

Date: February 4, 2009

To: Investment Review Committee (02/10) and Management Committee (02/25)

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

Subj: 4th Quarter Report on Investments (4Q2008)

The following items are attached for your review

1. Agenda
2. Minutes from Past Meeting
3. 4Q08 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

February 10 the at 2:30 P.M., in Lower Level, Room A

IRC Administrative Coordinator: Allen E. Hoppe (651)-602-1629

Agenda

1. Minutes from Past Meeting — November 12, 2008 (3Q08).
2. Update on Victoria Finance Security
3. Discussion on OPEB Portfolio
4. Presentation of 4Q08 Quarterly Report

Committee members:

Roger Scherer, Treasurer (5-28-08) & Council member

Craig Peterson, Council member

Leon (Lee) Binger, *Appointee*

Walter (Bud) Meadley, *Appointee*

Wes Kooistra, CFO

Mary Bogie, Deputy CFO

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

Katie Shea, Director Internal Audit

Allen Hoppe, Treasury Manager

Mercy Ndungu, Treasury Analyst

Trudy Aldrich, Executive Assistant

Investment Review Committee

IRC Administrative Coordinator: Allen E. Hoppe (651)-602-1629

Minutes

November 12, 2008 at 1:00 p.m., in Room LL-A

Present

Committee Members: Roger Scherer, Council Member; Craig Peterson, Council Member; Leon (Lee) Binger, Appointee; Walter (Bud) Meadley, Appointee; Wes Kooistra, Chief Financial Officer.

Reference Staff: Katie Shea, Director Internal Audit; Allen Hoppe, Treasury Manager, Mercy Ndungu, Treasury Analyst, Trudy Aldrich, Executive Assistant.

Call to Order

A quorum being present, Council Member R. Scherer called the quarterly meeting of the Investment Review Committee (third quarter 2008) to order at 1:00 p.m. on Wednesday, November 12, 2008.

Approval of Agenda and Minutes

It was moved by W. Meadley, seconded by L. Binger to approve the agenda.

The motion carried.

It was moved by L. Binger, seconded by W. Meadley to approve the minutes of the August 12, 2008 quarterly meeting (second quarter 2008) of the Investment Review Committee.

The motion carried.

Business

1. Affirmation of Financial Contracts (Action Item)

This item was presented by Allen Hoppe. It was moved by W. Meadley and seconded by L. Binger that the Investment Review Committee recommend that the Management Committee approve Business Item 2008-309 at their November 12, 2008 meeting and propose that the Metropolitan Council authorize the Regional Administrator to amend the terms of the following transaction-based financial contracts, as needed, to provide continued service through December 31, 2009:

1. General banking services from US Bank;
2. Credit card processing from Metavante;
3. Purchasing card services from Bank of America (BoFA);
4. Custodian and securities lending services from Wells Fargo and US Bank.

Mr. Hoppe explained that the annual affirmation process for these “fixed rate per transaction” contracts assures continuous service throughout the contract term, where

needed, but does not negate the need for obtaining periodic competitive quotes or documented sole source contracts as stated in the Council's procurement policies and procedures. *The motion carried.*

2. List of Authorized Financial Institutions (Official Depositories) (Action Item)

Allen Hoppe presented this item. It was moved by C. Peterson and seconded by W. Meadley that the Investment Review Committee recommend that the Management Committee approve Business Item 2008-322 at their November 12, 2008 meeting and propose that the Metropolitan Council approve the list of Authorized Financial Institutions for 2009 attached thereto.

Mr. Hoppe clarified that the List of Authorized Financial Institutions goes before the Council at least annually and that the Council's investment policy does not permit the Council to do business with institutions that do not appear on the list. Discussion ensued regarding additions and deletions to the list, the research done and criteria used to select brokers, how brokers are matched to the Council's needs, and if there were any failures on settlements throughout the year. *The motion carried.*

3. Postpone Banking RFP

Allen Hoppe advised that a banking request for proposal has been forestalled by Treasury staff's focus on implementation of a new credit card processor, Elavon Inc. While it is beneficial for the Council to obtain fresh pricing for general banking services from time to time, information periodically received by Council staff from other banks and services demonstrates that the Council currently pays very competitive rates to US Bank. A banking RFP will, therefore, be pursued after the implementation.

4. Update on Victoria Finance Security

Allen Hoppe distributed an e-mail received on November 11, 2008, containing an update on Victoria Finance to committee members. It stated that the Collateral Agent for Victoria Finance, Deutsche Bank Trust Company-Americas, is currently soliciting approval from all holders of the Victoria Finance/Stanfield Victoria securities to adopt "Amendment No. 5," which would modify the original Security Agreement by enabling the Collateral Agent to proceed with a foreclosure and restructuring process.

Mr. Hoppe informed committee members that the underlying collateral of Victoria Finance is made up of a mixture of mortgages and asset-backed holdings and that he had been given a confidential listing of the percentage of assets with their rating classifications. Discussion ensued regarding this investment, current valuation estimates and the Council's options. L. Binger suggested that Mr. Hoppe attempt to obtain more information and send out a communication to committee members with his findings. In particular, the following information was deemed to be helpful:

1. A chart listing the assets with their credit rating distribution.

2. Determination of what percentage of the dollar value of the assets in the collateral pool is current?
3. How Wells Fargo determined the 82nd percentile valuation for the bonds?
4. What transactions have taken place to date? Were they cash outs from the collateral pool or market transactions, and at what level?

5. Status of Hedging through Treasury Staff (vs. Consultant)

Allen Hoppe reported that this item has gone through the Management Committee and is expected to take effect on January 1, 2009. The Council is moving towards extending hedges up to 24 months and is working internally to put this into place.

6. Presentation of Third Quarter 2008 Quarterly Report

Mercy Ndungu and Allen Hoppe presented a PowerPoint presentation of the Third Quarter 2008 Quarterly Report to committee members.

Adjournment

Business completed, the meeting adjourned at 2:30 p.m.

Respectfully submitted,

Trudy M. Aldrich
Recording Secretary



Report on Investments

4th Quarter, 2008

Economic Review

Past. It is official that the U.S. economy is in a recession. The recession has been and continues to be felt across the entire economy – consumer, manufacturing, employment, and exports. Gross domestic product was -3.8% versus 0.5% (3Q08). The ISM manufacturing index fell to 32.4 from 36.2, its lowest output since 1982. The labor market continued to show weakness with the unemployment rate rising to 7.2% from 6.1%, initial jobless claims jumped to 626,000 in the week ended Jan, 31. That's up from a revised 591,000 in the previous week and the highest level since the last week of October 1982. Housing remains an overhang. The S&P Case Shiller index showed that prices of U.S. homes dropped 18.2% in November over year-ago levels. While inflation concerns dominated the markets last year, deflation concerns have become the new dominant theme as both PPI and CPI declined in December. Headline producer price index (PPI) fell 0.9% from 0.4% in November while the consumer price index (CPI) fell from 2.0% to 1.8%.

The yield curve flattened by 42 basis points during the quarter, as the spread between the 2- year Treasuries and 10-year Treasuries ended the quarter at a positive 145 basis points.

Present. The Federal Reserve Bank cut rates three times during the fourth quarter by a total of 175 basis points, to a range of 0% to 0.25%. The Fed emphasized its determination to use all available tools to contain the recession and restart the financial markets. Through the Troubled Asset Relief Program (TARP), the Fed provided much needed capital to banks and also to automakers thus preventing them from going into bankruptcy. They also lowered mortgage rates by purchasing assets outright through mortgage backed securities and agency debentures. These actions have benefited the market in some ways. Some of the benefits include lower mortgage rates and lower short term funding rates.

Future. Currently, home values are still falling, employment levels are decreasing while the unemployment rate is on the rise and lenders want higher yields. As such economic fundamentals are likely to get worse before they improve. The Federal Reserve has made it clear that they are willing to use all available tools to keep markets functioning, and it plans to keep rates low for the foreseeable future. As such, this should provide the basis for positive GDP growth in the later half of the year.

The yield curve should remain steep as the front end will be held down for the foreseeable future while further treasury issuance keeps the long end yields higher.

Council Impact. By most measures, broad market equity performance in 2008 was among the worst ever, with the S&P 500 posting negative returns of -37.0%. As a result, our OPEB portfolio (which closely tracks the equity market), was down -35.74%. Short and intermediate term fixed income yields have dropped since September due to the on-going flight to quality; hence some of our bonds have been called resulting in further exposure to reinvestment risk in the long term portfolio. On December 30th, \$30 million of our agency bonds, yielding on average 5.7% were called and a total of \$25 million matured. Part of the proceeds were used to purchase taxable municipal bonds, the remainder was invested in a government money market fund to maintain liquidity and safety.

There is some concern that that U.S. government will flood the market with bonds to finance the bailout packages and that foreigners will reduce their holdings as their grow more concerned about the U.S. currency devaluations – this will lead to higher U.S rates. Since rates are expected to go up, we are maintaining a shorter duration in the long term portfolio so as reduce exposure to price loss.

Investment Results & Strategy

MCOA—Short Term

4Q08 Results. Total return for this portfolio was above the index by 15 basis points. This portfolio has averaged 34 bps per year more than its benchmark over the past 10 years. This success is due to competitive rates from our money market funds. Both funds - Credit Suisse and Morgan Stanley Institutional Prime funds had higher year-to-date returns of 2.95% and 2.74% respectively, versus an industry average of 2.61%.

1Q09 Strategy. With Fed funds effectively at zero, several prime money market funds are going out of business. Credit Suisse will be liquidating its prime portfolio by the end of first quarter. To maintain safety in our short term portfolio, we opened a government fund money market account at Goldman Sachs. This will reduce out returns relative to our current benchmark. At end of 2008, the fund was ranked # 2 with returns of 2.52 %. There are 259 money funds in the Government Institutional category.

Longer Strategy (12-months). We plan to wait on the sidelines in money market funds until the markets stabilize and yields start rising.

MCOA—Long Term

4Q08 Results. Total return was below the benchmark index by 436 basis points due to our having a shorter duration and more call exposure than the benchmark during a period of falling interest rates. That is, we did not capture as much price appreciation as the index. Also, since rates fell significantly during the fourth quarter, several of our agencies bonds were called. We reinvested part of the proceeds in a government money market fund (low yielding).

1Q09 Strategy. The relative attractiveness of municipal bonds compared to treasuries is at historically high levels. We bought some taxable munis with yields ranging from 6.1% to 7.0% from various issuers. We may swap into a couple of more taxable munis as the opportunity arises.

Longer Strategy (12-months). We may purchase some more taxable munis or mortgage-backed securities during the next year.

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 fourth quarter 2008, diesel and natural gas contracts (combined) generated \$1,240,000 in net realized losses and \$17,527,000 in unrealized losses. Fuel prices have been falling since last summer. Fuel expenses are under budget due to prices paid for the unhedged portion.

