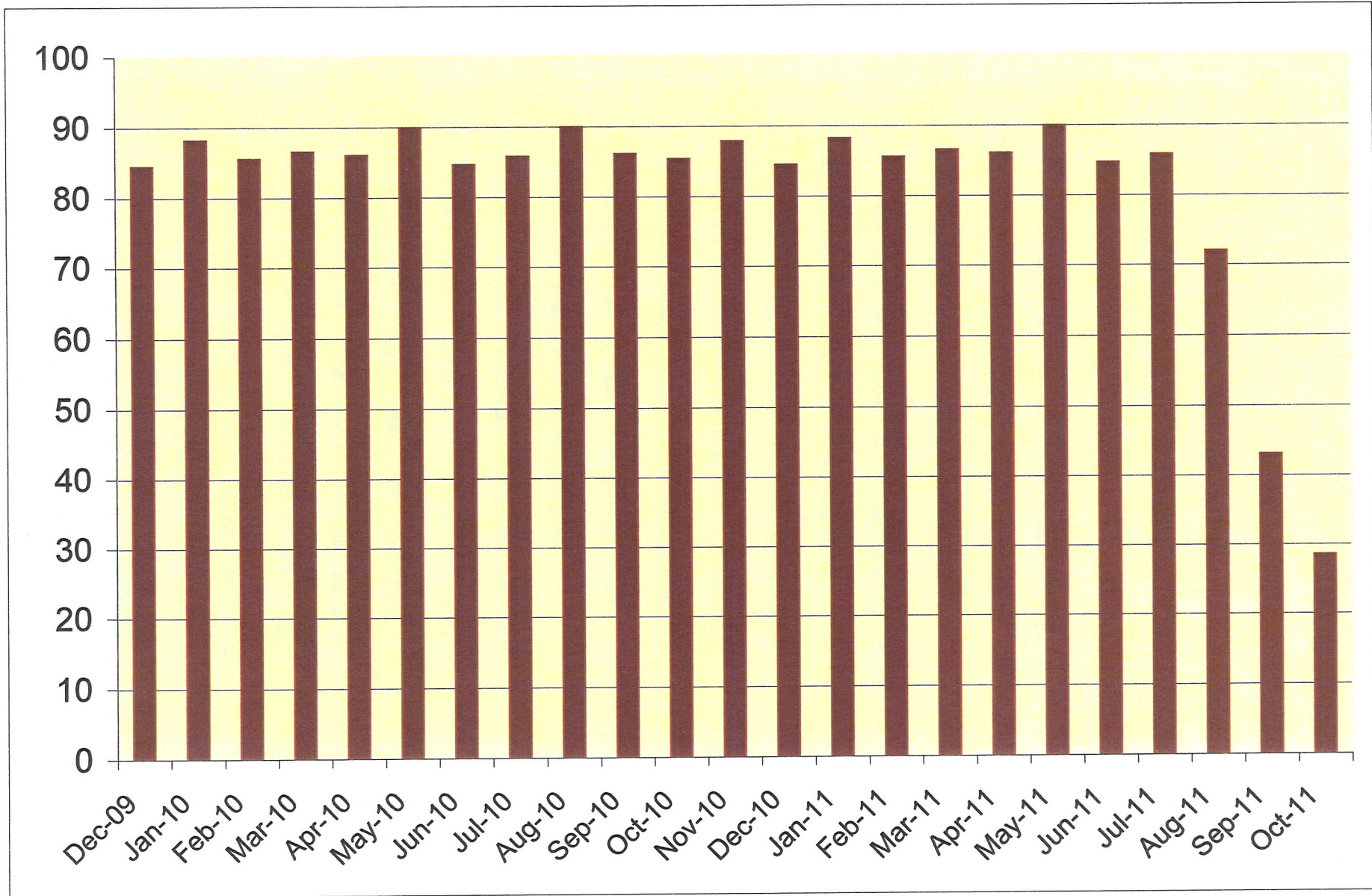
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METROPOLITAN COUNCIL--Prospective Analysis (Futures Contracts)

Monthly Percentage Hedged Snapshot

Diesel (Heating Oil)