MCOA--Margin Account

The margin account supports both the diesel fuel and natural gas hedging programs; it includes cash, a money market balance, and some U.S. Treasury securities.

Low Activity Portfolios

The MCOA—Tax Exempt, and the HUD Account, portfolios receive limited activity. Money in the tax-exempt account helps reduce our arbitrage liability. The HUD account is kept liquid for operating purposes.

OPEB

4Q08 Results. During the quarter, we did not make any significant changes to our asset allocation – maintained 100% S&P 500. At end of 4Q2008, both the S&P 500 Index and our OPEB portfolio posted negative returns of -21.94% and -20.82% respectively. For the quarter, the portfolio had \$13.3 million of unrealized losses.

1Q08 Strategy. While this has been a difficult period for equities in general, we believe our results will improve on both an absolute and relative basis as the economy stabilizes and begins to improve. Maintain allocation at 100% equities. The current market value of \$49.3 million reflects a cumulative unrealized loss of \$23.5 million since inception.

Longer Strategy (12-months). Continue with our current asset allocation of 100% equities with minor adjustments when markets become historically expensive.

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

December 31, 2008

	Operating Account (MCOA)				Diesel & NG Hedging Accounts		
	<u>Short-Term</u>	<u>Futures Margin</u>	<u>Long-Term</u>	<u>Tax Exempt</u>	<u>HUD</u>	<u>OPEB</u>	
Compliance	OK	OK	OK	OK	OK	OK	OK
Safety (Defaults)	None	None	1	None	None	None	None
Liquidity (Effective Duration Years)							
<u>Target Duration Range:</u>	0-1	0-6	2-6	0-2	n.a.	0-1	0-1
Result	0.01	0.04	2.47	0.01	n.a.	0.01	n.a.
Less: Index	0.13	0.04	3.83	0.01	n.a.	0.01	n.a.
Longer <Shorter> Index	-0.12	0.00	-1.36	0.00	n.a.	0.00	n.a.
<i>Note: Index Source:</i>	iMoneyNet (Prime Funds)	n.a.	ML Agy. Master	n.a.	n.a.	iMoneyNet (Prime Funds)	n.a.
Diversification							
Sectors	See Charts	n.a.	See Charts	n.a.	n.a.	U.S. Bank	Mixed
Effective Duration	See Charts	n.a.	See Charts	n.a.	n.a.	Acct.	n.a.
Rate of Return							
<u>Revenue by Component:</u>							
Accrued Interest	835,713	19,695	3,030,881	516	-	2,164	359,866
Realized Gains/Losses	-	-	125,978	-	(1,237,918)	-	-
Unrealized Gains/Losses	23,450	-	871,259	-	(17,527,065)	-	(13,271,922)
Total Int. Rev.	859,163	19,695	4,028,119	516	(18,764,983)	2,164	(12,912,055)
Total Investment Revenue, All Portfolios, Current Quarter							<u>\$ (26,767,382)</u>
<u>Book Yield:</u>	2.09%	1.50%	4.59%	1.61%	n.a.	0.05%	1.96%

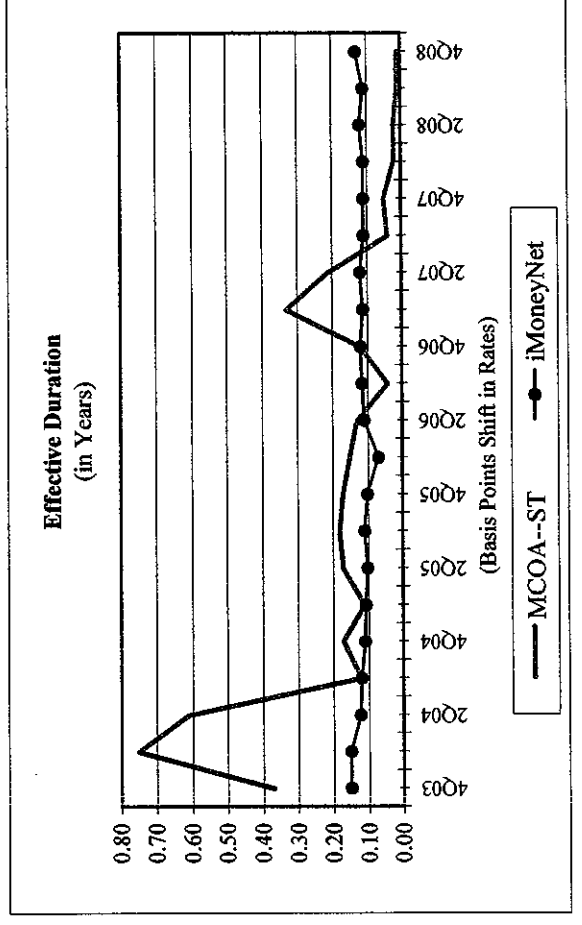
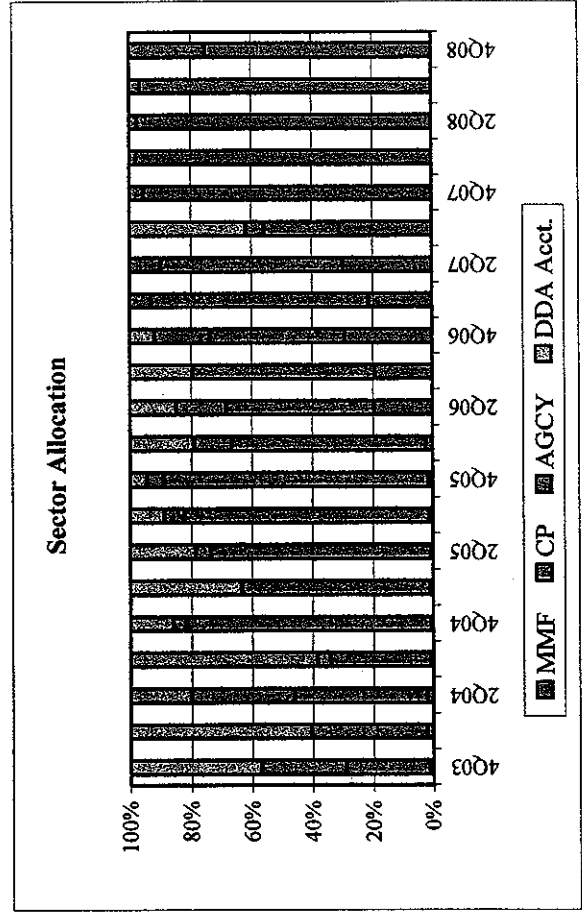
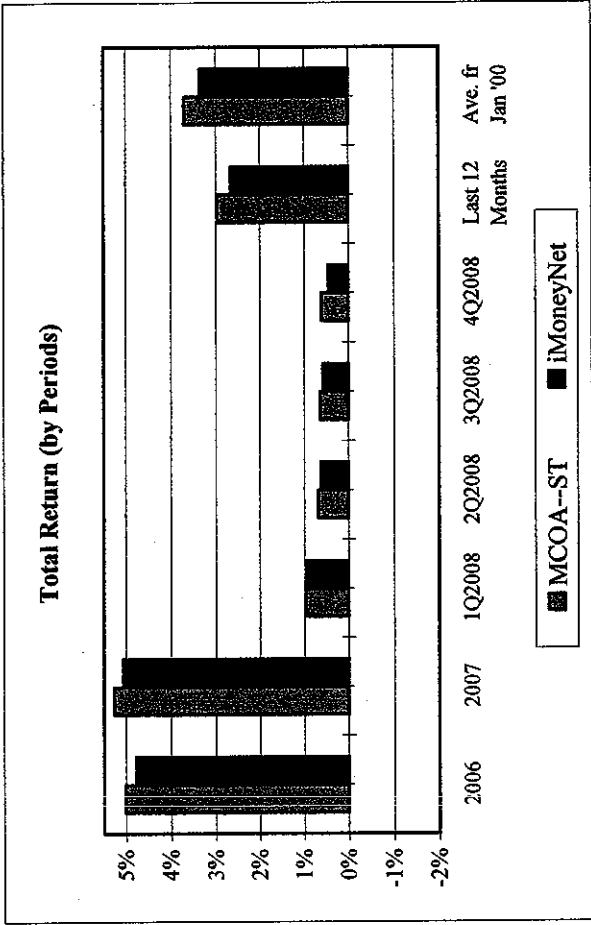
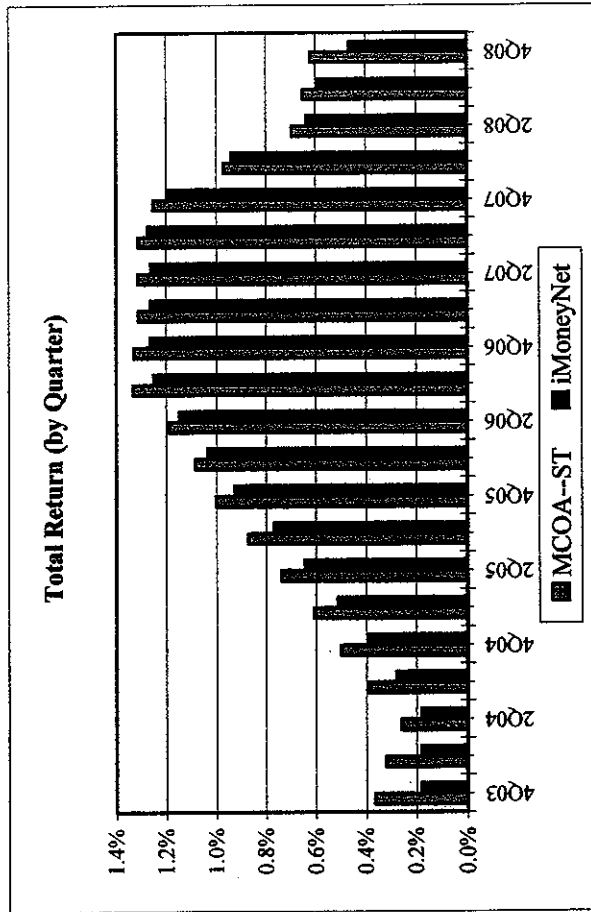
Total Return:

<u>Current Quarter, Council</u>	0.62%	n.a.	2.39%	0.72%	n.a.	0.07%	-20.82%
Index	0.47%	n.a.	6.75%	0.72%	n.a.	0.07%	-21.94%
Difference	0.15%	n.a.	-4.36%	0.00%	n.a.	0.00%	1.12%
<u>Last 12 Months, Council</u>	2.97%	n.a.	5.81%	2.29%	n.a.	1.43%	-35.74%
Index	2.66%	n.a.	9.69%	2.29%	n.a.	1.43%	-37.00%
Difference	0.31%	n.a.	-3.88%	0.00%	n.a.	0.00%	1.26%
Start Date:	<u>12-31-99</u>	<u>05-01-04</u>	<u>12-31-99</u>	<u>06-30-02</u>	<u>05-01-04</u>	<u>03-31-01</u>	<u>07-03-06</u>
<u>Ave. Annual Rtn., Council</u>	3.71%	n.a.	5.74%	1.92%	n.a.	2.75%	-9.78%
Index	3.36%	n.a.	5.98%	1.92%	n.a.	2.75%	-8.36%
Difference	0.34%	n.a.	-0.24%	0.00%	n.a.	0.00%	-1.42%

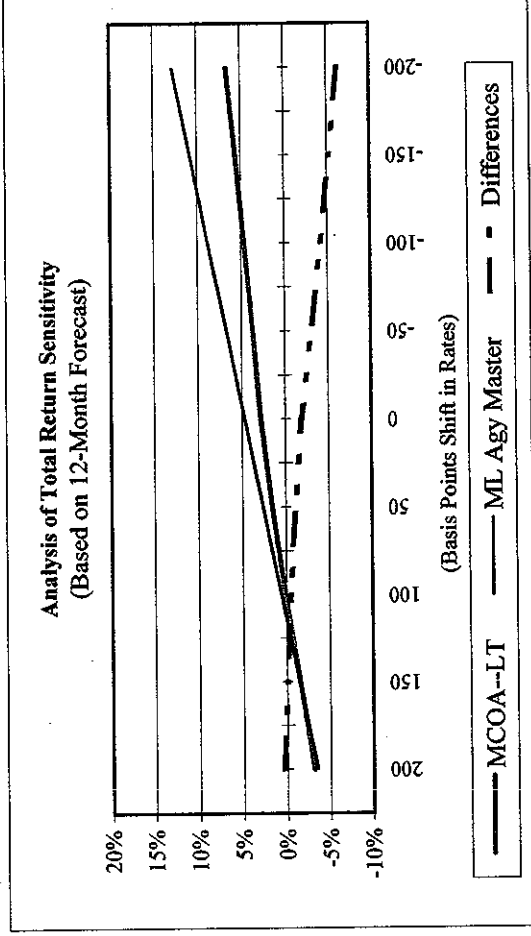
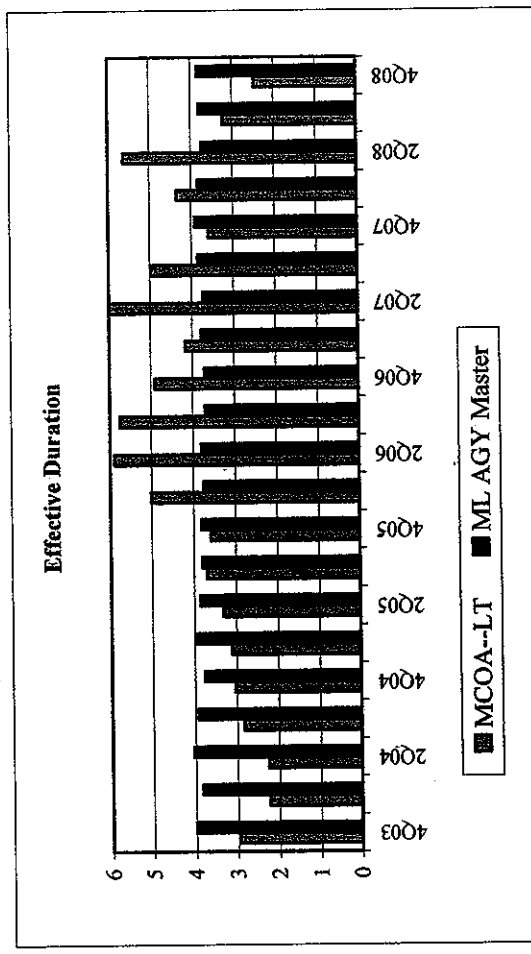
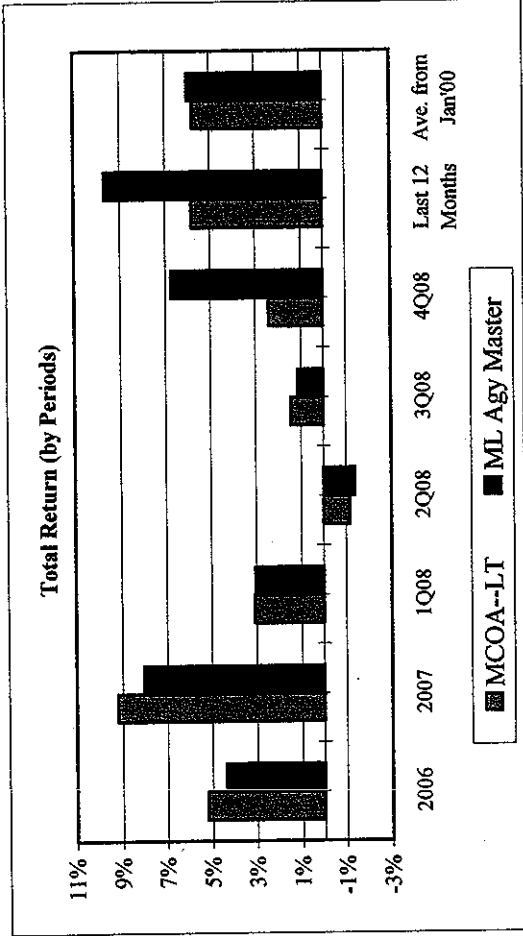
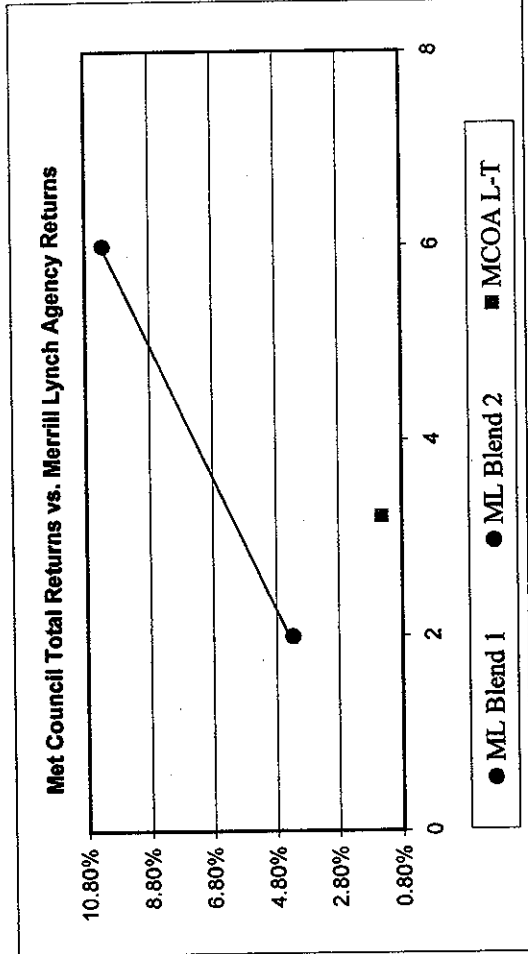
METROPOLITAN COUNCIL—Investment Review Committee
 Historic Statistics—All Portfolios
 December 31, 2008