September 30, 2009

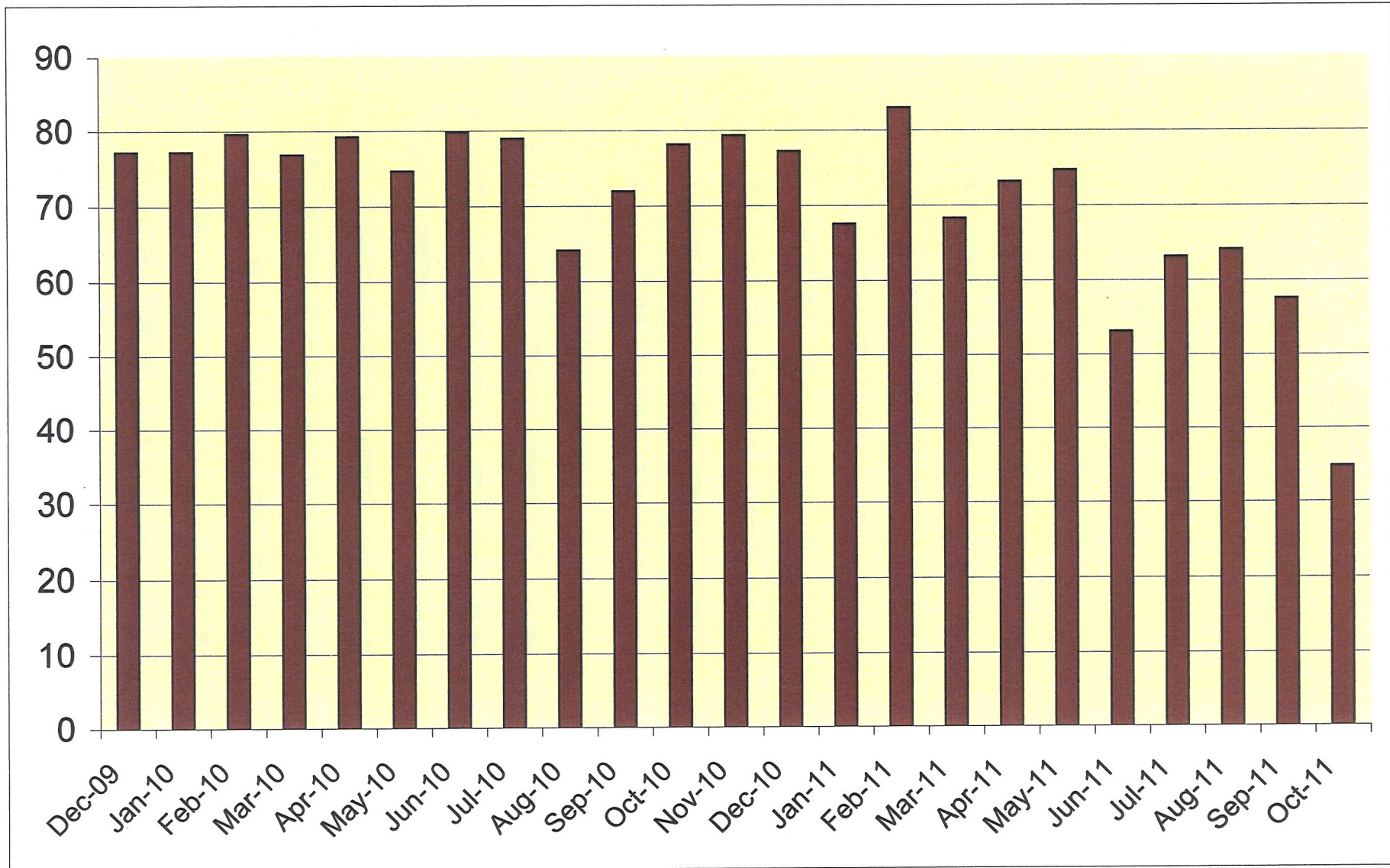


METROPOLITAN COUNCIL--Prospective Analysis (Futures Contracts)

Monthly Percentage Hedged Snapshot

Natural Gas

September 30, 2009



METROPOLITAN COUNCIL

**005B-EOM, Aggregate Portfolio
Portfolio Management
Portfolio Summary
September 30, 2009**

Metropolitan Council
Fiscal Services--Treasury Ops.
390 Robert Street North
St. Paul, MN 55101-1805
(651)602-1629

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM
Money Market Fund, LA1 Type	138,135,909.14	138,135,909.14	138,135,909.14	37.38	1	1	0.225
Treasurys--Discount	5,000,000.00	4,999,958.34	4,999,464.05	1.35	181	14	0.280
Treasurys--Coupon	4,000,000.00	4,304,360.00	4,814,045.21	1.30	10,698	10,453	3.375
U.S. Agencies--Coupon	38,660,000.00	39,587,536.80	39,318,199.80	10.64	3,209	2,919	3.976
Municipals--Coupon	72,645,000.00	75,182,392.55	72,777,629.59	19.69	6,237	5,835	5.916
Zero Coupon Bonds	48,465,000.00	26,191,722.25	25,480,194.74	6.89	4,126	3,907	5.471
Agencies--Act/Act.	5,000,000.00	5,000,000.00	5,000,000.00	1.35	5,478	5,139	8.750
Managed Pool Accounts -2	79,065,512.90	64,937,746.53	79,065,512.90	21.39	1	1	1.428
	390,971,422.04	358,339,625.61	369,590,955.43	100.00%	2,070	1,935	2.521
Investments							
Cash and Accrued Interest							
Passbook/Checking (not included in yield calculations)	9,440,214.29	9,440,214.29	9,440,214.29		1	1	0.000
Accrued Interest at Purchase		39,260.47	39,260.47				
Ending Accrued Interest		1,645,098.55	1,645,098.55				
Subtotal		11,124,573.31	11,124,573.31				
	400,411,636.33	369,464,198.92	380,715,528.74		2,070	1,935	2.521
Total Cash and Investments Value							

Total Earnings	September 30 Month Ending	Fiscal Year To Date
Current Year	570,477.84	7,060,824.36

Allen Hoppe, Sr. Manager, Treasury

**005B-EOM, Aggregate Portfolio
Portfolio Management
Portfolio Details - Investments
September 30, 2009**

CUSIP	Investment #	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM	Maturity Date
Interest Earning DDA											
A=ST=DDA	2271	U.S. Bank	01/01/2009	0.00	0.00	0.00	0.490	1	1	0.490	
A=LT=DDA	2946	U.S. Bank	07/13/2009	0.00	0.00	0.00	0.490	1	1	0.490	
Subtotal and Average				0.00	0.00	0.00		0	0	0.000	
Money Market Fund, LA1 Type											
A=ST=BANKMMF	1386	First American MMF		1,038,167.38	1,038,167.38	1,038,167.38	0.020	1	1	0.020	
A=TE=CUSTODYMMF	2551	First American MMF		0.00	0.00	0.00	2.000	1	1	2.000	
SYS2739	2739	Credit Suisse Institutional Fu		0.00	0.00	0.00	0.690	1	1	0.690	
A=11211422-TE	1896	Federated		0.00	0.00	0.00	1.310	1	1	1.310	
A=7002237977	2521	Federated		0.00	0.00	0.00	5.220	1	1	5.220	
SYS2522	2522	Federated		0.00	0.00	0.00	5.220	1	1	5.220	
SYS2725	2725	Federated		6,719,169.85	6,719,169.85	6,719,169.85	0.010	1	1	0.010	
TBIXX	2933	Federated	06/01/2009	33,332,068.16	33,332,068.16	33,332,068.16	0.290	1	1	0.290	
60934N401	2934	Federated	06/01/2009	0.00	0.00	0.00	0.310	1	1	0.310	
60934N203	2942	Federated	06/25/2009	65,000,000.00	65,000,000.00	65,000,000.00	0.220	1	1	0.220	
60934N203	2949	Federated	07/09/2009	32,000,000.00	32,000,000.00	32,000,000.00	0.220	1	1	0.220	
SYS2874	2874	Goldman Sachs Government Fund		0.00	0.00	0.00	0.110	1	1	0.110	
SYS2875	2875	Goldman Sachs Government Fund		0.00	0.00	0.00	0.200	1	1	0.200	
A=756004008	2487	Morgan Stanley		0.00	0.00	0.00	0.260	1	1	0.260	
A=104756184180	2083	U.S. Bank		46,503.75	46,503.75	46,503.75	0.050	1	1	0.050	
SYS2384	2384	Voyageurs Tamarack Prime Inst		0.00	0.00	0.00	3.250	1	1	3.250	
A=ST=CUST=WELLS	2708	Wells Fargo--Sweep		0.00	0.00	0.00	0.010	1	1	0.010	
A=LT=CUST=WELLS	2709	Wells Fargo--Sweep		0.00	0.00	0.00	0.010	1	1	0.010	
W-LT SEC. LENDG	2711	Wells Fargo--Sweep	01/01/2009	0.00	0.00	0.00		1	1	0.000	
W-ST SEC. LENDG	2712	Wells Fargo--Sweep	01/01/2009	0.00	0.00	0.00		1	1	0.000	
Subtotal and Average				138,135,909.14	138,135,909.14	138,135,909.14		1	1	0.225	
Treasurys--Discount											
912795P70	2916	U.S. TREASURY	04/17/2009	5,000,000.00	4,999,958.34	4,999,464.05	0.280	181	14	0.280	10/15/2009
Subtotal and Average				5,000,000.00	4,999,958.34	4,999,464.05		181	14	0.280	
Treasurys--Coupon											
912810PX0	2880	U.S. TREASURY	01/29/2009	2,000,000.00	2,152,180.00	2,381,679.11	4.500	10,698	10,453	3.437	05/15/2038
912810PX0	2881	U.S. TREASURY	01/29/2009	2,000,000.00	2,152,180.00	2,432,366.10	4.500	10,698	10,453	3.314	05/15/2038
Subtotal and Average				4,000,000.00	4,304,360.00	4,814,045.21		10,698	10,453	3.375	