Account Group	1Q06	2Q06	3Q06	4Q06	1Q07	2Q07	3Q07	4Q07	1Q08	2Q08	3Q08	3Q08
Total Return(%):												
MCOA-Taxable, ST	1.09%	1.19%	1.33%	1.33%	1.31%	1.31%	1.31%	1.25%	0.97%	0.70%	0.65%	0.62%
MCOA-Taxable, Margin, w/Cash	1.16%	1.67%	1.61%	0.72%	0.73%	1.28%	1.39%	1.63%	1.69%	2.19%	1.74%	0.11%
MCOA-Taxable, LT	-0.34%	-0.67%	4.98%	1.23%	1.94%	-0.72%	3.94%	3.82%	3.08%	-1.17%	1.44%	2.39%
MCOA-Taxable Combined	0.23%	-0.17%	4.04%	1.24%	1.75%	-0.23%	3.22%	2.92%	1.74%	0.03	1.12	1.69
MCOA-Tax Exempt, ST	0.64%	0.76%	0.78%	0.81%	0.78%	0.83%	0.76%	0.72%	0.65%	0.54%	0.37%	0.72%
HUD-Savings Acct.	1.09%	1.20%	1.32%	1.31%	1.29%	1.30%	1.31%	1.12%	0.70%	0.34%	0.31%	0.07%
OPEB @ MN SBI	n.a.	n.a.	7.54%	6.08%	0.61%	6.04%	2.09%	-3.16%	-9.15%	-2.77%	-8.13%	-20.82%
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.	n.a.
Effective Duration (Yrs):												
MCOA-Taxable, ST	0.15	0.13	0.04	0.12	0.33	0.21	0.04	0.05	0.02	0.02	0.01	0.01
MCOA-Taxable, Margin, w/Cash	0.24	0.22	0.45	0.74	0.26	0.38	0.28	0.11	0.04	0.02	-	-
MCOA-Taxable, LT	5.01	5.90	5.76	4.90	4.16	5.99	4.98	3.58	4.34	5.63	3.22	2.47
MCOA-Taxable Combined	3.59	4.61	4.61	4.29	3.21	4.88	3.59	2.33	1.55	2.20	1.80	1.51
MCOA-Tax Exempt, ST	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
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	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.	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.	n.a.
Ave. Maturity (Yrs):												
MCOA-Taxable, ST	0.13	0.08	0.04	0.12	0.33	0.21	0.04	0.04	0.03	0.02	0.01	0.01
MCOA-Taxable, Margin, w/Cash	0.25	0.18	0.45	0.77	0.26	0.40	0.29	0.30	0.17	0.01	0.00	0.00
MCOA-Taxable, LT	10.79	11.60	11.46	10.65	10.96	12.08	10.84	7.82	4.58	5.03	6.71	8.07
MCOA-Taxable Combined	7.76	9.11	9.18	9.41	8.36	9.79	7.82	5.08	4.60	5.05	3.75	4.92
MCOA-Tax Exempt, ST	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
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	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.	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.	n.a.
Orly Earnings (\$millions):												
MCOA-Taxable, ST	\$ 1.5	\$ 0.9	\$ 1.0	\$ 0.6	\$ 0.9	\$ 0.9	\$ 1.0	\$ 1.1	\$ 1.1	\$ 1.4	\$ 1.4	\$ 0.9
MCOA-Taxable, Margin, w/Cash	0.1	0.1	0.1	-	0.1	0.1	0.0	0.0	0.1	0.1	0.0	0.0
MCOA-Taxable, LT	(0.7)	(1.5)	11.7	2.7	3.7	(1.7)	8.5	7.9	7.3	(2.8)	2.2	4.0
MCOA-Taxable Combined	\$ 0.9	\$ (0.5)	\$ 12.8	\$ 3.3	\$ 4.6	\$ (0.7)	\$ 9.5	\$ 9.0	\$ 8.5	\$ (1.3)	\$ 3.6	\$ 4.9
MT Futures Contracts, Realized	0.4	0.9	0.6	(0.5)	(0.8)	(0.3)	0.03	0.60	1.4	3.3	2.4	(1.2)
MT Futures Contracts, Unrealized	0.7	0.6	(3.9)	(1.3)	2.5	0.4	0.5	3.0	2.9	13.2	(16.3)	(17.5)
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	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	0.0
OPEB @ MN SBI	n.a.	n.a.	0.6	2.5	0.3	3.6	1.4	(2.2)	(6.4)	(2.2)	(5.7)	(13.2)
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.	n.a.
Aggregate (Less Combined)	\$ 2.0	\$ 1.0	\$ 10.1	\$ 4.0	\$ 6.6	\$ 3.2	\$ 11.5	\$ 10.4	\$ 6.4	\$ 13.0	\$ (16.0)	\$ (27.0)
Investment Balances (MV, \$millions):												
MCOA-Taxable, ST	\$ 80.6	\$ 60.9	\$ 58.1	\$ 27.0	\$ 68.4	\$ 49.2	\$ 80.1	\$ 105.3	\$ 214.0	\$ 194.0	\$ 138.4	\$ 121.0
MCOA-Taxable, Margin, w/Cash	6.4	6.2	4.6	6.1	6.5	3.6	3.3	6.7	12.0	13.0	8.4	5.0
MCOA-Taxable, LT	211.3	232.5	239.3	219.3	228.5	220.7	212.1	204.5	123.0	132.0	185.4	196.2
MCOA-Taxable Combined	298.3	299.6	302.0	252.4	303.4	273.4	295.5	316.5	349.0	339.0	332.2	322.2
MCOA-Tax Exempt, ST	0.0	-	-	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
HUD-Savings Acct.	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OPEB @ MN SBI	n.a.	n.a.	16.5	53.0	58.0	64.9	68.4	67.5	63.2	64.0	60.0	49.3
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.	n.a.
Aggregate (Less Combined)	\$ 298.4	\$ 299.7	\$ 318.6	\$ 309.4	\$ 361.4	\$ 338.3	\$ 363.9	\$ 384.0	\$ 412.2	\$ 403.0	\$ 392.2	\$ 371.5
Market Yield (%):												
MCOA-Taxable, ST	4.81%	5.34%	5.33%	6.61%	5.31%	5.34%	5.10%	4.92%	3.25%	2.69%	2.34%	1.66%
MCOA-Taxable, Margin, w/Cash	4.40%	4.68%	4.48%	4.90%	4.92%	4.98%	4.92%	4.44%	3.05%	2.37%	2.16%	1.50%
MCOA-Taxable, LT	5.27%	5.61%	5.28%	5.32%	5.24%	5.55%	5.18%	4.69%	4.35%	5.11%	4.33%	3.02%
MCOA-Taxable Combined	5.13%	5.54%	5.28%	5.31%	5.25%	4.99%	4.16%	4.76%	3.63%	3.62%	3.45%	2.49%
MCOA-Tax Exempt, ST	2.68%	3.22%	3.15%	3.25%	3.22%	3.33%	3.34%	3.34%	2.12%	1.80%	1.51%	1.61%
HUD-Savings Acct.	4.49%	4.97%	5.21%	5.22%	5.21%	5.21%	4.93%	4.93%	2.14%	1.25%	1.25%	0.05%
OPEB @ MN SBI	n.a.	n.a.	1.88%	2.18%	2.42%	2.23%	2.56%	2.56%	2.05%	2.31%	2.23%	1.96%
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.	n.a.
Book Yield (%):												
MCOA-Taxable, ST	4.57%	4.97%	5.30%	5.39%	5.28%	5.27%	5.11%	4.86%	3.26%	2.69%	2.36%	2.09%
MCOA-Taxable, Margin, w/Cash	4.40%	4.68%	4.48%	4.50%	4.92%	4.97%	4.89%	4.50%	3.05%	2.37%	2.16%	1.50%
MCOA-Taxable, LT	5.15%	5.44%	5.45%	5.41%	5.48%	5.59%	5.64%	5.64%	6.17%	5.11%	4.60%	4.59%
MCOA-Taxable Combined	4.98%	5.33%	5.41%	5.39%	5.42%	5.53%	5.49%	5.36%	4.00%	3.93%	3.61%	3.60%
MCOA-Tax Exempt, ST	2.68%	3.22%	3.15%	3.25%	3.22%	3.33%	3.34%	2.99%	2.12%	1.80%	1.51%	1.61%
HUD-Savings Acct.	4.49%	4.97%	5.21%	5.22%	5.21%	5.21%	4.93%	4.16%	2.14%	1.25%	1.25%	0.07%
OPEB @ MN SBI	n.a.	n.a.	1.88%	2.18%	2.42%	2.23%	2.56%	2.67%	2.05%	2.31%	2.23%	1.96%
ES-SAC-Taxable	n.a.	n.a.	n.a.	na.	na.	na.	na.	na.	na.	na.	na.	na.

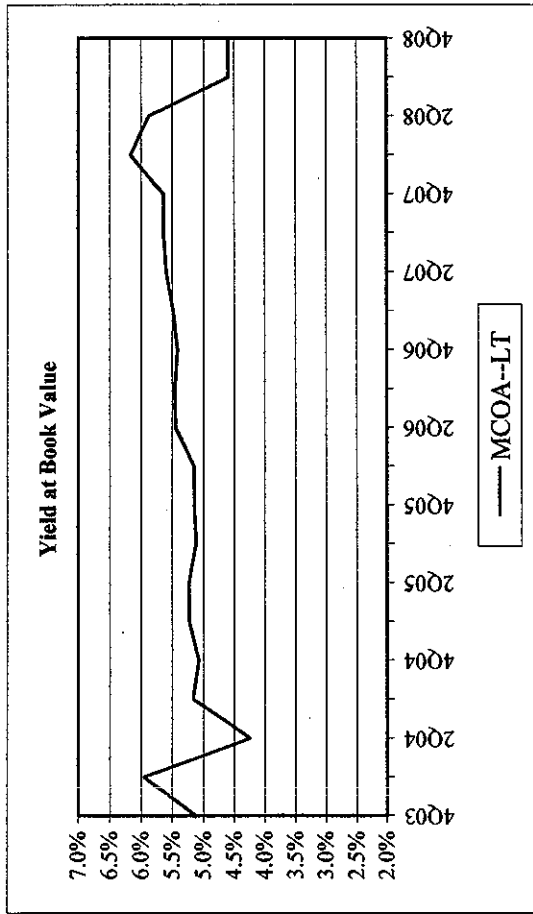
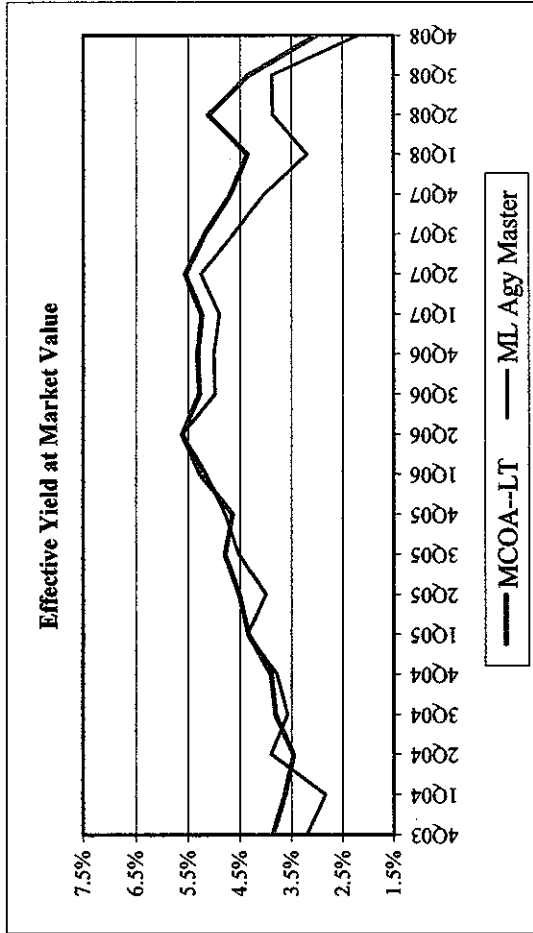
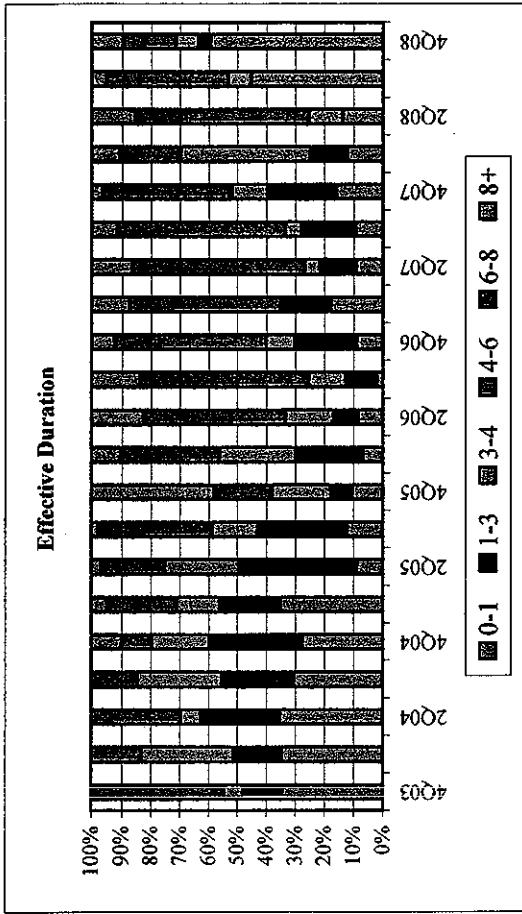
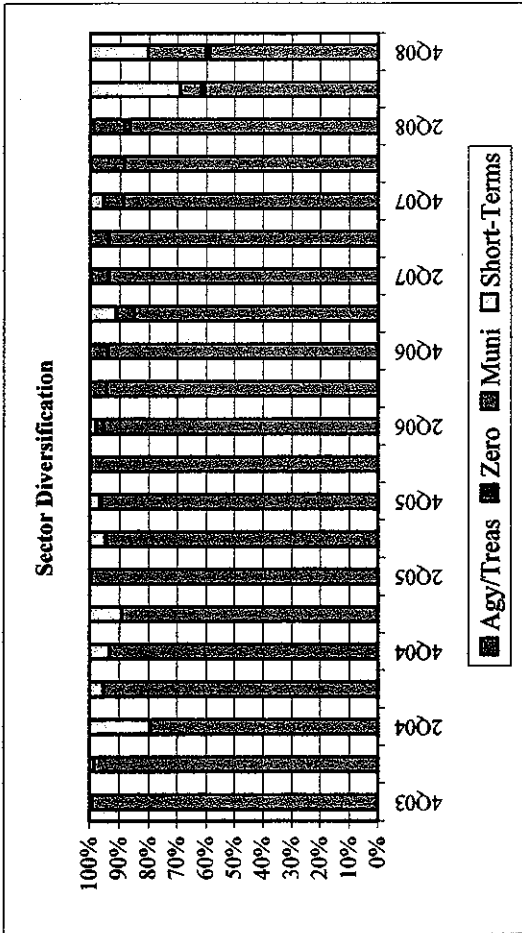
METROPOLITAN COUNCIL--Investments
Operating Account--Short-Term Investments, (Analysis of Returns and Diversification)
 December 31, 2008