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**005B-EOM, Aggregate Portfolio
Portfolio Management
Portfolio Details - Investments
September 30, 2009**

CUSIP	Investment #	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM	Maturity Date
U.S. Agencies--Coupon											
3133XUR47	2953	Fed. Home Loan Bank	09/24/2009	10,000,000.00	10,053,100.00	10,000,000.00	2.000	1,096	1,089	2.000	09/24/2012
3133XSF29	2836	Fed. Home Loan Bank	10/15/2008	5,000,000.00	5,098,450.00	5,000,000.00	4.050	1,643	1,292	4.050	04/15/2013
3128X83D2	2940	Fed. Home Loan Mtge. Corp.	07/21/2009	5,000,000.00	5,029,750.00	5,000,000.00	3.000	1,826	1,754	3.000	07/21/2014
19647TAA3	1682-B	U.S. GSA, COPs	04/01/2005	3,590,000.00	3,512,743.20	3,589,118.58	6.600	5,402	3,758	6.602	01/15/2020
19647TAA3	1764-B	U.S. GSA, COPs	04/01/2005	70,000.00	68,493.60	70,000.00	6.600	5,402	3,758	6.599	01/15/2020
3133XLPP2	2917	Fed. Home Loan Bank	04/17/2009	5,000,000.00	5,709,400.00	5,565,019.16	5.750	4,802	4,635	4.556	06/10/2022
31398ALF7	2885	Federal Nat'l.Mtge. Assn.	02/18/2009	10,000,000.00	10,115,600.00	10,094,062.06	5.210	5,089	4,864	5.110	01/25/2023
Subtotal and Average				38,660,000.00	39,587,536.80	39,318,199.80		3,209	2,919	3.976	
Municipals--Coupon											
12145RAD3	2924	Burlingame, CA Pension	05/07/2009	915,000.00	938,469.75	933,185.62	5.235	390	243	2.201	06/01/2010
492279AL8	2931	Kern Cnty, CA	05/29/2009	2,090,000.00	2,180,413.40	2,175,976.08	7.020	443	318	2.210	08/15/2010
167485E49	2846	Chicago, IL G.O. Taxable	10/16/2008	3,020,000.00	3,159,131.40	3,053,163.02	5.011	807	457	4.080	01/01/2011
278445FK2	2945	Eau Claire ASD, WI	08/03/2009	520,000.00	532,838.80	520,000.00	2.600	972	913	2.599	04/01/2012
750046GW8	2943	Racine USD, WI	07/28/2009	1,000,000.00	1,024,690.00	1,000,000.00	2.600	978	913	2.601	04/01/2012
835574BM5	2938	Sonoma Cnty Pension, CA	06/23/2009	3,600,000.00	3,710,160.00	3,592,541.20	4.210	1,257	1,157	4.280	12/01/2012
750046GX6	2944	Racine USD, WI	07/28/2009	865,000.00	893,769.90	865,000.00	3.100	1,343	1,278	3.101	04/01/2013
392643PJ5	2482-B	Green Bay School District, WI	04/01/2005	1,000,000.00	909,930.00	999,437.63	5.000	4,383	2,739	5.009	04/01/2017
797398EG5	2850	San Diego Pension	11/13/2008	3,000,000.00	3,202,890.00	2,950,288.12	5.728	3,197	2,875	6.000	08/15/2017
64966HHA1	2902	New York, NY	03/13/2009	1,000,000.00	1,120,150.00	1,017,888.23	6.491	4,371	4,169	6.266	03/01/2021
786106GN8	2871	Sacramento Cnty, CA	12/26/2008	3,500,000.00	3,983,910.00	3,945,909.08	7.680	4,615	4,336	6.122	08/15/2021
518516PF0	2623	Meridian, MS	07/24/2006	565,000.00	593,029.65	561,315.88	6.000	5,821	4,656	6.399	07/01/2022
518516PG8	2624	Meridian, MS	07/24/2006	445,000.00	465,785.95	440,072.08	6.000	6,186	5,021	6.441	07/01/2023
60415NE24	2625	Minnesota HFA	07/27/2006	2,985,000.00	3,143,443.80	3,020,981.64	6.300	6,183	5,021	6.158	07/01/2023
088518CK9	2845	Bexar Cnty, TX	10/15/2008	3,420,000.00	3,770,892.00	3,488,861.65	6.360	5,417	5,066	6.136	08/15/2023
518516PH6	2631	Meridian, MS	07/31/2006	740,000.00	762,244.40	726,889.82	6.000	6,545	5,387	6.505	07/01/2024
489836MM5	2941	Kenosha SCD, WI	07/15/2009	2,400,000.00	2,498,784.00	2,469,375.11	8.000	5,739	5,661	7.671	04/01/2025
518516PJ2	2630	Meridian, MS	07/31/2006	790,000.00	807,482.70	771,859.16	6.000	6,910	5,752	6.549	07/01/2025
60374AW39	2610	Minneapolis, MN	04/11/2006	2,000,000.00	2,005,640.00	2,027,989.79	6.000	7,236	5,967	5.853	02/01/2026
613035XA7	2858	Montgomery, ALA	12/01/2008	500,000.00	502,135.00	451,542.36	5.190	6,330	6,026	6.153	04/01/2026
977100AC0	2844	Wisconsin Gen Rev	10/07/2008	555,000.00	567,215.55	539,659.25	5.700	6,415	6,056	5.971	05/01/2026
987830KW5	2622	Ypsilanti, MI	07/24/2006	2,000,000.00	2,013,840.00	2,018,991.26	6.150	7,221	6,056	6.051	05/01/2026
274407SS5	2894	East Peoria, IL	03/10/2009	3,930,000.00	3,556,296.30	3,561,160.58	5.500	6,506	6,301	6.420	01/01/2027
461225CU6	2869	Inver Grove Heights MN ISD # 1	01/06/2009	2,175,000.00	2,189,724.75	2,174,853.95	6.700	6,600	6,332	6.700	02/01/2027
849067J79	2857	Spokane, WA	12/01/2008	2,000,000.00	1,897,340.00	1,775,134.91	5.340	6,939	6,635	6.420	12/01/2027
981305SA4	2890	City of Worcester, MA	02/26/2009	3,500,000.00	3,763,620.00	3,533,890.94	6.250	6,883	6,666	6.159	01/01/2028

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**005B-EOM, Aggregate Portfolio
Portfolio Management
Portfolio Details - Investments
September 30, 2009**

CUSIP	Investment #	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM	Maturity Date
Municipals--Coupon											
461225CV4	2868	Inver Grove Heights MN ISD # 1	01/06/2009	2,320,000.00	2,329,256.80	2,315,093.02	6.750	6,965	6,697	6.770	02/01/2028
686053GG8	2859	Oregon School Brd	12/01/2008	500,000.00	435,875.00	428,081.84	4.759	7,151	6,847	6.082	06/30/2028
778102L76	2867	Roseville, MN ISD # 623	01/07/2009	3,540,000.00	3,995,562.60	3,540,000.00	7.250	7,330	7,063	7.247	02/01/2029
074851MU7	2609	Beaver County, PA	04/11/2006	3,000,000.00	2,594,070.00	2,899,462.18	5.650	9,014	7,745	5.953	12/15/2030
452151LF8	2849	Illinois State Pension	11/13/2008	3,000,000.00	2,790,750.00	2,512,254.58	5.100	8,966	8,644	6.481	06/01/2033
794879DC7	2870	Salinas Schools, CA	12/26/2008	2,815,000.00	3,056,555.15	3,094,137.15	7.350	8,953	8,674	6.505	07/01/2033
794879DC7	2927	Salinas Schools, CA	05/14/2009	250,000.00	271,452.50	256,171.12	7.350	8,814	8,674	7.128	07/01/2033
13063AHA5	2930	State of California	05/29/2009	2,325,000.00	2,324,790.75	2,327,963.38	5.168	10,352	10,227	5.159	10/01/2037
930353HN0	2954	Wadsworth Sch Dist, OH	09/28/2009	2,880,000.00	3,159,302.40	3,078,430.89	7.000	10,291	10,288	6.466	12/01/2037
969788FQ6	2951	Williamson Cnty Schl, IL	07/30/2009	3,500,000.00	4,030,950.00	3,710,068.07	8.250	13,304	13,241	7.752	01/01/2046
Subtotal and Average				72,645,000.00	75,182,392.55	72,777,629.59		6,237	5,835	5.916	
Zero Coupon Bonds											
011112AV1	2920	Alameda Cnty, CA Pension	04/28/2009	5,000,000.00	3,791,600.00	3,679,524.89	4.978	2,043	1,887	6.024	12/01/2014
465139DE0	2887	Agy for Int'l Development	02/20/2009	1,000,000.00	723,250.00	726,348.27	3.352	3,129	2,906	4.059	09/15/2017
465139BN2	2888	Agy for Int'l Development	02/24/2009	10,000,000.00	6,485,700.00	6,580,994.18	3.347	3,855	3,636	4.247	09/15/2019
465139DL4	2901	Agy for Int'l Development	03/13/2009	10,000,000.00	6,085,800.00	5,927,815.69	3.619	4,204	4,002	4.830	09/15/2020
672319BA7	2837	Oakland, CA	10/02/2008	6,000,000.00	2,754,780.00	3,093,726.59	4.151	4,457	4,093	6.000	12/15/2020