METROPOLITAN COUNCIL--Investments
Operating Account--Long Term Investments. (Analysis of Returns)
 December 31, 2008

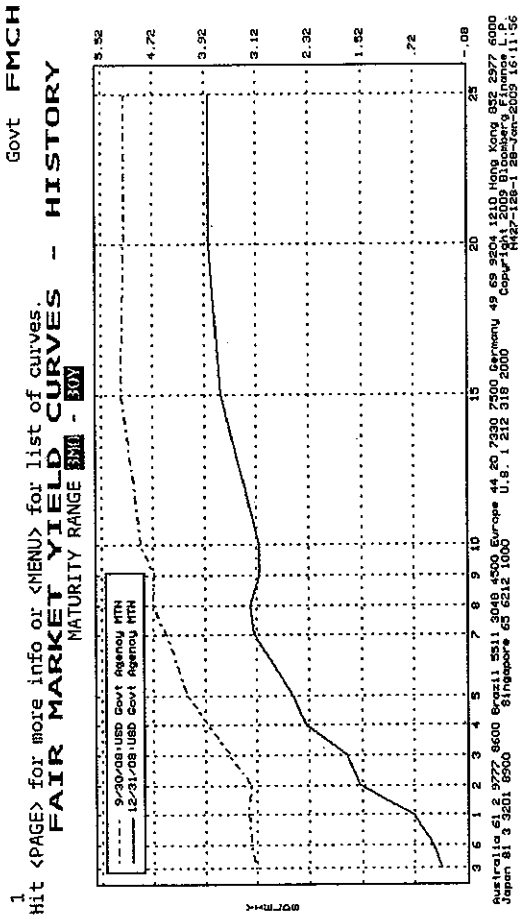


METROPOLITAN COUNCIL--Investments
 Operating Account--Long Term Investments. (Selected Data)
 December 31, 2008

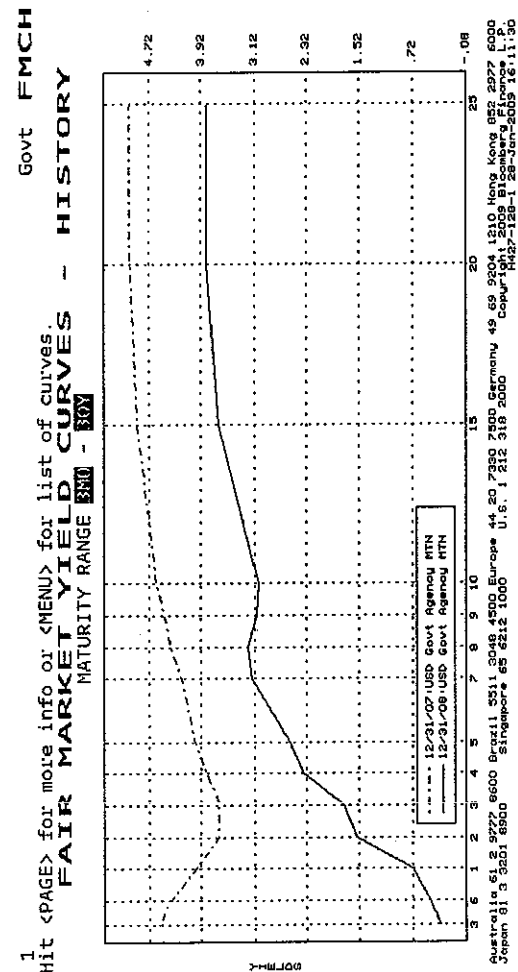


METROPOLITAN COUNCIL—Investment Review Committee
U.S. Agency & Treasury Charts
 December 31, 2008

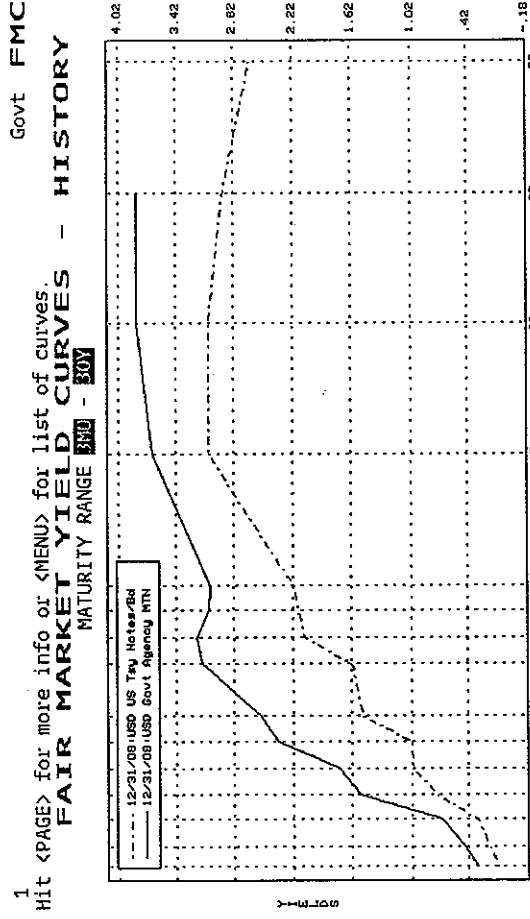
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FAIR MARKET YIELD CURVES - HISTORY
 MATURITY RANGE 300 - 30Y



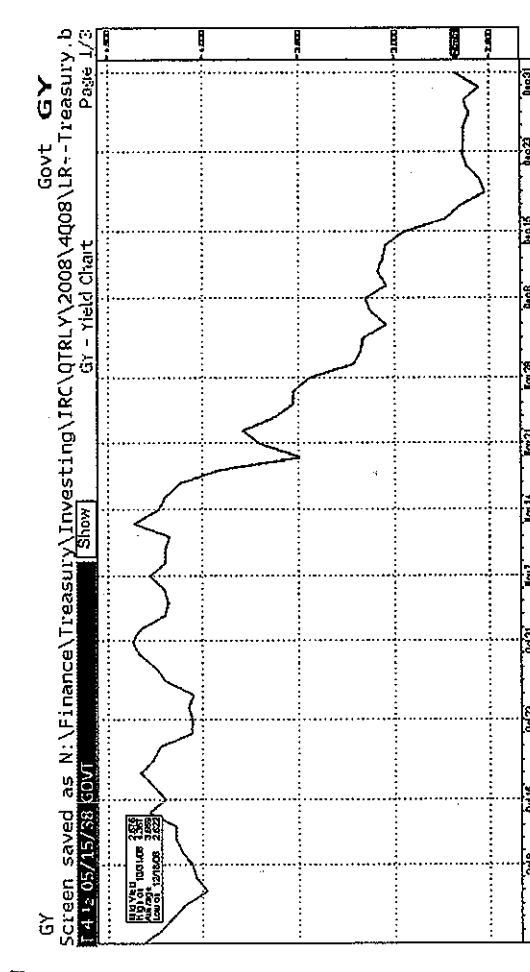
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FAIR MARKET YIELD CURVES - HISTORY
 MATURITY RANGE 300 - 30Y



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FAIR MARKET YIELD CURVES - HISTORY
 MATURITY RANGE 300 - 30Y



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FAIR MARKET YIELD CURVES - HISTORY
 MATURITY RANGE 300 - 30Y

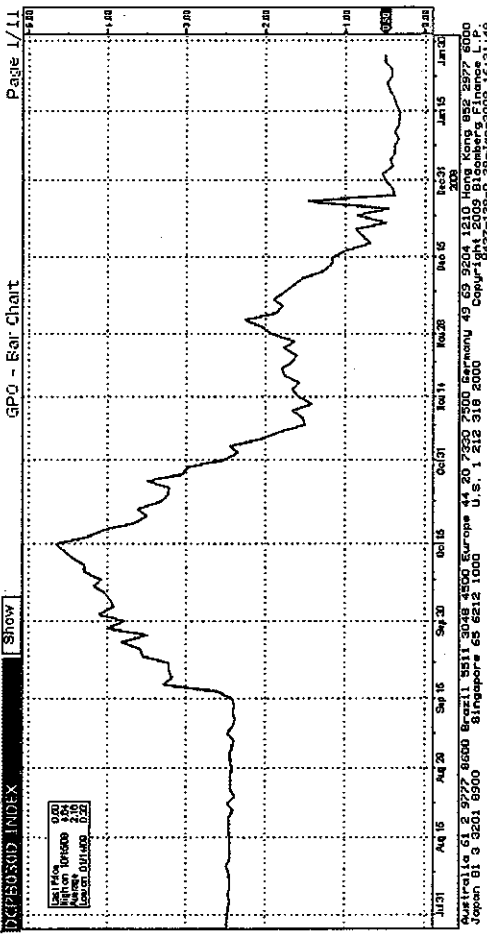


METROPOLITAN COUNCIL—Investment Review Committee
OPEB and Hedging Reference Charts
 December 31, 2008

30 Day Commercial Paper History

DCPB030D 1.50 unch

At 07.46 Op .50 Hi .50 Lo .50

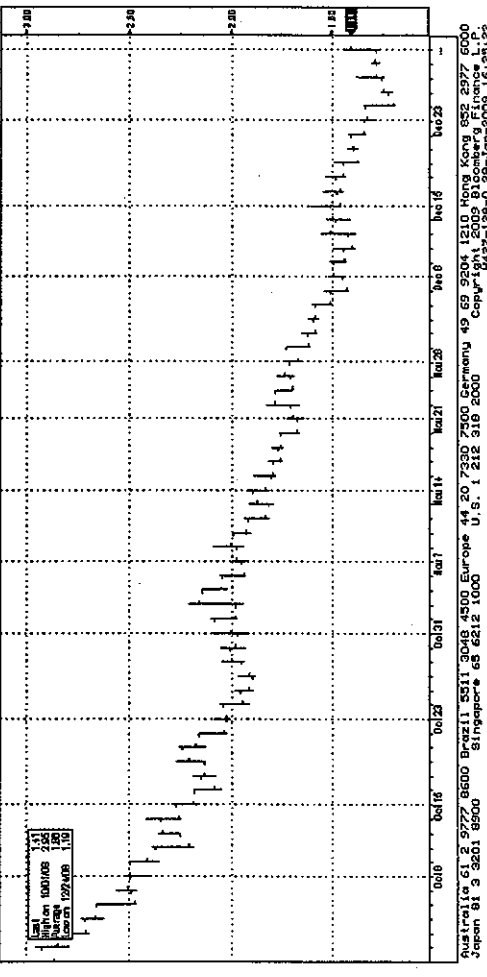


Heating Oil, Futures Contract for December, 2008

H01 142.56 +5.11

At 15:47 Vol 8,071 Op 138.40

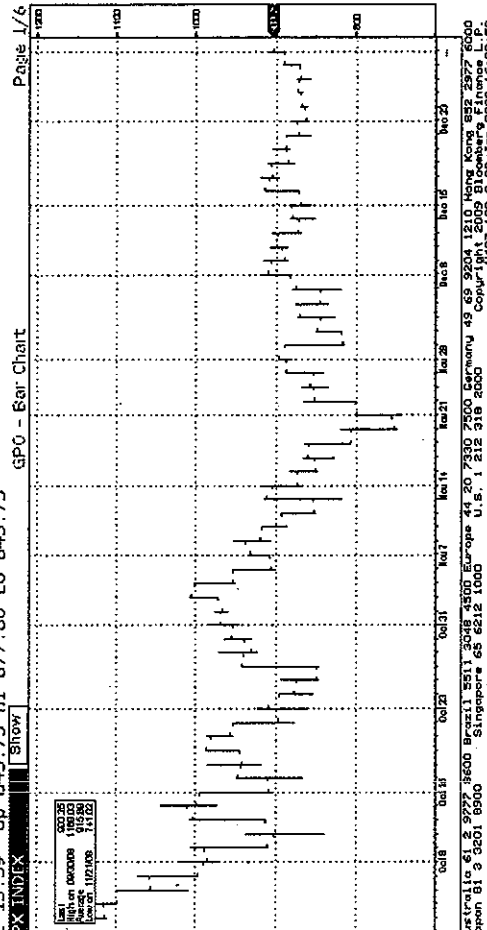
Hi 146.00 Lo 138.09 Prev 137.45



S & P 500 Stock Index

SPX 1874.09 +28.38

At 15:59 Op 845.73 Hi 877.86 Lo 845.73

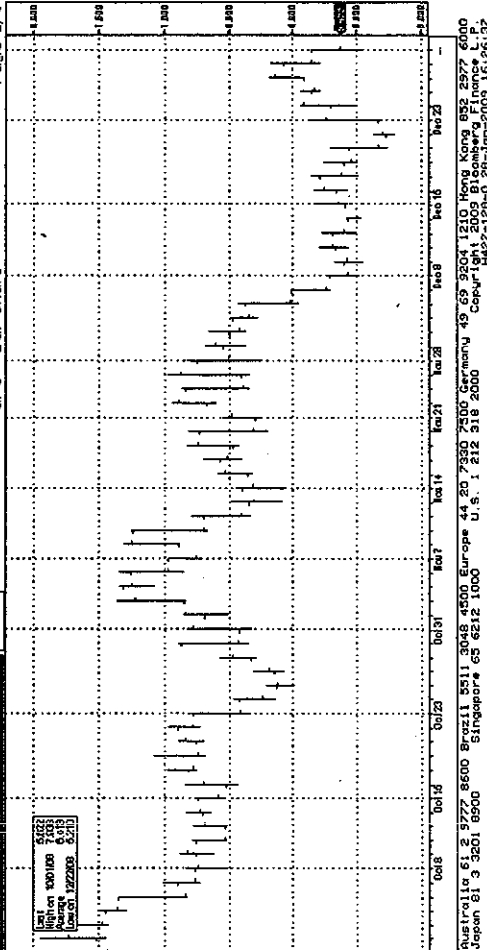


Natural Gas, Futures Contract for December, 2008

NG1 4.4765 -.027

At 15:47 Vol 15,588 Op 4.512

Hi 4.665 Lo 4.410 OpInt 11.136y



Full year to full year
percent change,
unless otherwise indicated

Quarterly percent change, unless otherwise indicated

	2007		2008				2009				2007	2008	2009
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2007	2008	2009
<i>Growth indicators</i>													
GDP	4.8	-0.2	0.9	2.8	-0.5	-4.1	-2.8	-0.9	0.1	1.1	2.0	1.3	-1.5
Final sales	4.0	0.8	0.9	1.4	-1.4	-4.7	-3.8	-0.6	0.8	1.3	2.4	1.5	-1.7
Consumer spending	2.0	1.0	0.9	1.2	-3.7	-4.0	-2.0	-1.0	1.2	1.5	2.8	0.3	-1.6
Fixed investment	-0.9	-6.2	-5.6	-1.7	-5.6	-15.0	-17.4	-9.7	-2.7	1.2	-3.1	-4.5	-10.3
Nonresidential	8.7	3.4	2.4	2.5	-1.5	-13.5	-18.8	-10.8	-3.5	1.2	4.9	2.3	-9.9
Structures	20.6	8.6	8.7	18.4	6.6	-10.0	-20.0	-18.0	-10.0	0.0	12.7	10.8	-10.2
Equipment	3.6	1.0	-0.5	-5.0	-5.6	-15.0	-20.0	-10.0	-3.0	0.0	1.7	-1.8	-11.4
Residential	-20.6	-27.0	-25.0	-13.3	-17.6	-15.0	-5.0	0.0	5.0	5.0	17.9	-20.5	-6.6
Inventory investment (\$bn)	16.0	-8.1	10.2	-50.6	-29.1	-10.0	20.0	10.0	-10.0	-15.0	-2.5	-25.0	1.3
Foreign trade (\$bn)	-511.8	-484.5	-462.0	-381.3	-352.3	-352.9	-373.6	-383.3	-388.9	-399.9	-546.5	-387.1	-386.4
Government spending	3.8	0.8	1.9	3.9	5.3	2.0	5.0	10.0	2.0	2.0	2.1	2.9	4.8
Treasury budget (fiscal yr, \$bn)	117.5	-61.8	-106.3	-225.9	-26.9	-188.9	-373.3	-259.5	122.4	-153.9	-161.5	-454.7	-665
Housing starts, (mn of units)	1.30	1.12	1.11	1.03	0.88	0.77	0.75	0.77	0.80	0.82	1.34	0.95	0.78
Unemployment rate (end of qtr)	4.7	5.0	5.1	5.5	6.1	6.9	7.6	7.8	8.1	8.4	5.0	6.7	8.4
<i>Inflation indicators (quarter on previous yr's same quarter, at an annual rate. Annual figures are Dec. change from prior Dec.)</i>													
PCE	2.1	3.4	3.5	3.7	4.4	2.4	0.9	-0.3	-1.4	0.1	3.5	1.7	0.6
Core PCE	1.9	2.1	2.0	2.3	2.5	2.4	2.1	1.7	1.1	0.9	2.3	2.3	0.9
PPI	3.7	6.5	6.9	7.6	9.4	7.0	4.2	1.3	-2.1	-3.5	6.2	6.8	-3.7
Core PPI	2.2	2.2	2.4	3.0	3.7	3.5	3.2	2.0	1.1	0.5	2.0	3.4	0.4
<i>Interest rates: end of period</i>													
Federal funds rate	4.75	4.25	2.00	2.00	2.00	0.50	0.25	0.25	0.25	0.25	4.25	0.50	0.25
3-month LIBOR	5.23	4.70	2.69	2.78	4.05	1.90	1.50	1.38	1.20	0.85	4.70	1.90	0.85
3-mo Treasury bills	3.82	3.36	1.38	1.90	0.92	0.01	0.01	0.01	0.15	0.25	3.36	0.01	0.25
2-yr Treasury notes	3.97	3.05	1.62	2.63	2.00	0.85	0.60	0.50	0.55	0.40	3.05	0.85	0.40
5-yr Treasury notes	4.23	3.45	2.46	3.34	2.98	1.45	1.30	1.35	1.40	1.20	3.45	1.45	1.20
10-yr Treasury notes	4.59	4.04	3.45	3.99	3.85	2.50	2.05	2.15	2.25	1.95	4.04	2.50	1.95
Fed primary credit (discount rate)	5.25	4.75	2.50	2.25	2.25	0.75	0.50	0.50	0.50	0.50	4.75	0.75	0.50
Prime bank rate	7.75	7.25	5.00	5.00	5.00	3.50	3.25	3.25	3.25	3.25	7.25	3.50	3.25
Avg. fixed mortgage rate	6.42	6.07	5.85	6.67	6.10	5.25	4.55	4.40	4.50	4.20	6.07	5.25	4.20

Actual values in blue italics.

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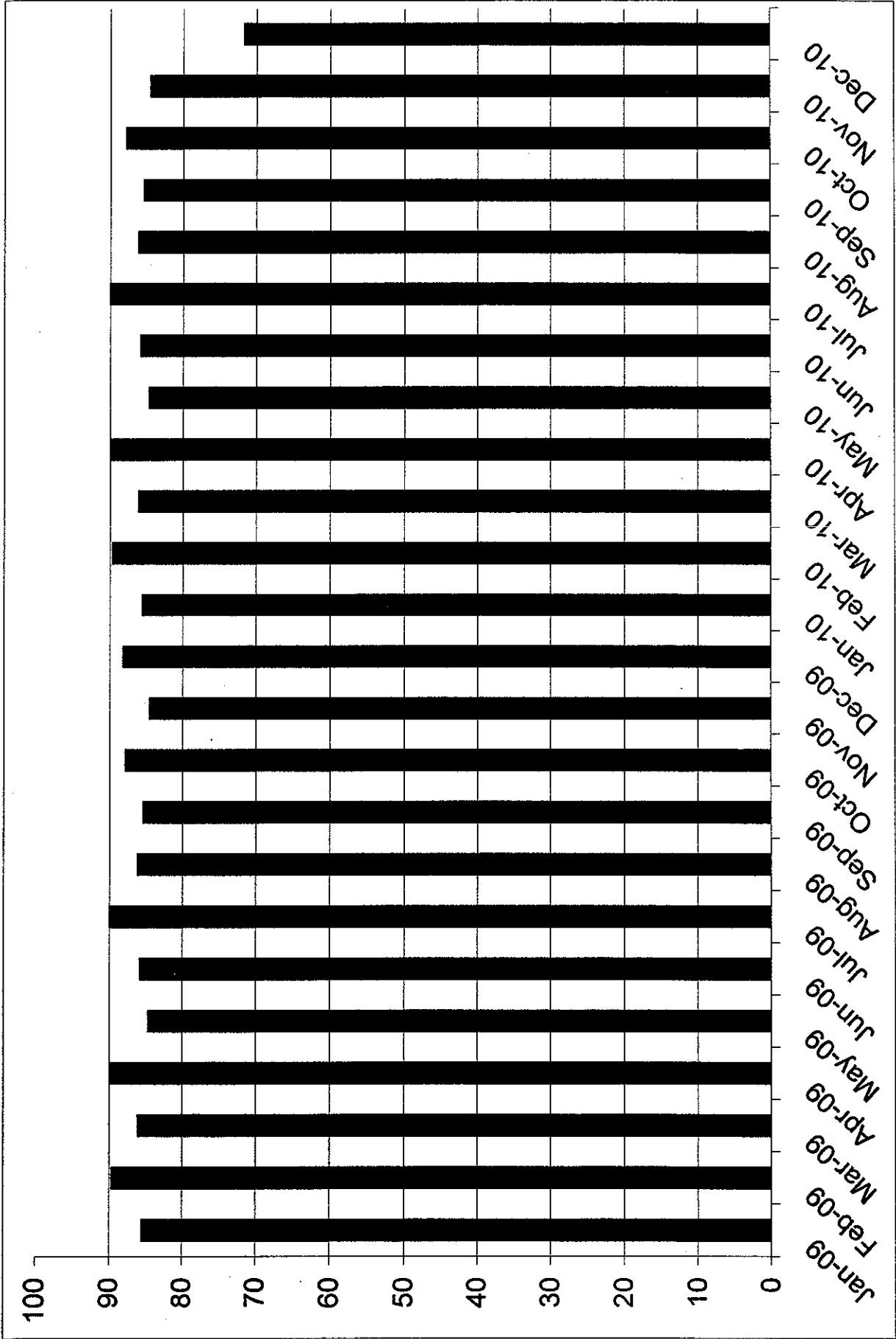
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METROPOLITAN COUNCIL--Prospective Analysis (Futures Contracts)