625506HP8	2903	Multnomah Cnty, OR	03/13/2009	6,615,000.00	3,428,885.25	2,941,098.30	4.615	4,463	4,261	7.070	06/01/2021
969078QN7	2909	Will Cnty Sch Dist 365, IL	03/24/2009	9,850,000.00	2,921,707.00	2,530,686.82	3.782	7,162	6,971	7.249	11/01/2028
Subtotal and Average				48,465,000.00	26,191,722.25	25,480,194.74		4,126	3,907	5.471	
Agencies--Act/Act.											
3133XSHE1	2847	Fed. Home Loan Bank	10/27/2008	5,000,000.00	5,000,000.00	5,000,000.00	8.750	5,478	5,139	8.750	10/27/2023
Subtotal and Average				5,000,000.00	5,000,000.00	5,000,000.00		5,478	5,139	8.750	
Managed Pool Accounts -2											
SYS1-OPEB-RA	OPEB-1-RA	State Board of Investment		2,265,230.77	1,860,469.58	2,265,230.77	1.428	1	1	1.428	
SYS2-OPEB-ES	OPEB-2-ES	State Board of Investment		30,929,480.32	25,402,867.57	30,929,480.32	1.428	1	1	1.428	
SYS3-OPEB-MT	OPEB-3-MT	State Board of Investment		45,870,801.81	37,674,409.38	45,870,801.81	1.428	1	1	1.428	
Subtotal and Average				79,065,512.90	64,937,746.53	79,065,512.90		1	1	1.428	

005B-EOM, Aggregate Portfolio
 Portfolio Management
 Portfolio Details - Investments
 September 30, 2009

CUSIP	Investment #	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM
Total and Average				390,971,422.04	358,339,625.61	369,590,955.43		2,070	1,935	2.521

**005B-EOM, Aggregate Portfolio
Portfolio Management
Portfolio Details - Cash
September 30, 2009**

CUSIP	Investment #	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM
Non-Interest Bearing Acct.										
SYS2394	2385	Dain--Hedging, Cash, Diesel		11,350,096.20	11,350,096.20	11,350,096.20		1	1	0.000
SYSBank-024	Bank-024	MT-Admin (Mears Park)	01/01/2009	0.00	0.00	0.00		1	1	0.000
MT-TVM	Bank-0022	MT-TVM Coin and Currency	01/01/2009	0.00	0.00	0.00		1	1	0.000
SYS2643	2643	Dain--Hedging, Cash, Nat. Gas		-1,909,881.91	-1,909,881.91	-1,909,881.91		1	1	0.000
1047-5623-0983	Bank-0020	U.S. Bank	01/01/2009	0.00	0.00	0.00		1	1	0.000
SYSBank-0021	Bank-0021	U.S. Bank	01/01/2009	0.00	0.00	0.00		1	1	0.000
1047-5623-0975	Bank-18A	U.S. Bank	01/01/2009	0.00	0.00	0.00		1	1	0.000
Subtotal and Average				Accrued Interest at Purchase	39,260.47	39,260.47		1	1	
				Ending Accrued Interest	1,645,098.55	1,645,098.55				
				Subtotal	11,124,573.31	11,124,573.31				
Total Cash and Investments Value				400,411,636.33	369,464,198.92	380,715,528.74		2,070	1,935	2.521

METROPOLITAN COUNCIL

**009-WORK, MCOA Long-Term
Purchases Report
Sorted by Port - Port
July 1, 2009 - September 30, 2009**

Metropolitan Council
Fiscal Services--Treasury Ops.
390 Robert Street North
St. Paul, MN 55101-1805
(651)602-1629

CUSIP	Investment #	Port	Sec. Type	Issuer	Original Par Value	Purchase Date	Payment Periods	Principal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM 365	Ending Book Value
MCOA, Taxable, Long-Term													
60934N203	2949	MCTXLT	LA1	FEDERA	34,000,000.00	07/09/2009	08/01 - Monthly	34,000,000.00		0.520		0.520	32,000,000.00
A=LT=DDA	2946	MCTXLT	PA4	USBANK	34,000,000.00	07/13/2009	08/01 - Monthly	34,000,000.00		0.490		0.490	0.00
489836MM5	2941	MCTXLT	MUN	489836	2,400,000.00	07/15/2009	04/01 - 10/01	2,470,320.00		8.000	04/01/2025	7.671	2,469,375.11
912810QB7	2947	MCTXLT	TRC	UST	2,000,000.00	07/15/2009	08/25 - Final Pmt.	1,974,375.00	Sold	4.250	05/15/2039	4.327	0.00
912810QB7	2948	MCTXLT	TRC	UST	2,000,000.00	07/16/2009	07/17 - Final Pmt.	1,925,000.00	Sold	4.250	05/15/2039	4.479	0.00
912810QB7	2950	MCTXLT	TRC	UST	2,000,000.00	07/17/2009	07/22 - Final Pmt.	1,921,250.00	Sold	4.250	05/15/2039	4.491	0.00
3128X83D2	2940	MCTXLT	FAC	FHLMC	5,000,000.00	07/21/2009	01/21 - 07/21	5,000,000.00		3.000	07/21/2014	3.000	5,000,000.00
750046GW8	2943	MCTXLT	MUN	750046	1,000,000.00	07/28/2009	10/01 - 04/01	1,000,000.00		2.600	04/01/2012	2.601	1,000,000.00
750046GX6	2944	MCTXLT	MUN	750046	865,000.00	07/28/2009	10/01 - 04/01	865,000.00		3.100	04/01/2013	3.101	865,000.00
969788FQ6	2951	MCTXLT	MUN	969788	3,500,000.00	07/30/2009	01/01 - 07/01	3,711,050.00		8.250	01/01/2046	7.752	3,710,068.07
278445FK2	2945	MCTXLT	MUN	278445	520,000.00	08/03/2009	04/01 - 10/01	520,000.00		2.600	04/01/2012	2.599	520,000.00
912810QB7	2952	MCTXLT	TRC	UST	2,000,000.00	08/06/2009	08/12 - Final Pmt.	1,899,375.00	Sold	4.250	05/15/2039	4.560	0.00
3133XUR47	2953	MCTXLT	FAC	FHLB	10,000,000.00	09/24/2009	03/24 - 09/24	10,000,000.00		2.000	09/24/2012	2.000	10,000,000.00
930353HN0	2954	MCTXLT	MUN	930353	2,880,000.00	09/28/2009	12/01 - 06/01	3,078,489.60	10,640.00	7.000	12/01/2037	6.466	3,089,070.89
				Subtotal	102,165,000.00			102,364,859.60	10,640.00				58,653,514.07
				Total Purchases	102,165,000.00			102,364,859.60	10,640.00				58,653,514.07

**009-WORK, MCOA Long-Term
Sales/Call Report
Sorted by Maturity Date - Port
July 1, 2009 - September 30, 2009**

Metropolitan Council
Fiscal Services--Treasury Ops.
390 Robert Street North
St. Paul, MN 55101-1805
(651)602-1629