Monthly Percentage Hedged Snapshot

Diesel (Heating Oil)

December 31, 2008

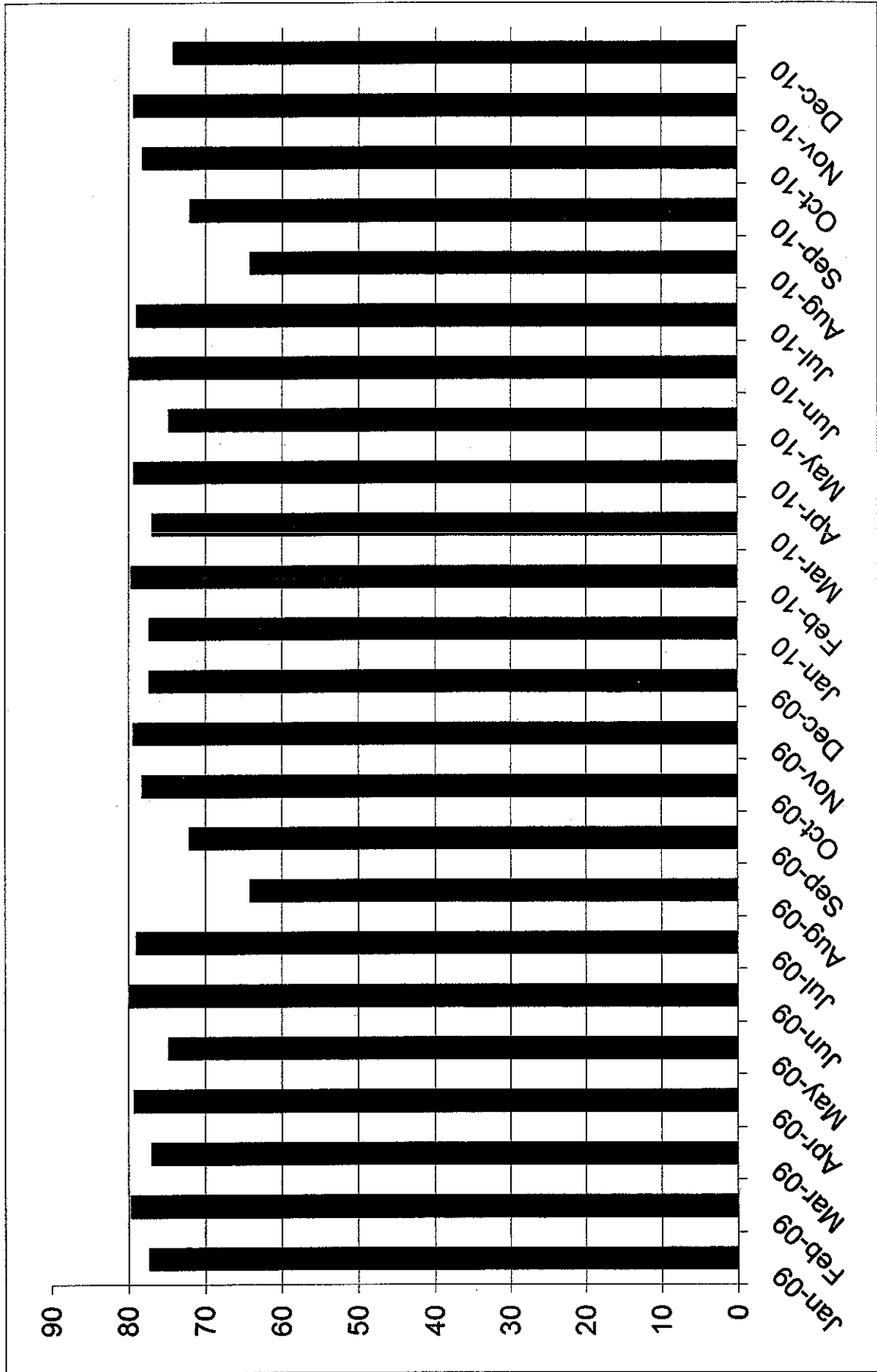


METROPOLITAN COUNCIL--Prospective Analysis (Futures Contracts)

Monthly Percentage Hedged Snapshot

Natural Gas

December 31, 2008



METROPOLITAN COUNCIL

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

005B-EOM, Aggregate Portfolio
Portfolio Management
Portfolio Summary
December 31, 2008

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM
Money Market Fund, LA1 Type	129,232,101.95	129,232,101.95	129,232,101.95	32.59	1	1	1.498
Treasuries--Discount	5,000,000.00	4,998,977.78	4,991,338.63	1.26	182	91	1.501
U.S. Agencies--Coupon	118,790,000.00	119,226,761.80	118,771,260.51	29.96	2,385	1,819	4.404
Municipals--Coupon	39,520,000.00	39,320,294.35	39,477,648.05	9.96	6,045	5,689	6.062
Zero Coupon Bonds	6,000,000.00	2,630,340.00	2,959,841.40	0.75	4,457	4,366	6.000
Agencies--Act/Act.	25,000,000.00	25,000,000.00	25,000,000.00	6.31	5,479	5,256	7.450
Managed Pool Accounts--2	72,833,059.92	49,257,741.19	72,833,059.92	18.37	1	1	1.956
Special Holdings	3,233,454.00	1,746,065.16	3,233,454.00	0.82	353	113	0.396
Investments	399,608,615.87	371,412,282.23	396,488,704.46	100.00%	1,701	1,478	3.307

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM
Cash and Accrued Interest							
Passbook/Checking (not included in yield calculations)	20,191,620.05	20,191,620.05	20,191,620.05		1	1	0.000
Accrued Interest at Purchase		323,952.66	323,952.66				
Ending Accrued Interest		2,196,399.93	2,196,399.93				
Subtotal		22,711,972.64	22,711,972.64				
Total Cash and Investments Value	419,800,235.92	394,124,254.87	419,200,677.10		1,701	1,478	3.307

Total Earnings	December 31 Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	1,627,476.68	18,605,706.17	18,605,706.17

Allen Hoppe, Manager, Treasury

005B-EOM, Aggregate Portfolio
Portfolio Management
Portfolio Details - Investments
December 31, 2008

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		0.00	0.00	0.00	0.050	1	1	0.050	
				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		838,323.10	838,323.10	838,323.10	0.850	1	1	0.850	
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		85,876,317.46	85,876,317.46	85,876,317.46	1.760	1	1	1.760	
A=11211422-TE	1886	Federated		72,357.64	72,357.64	72,357.64	1.610	1	1	1.610	
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		5,056.83	5,056.83	5,056.83	0.090	1	1	0.090	
SYS2874	2874	Goldman Sachs Government Fund	12/31/2008	1,000,000.00	1,000,000.00	1,000,000.00	0.940	1	1	0.940	
SYS2875	2875	Goldman Sachs Government Fund	12/31/2008	31,000,000.00	31,000,000.00	31,000,000.00	0.940	1	1	0.940	
A=766004008	2487	Morgan Stanley		3,115,657.42	3,115,657.42	3,115,657.42	0.650	1	1	0.650	
A=104756184180	2083	U.S. Bank		3,742.00	3,742.00	3,742.00	0.050	1	1	0.050	
SYS2384	2384	Voyageurs Tamarrack 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	1.300	1	1	1.300	
A-LT=CUST=WELLS	2709	Wells Fargo--Sweep		7,320,647.50	7,320,647.50	7,320,647.50	1.300	1	1	1.300	
W-LT SEC. LENDG	2711	Wells Fargo--Sweep		0.00	0.00	0.00	0.00	1	1	0.000	
W-ST SEC. LENDG	2712	Wells Fargo--Sweep	01/01/2008	0.00	0.00	0.00	0.00	1	1	0.000	
				Subtotal and Average	129,232,101.95	129,232,101.95	1.490	182	91	1.501	04/02/2009
Treasuries--Discount											
912795L25	2842	U.S. TREASURY	10/02/2008	5,000,000.00	4,998,977.78	4,981,338.63	1.490	182	91	1.501	04/02/2009
				Subtotal and Average	4,998,977.78	4,981,338.63		182	91	1.501	
U.S. Agencies--Coupon											
3133XSEX2	2833	Fed. Home Loan Bank	10/01/2008	10,000,000.00	10,008,400.00	10,000,000.00	3.250	106	14	3.250	01/15/2009
3133XSEX2	2834	Fed. Home Loan Bank	10/01/2008	10,000,000.00	10,009,400.00	10,000,000.00	3.250	106	14	3.250	01/15/2009
3133XSEN4	2832	Fed. Home Loan Bank	10/02/2008	10,000,000.00	10,025,000.00	10,000,000.00	3.350	123	32	3.350	02/02/2009
3133XSEN4	2835	Fed. Home Loan Bank	10/02/2008	10,000,000.00	10,025,000.00	10,000,000.00	3.350	123	32	3.350	02/02/2009
3133XSEQ7	2838	Fed. Home Loan Bank	10/02/2008	10,000,000.00	10,078,100.00	10,000,000.00	3.400	182	91	3.400	04/02/2009
3133XSBW7	2824	Fed. Home Loan Bank	10/02/2008	10,000,000.00	10,000,000.00	10,000,000.00	3.200	365	274	3.200	10/02/2009
3133XSF29	2836	Fed. Home Loan Bank	10/15/2008	5,000,000.00	5,120,300.00	5,000,000.00	4.050	1,643	1,565	4.050	04/15/2013
3128X7588	2823	Fed. Home Loan Mgt. Corp.	09/17/2008	5,000,000.00	5,014,950.00	5,000,000.00	4.500	1,783	1,677	4.499	08/05/2013
3128X2K46	2518	Fed. Home Loan Mgt. Corp.	06/30/2005	20,000,000.00	20,131,200.00	20,166,007.10	6.200	4,996	3,715	5.085	03/05/2019