CUSIP	Investment #	Port	Issuer Sec. Type	Purchase Date	Redem. Date Matur. Date	Par Value	Rate at Redem.	Book Value at Redem.	Redemption Principal	Redemption Interest	Total Amount	Net Income
04/24/2014												
85431HBJ0	2906	MCTXLT	VICTOR MC4	05/06/2008	07/01/2009 04/24/2014	29,676.01		29,676.01	29,676.01	0.00	29,676.01 Sale	0.00
85431HBJ0	2906	MCTXLT	VICTOR MC4	05/06/2008	08/03/2009 04/24/2014	35,152.43		35,152.43	35,152.43	0.00	35,152.43 Sale	0.00
85431HBJ0	2906	MCTXLT	VICTOR MC4	05/06/2008	09/01/2009 04/24/2014	31,831.79		31,831.79	31,831.79	0.00	31,831.79 Sale	0.00
85431HBJ0	2906	MCTXLT	VICTOR MC4	05/06/2008	09/04/2009 04/24/2014	2,409,717.60		2,409,717.60	2,280,311.67	0.00	2,280,311.67 Sale	-129,405.93
Subtotal						2,506,377.83		2,506,377.83	2,376,971.90	0.00	2,376,971.90	-129,405.93
01/15/2020												
19647TAA3	1682-B	MCTXLT	GSA FAC	04/01/2005	07/15/2009 01/15/2020	70,000.00	6.600	69,982.46	70,000.00	120,780.00	190,780.00 Call	120,797.54
Subtotal						70,000.00		69,982.46	70,000.00	120,780.00	190,780.00	120,797.54
07/01/2023												
60415NE24	2625	MCTXLT	MN HFA MUN	07/27/2006	07/01/2009 07/01/2023	5,000.00	6.300	5,061.37	5,000.00	94,185.00	99,185.00 Call	94,123.63
Subtotal						5,000.00		5,061.37	5,000.00	94,185.00	99,185.00	94,123.63
07/01/2033												
794879DC7	2870	MCTXLT	794879 MUN	12/26/2008	07/01/2009 07/01/2033	15,000.00	7.350	62,148.61	15,000.00	152,537.00	167,537.00 Call	105,388.39
Subtotal						15,000.00		62,148.61	15,000.00	152,537.00	167,537.00	105,388.39
05/15/2038												
912810PX0	2878	MCTXLT	UST TRC	01/22/2009	07/21/2009 05/15/2038	2,000,000.00	4.500	2,496,969.51	2,001,953.13	16,385.87	2,018,339.00 Sale	-478,630.51
Subtotal						2,000,000.00		2,496,969.51	2,001,953.13	16,385.87	2,018,339.00	-478,630.51
02/15/2039												
912810QA9	2913	MCTXLT	UST TRC	04/06/2009	07/13/2009 02/15/2039	2,000,000.00	3.500	1,940,607.16	1,767,578.13	28,618.78	1,796,196.91 Sale	-144,410.25
912810QA9	2922	MCTXLT	UST TRC	04/29/2009	09/24/2009 02/15/2039	2,000,000.00	3.500	1,845,874.68	1,770,156.25	7,608.70	1,777,764.95 Sale	-68,109.73

009-WORK, MCOA Long-Term
Sales/Call Report
July 1, 2009 - September 30, 2009

CUSIP	Investment #	Port	Issuer Sec. Type	Purchase Date	Redem. Date Matur. Date	Par Value	Rate at Redem.	Book Value at Redem.	Redemption Principal	Redemption Interest	Total Amount	Net Income
Subtotal						4,000,000.00		3,786,481.84	3,537,734.38	36,227.48	3,573,961.86	-212,519.98
05/15/2039												
912810QB7	2928	MCTXLT	UST TRC	05/22/2009	07/09/2009 05/15/2039	2,000,000.00	4.250	1,978,593.22	2,010,000.00	12,703.80	2,022,703.80 Sale	44,110.58
912810QB7	2948	MCTXLT	UST TRC	07/16/2009	07/17/2009 05/15/2039	2,000,000.00	4.250	1,939,327.53	1,943,750.00	14,551.63	1,958,301.63 Sale	18,974.10
912810QB7	2950	MCTXLT	UST TRC	07/17/2009	07/22/2009 05/15/2039	2,000,000.00	4.250	1,935,837.77	1,951,250.00	15,706.52	1,966,956.52 Sale	31,118.75
912810QB7	2952	MCTXLT	UST TRC	08/06/2009	08/12/2009 05/15/2039	2,000,000.00	4.250	1,918,601.72	1,920,312.50	20,557.07	1,940,869.57 Sale	22,267.85
912810QB7	2947	MCTXLT	UST TRC	07/15/2009	08/25/2009 05/15/2039	2,000,000.00	4.250	1,988,561.09	1,994,609.38	23,559.78	2,018,169.16 Sale	29,608.07
Subtotal						10,000,000.00		9,760,921.33	9,819,921.88	87,078.80	9,907,000.68	146,079.35
Total Sales						18,596,377.83		18,687,942.95	17,826,581.29	507,194.15	18,333,775.44	-354,167.51