CUSIP	Investment #	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM	Maturity Date
U.S. Agencies--Coupon											
3133XSEX2	2833	Fed. Home Loan Bank	10/01/2008	10,000,000.00	10,008,400.00	10,000,000.00	3.250	106	14	3.250	01/15/2009
3133XSEX2	2834	Fed. Home Loan Bank	10/01/2008	10,000,000.00	10,009,400.00	10,000,000.00	3.250	106	14	3.250	01/15/2009
3133XSEN4	2832	Fed. Home Loan Bank	10/02/2008	10,000,000.00	10,025,000.00	10,000,000.00	3.350	123	32	3.350	02/02/2009
3133XSEN4	2835	Fed. Home Loan Bank	10/02/2008	10,000,000.00	10,025,000.00	10,000,000.00	3.350	123	32	3.350	02/02/2009
3133XSEQ7	2838	Fed. Home Loan Bank	10/02/2008	10,000,000.00	10,078,100.00	10,000,000.00	3.400	182	91	3.400	04/02/2009
3133XSBW7	2824	Fed. Home Loan Bank	10/02/2008	10,000,000.00	10,000,000.00	10,000,000.00	3.200	365	274	3.200	10/02/2009
3133XSF29	2836	Fed. Home Loan Bank	10/15/2008	5,000,000.00	5,120,300.00	5,000,000.00	4.050	1,643	1,565	4.050	04/15/2013
3128X7588	2823	Fed. Home Loan Mgt. Corp.	09/17/2008	5,000,000.00	5,014,950.00	5,000,000.00	4.500	1,783	1,677	4.499	08/05/2013
3128X2K46	2518	Fed. Home Loan Mgt. Corp.	06/30/2005	20,000,000.00	20,131,200.00	20,166,007.10	6.200	4,996	3,715	5.085	03/05/2019

CUSIP	Investment #	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM	Maturity Date
Treasuries--Discount											
912795L25	2842	U.S. TREASURY	10/02/2008	5,000,000.00	4,998,977.78	4,981,338.63	1.490	182	91	1.501	04/02/2009
				Subtotal and Average	4,998,977.78	4,981,338.63		182	91	1.501	
U.S. Agencies--Coupon											
3133XSEX2	2833	Fed. Home Loan Bank	10/01/2008	10,000,000.00	10,008,400.00	10,000,000.00	3.250	106	14	3.250	01/15/2009
3133XSEX2	2834	Fed. Home Loan Bank	10/01/2008	10,000,000.00	10,009,400.00	10,000,000.00	3.250	106	14	3.250	01/15/2009
3133XSEN4	2832	Fed. Home Loan Bank	10/02/2008	10,000,000.00	10,025,000.00	10,000,000.00	3.350	123	32	3.350	02/02/2009
3133XSEN4	2835	Fed. Home Loan Bank	10/02/2008	10,000,000.00	10,025,000.00	10,000,000.00	3.350	123	32	3.350	02/02/2009
3133XSEQ7	2838	Fed. Home Loan Bank	10/02/2008	10,000,000.00	10,078,100.00	10,000,000.00	3.400	182	91	3.400	04/02/2009
3133XSBW7	2824	Fed. Home Loan Bank	10/02/2008	10,000,000.00	10,000,000.00	10,000,000.00	3.200	365	274	3.200	10/02/2009
3133XSF29	2836	Fed. Home Loan Bank	10/15/2008	5,000,000.00	5,120,300.00	5,000,000.00	4.050	1,643	1,565	4.050	04/15/2013
3128X7588	2823	Fed. Home Loan Mgt. Corp.	09/17/2008	5,000,000.00	5,014,950.00	5,000,000.00	4.500	1,783	1,677	4.499	08/05/2013
3128X2K46	2518	Fed. Home Loan Mgt. Corp.	06/30/2005	20,000,000.00	20,131,200.00	20,166,007.10	6.200	4,996	3,715	5.085	03/05/2019

005B-EOM, Aggregate Portfolio
Portfolio Management
Portfolio Details - Investments
December 31, 2008

CUSIP	Investment #	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM	Maturity Date
U.S. Agencies--Coupon											
3128X2K46	2633	Fed. Home Loan Mgt. Corp.	08/09/2006	5,000,000.00	5,032,800.00	4,816,233.32	5.200	4,591	3,715	5.711	03/05/2019
3128X2GG4	2353-S	Fed. Home Loan Mgt. Corp.	12/30/2003	5,000,000.00	5,002,050.00	5,000,000.00	8.000	5,844	4,015	6.172	12/30/2019
3128X2GG4	2354-S	Fed. Home Loan Mgt. Corp.	12/30/2003	5,000,000.00	5,002,050.00	5,000,000.00	6.000	5,844	4,015	6.172	12/30/2019
3128X2GG4	2355-S-B	Fed. Home Loan Mgt. Corp.	04/01/2005	5,000,000.00	5,002,050.00	5,000,000.00	6.000	5,366	4,015	6.998	12/30/2019
18647TAA3	1882-B	U.S. GSA, COPs	04/01/2005	3,720,000.00	3,695,522.40	3,719,020.09	6.600	5,402	4,031	6.602	01/15/2020
18647TAA3	1764-B	U.S. GSA, COPs	04/01/2005	70,000.00	69,539.40	70,000.00	6.600	5,402	4,031	6.599	01/15/2020
3136F9J38	2827	Federal Nat'l Mgt. Assn.	10/16/2008	5,000,000.00	5,009,400.00	5,000,000.00	6.100	5,478	5,401	6.100	10/16/2023
Subtotal and Average				118,790,000.00	119,226,761.80	118,771,260.51		2,385	1,819	4.404	
Municipals--Coupon											
167485E49	2846	Chicago, IL G.O. Taxable	10/16/2008	3,020,000.00	3,071,158.80	3,073,060.83	5.011	807	730	4.080	01/01/2011
392843PJ5	2482-B	Green Bay School District	04/01/2005	1,000,000.00	914,840.00	999,381.39	5.000	4,383	3,012	5.009	04/01/2017
797398EG5	2850	San Diego Pension	11/13/2008	3,000,000.00	3,025,770.00	2,945,551.98	5.728	3,197	3,148	6.000	08/15/2021
786106GN8	2871	Sacramento Cnty, CA	12/26/2008	3,500,000.00	3,930,605.00	3,974,078.35	7.680	4,615	4,609	6.122	08/15/2021
518516PF0	2623	Meridian, MS	07/24/2006	565,000.00	570,085.00	561,099.17	6.000	5,821	4,928	6.399	07/01/2022
518516PG8	2624	Meridian, MS	07/24/2006	445,000.00	448,199.55	439,803.29	6.000	6,186	5,294	6.441	07/01/2023
60415NE24	2925	Minnesota HFA	07/27/2006	2,995,000.00	3,036,870.10	3,033,071.39	6.300	6,183	5,294	6.168	07/01/2023
088518CK9	2845	Bexar Cnty, TX	10/15/2008	3,420,000.00	3,361,381.20	3,492,584.65	6.360	5,417	5,338	6.136	08/15/2023
518516PH6	2631	Meridian, MS	07/31/2006	740,000.00	740,880.80	726,223.20	6.000	6,545	5,660	6.505	07/01/2024
518516PJ2	2630	Meridian, MS	07/31/2006	790,000.00	784,288.30	770,985.31	6.000	6,910	6,025	6.549	07/01/2025
79307TAM2	2858	St. Paul, MN	12/01/2008	3,000,000.00	3,092,130.00	3,055,853.50	7.090	6,179	6,148	6.900	11/01/2025
79307TAM2	2864	St. Paul, MN	12/17/2008	660,000.00	680,268.60	665,287.83	7.090	6,163	6,148	7.007	11/01/2025
60374AW39	2810	Minneapolis, MN	04/11/2006	2,000,000.00	2,059,980.00	2,028,275.04	6.000	7,236	6,240	5.853	02/01/2026
613035XA7	2858	Montgomery, ALA	12/01/2008	500,000.00	455,295.00	449,339.74	5.190	6,330	6,299	6.153	04/01/2026
977100AC0	2844	Wisconsin Gen Rev	10/07/2008	555,000.00	504,916.80	538,965.45	5.700	6,415	6,329	5.871	05/01/2026
987830KW5	2822	Ypsilanti, MI	07/24/2006	2,000,000.00	1,999,800.00	2,019,850.16	6.150	7,221	6,329	6.051	05/01/2026
849067J79	2857	Spokane, WA	12/01/2008	2,000,000.00	1,809,860.00	1,765,851.49	5.340	6,939	6,908	6.420	12/01/2027
986053GG8	2859	Oregon School Bnd	12/01/2008	500,000.00	420,700.00	425,204.88	4.759	7,151	7,120	6.082	06/30/2028
074851MU7	2609	Beaver County, PA	04/11/2006	3,000,000.00	2,700,660.00	2,895,906.35	5.650	9,014	8,018	5.953	12/15/2030
452151LF8	2849	Illinois State Pension	11/13/2008	3,000,000.00	2,635,320.00	2,496,797.86	5.100	8,966	8,917	6.481	06/01/2033
794879DC7	2870	Salinas Schools, CA	12/26/2008	2,830,000.00	3,077,285.40	3,119,488.39	7.350	8,953	8,947	6.505	07/01/2033
Subtotal and Average				39,520,000.00	39,320,294.35	39,477,648.05		6,045	5,689	6.062	
Zero Coupon Bonds											
672319BA7	2837	Oakland, CA	10/02/2008	6,000,000.00	2,630,340.00	2,959,841.40	4.151	4,457	4,366	6.000	12/15/2020

005B-EOM, Aggregate Portfolio
 Portfolio Management
 Portfolio Details - Investments
 December 31, 2008

CUSIP	Investment #	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM	Maturity Date
Agencies--Act/Act.											
	Subtotal and Average										
				6,000,000.00	2,630,340.00	2,959,841.40		4,457	4,366	6.000	
				5,000,000.00	5,000,000.00	5,000,000.00	7.000	5,479	5,156	7.000	02/13/2023
3133XPDX9	2754	Federal Home Loan	02/13/2008	5,000,000.00	5,000,000.00	5,000,000.00	7.000	5,479	5,156	7.000	02/13/2023
3133XPDX9	2756	Federal Home Loan	02/13/2008	10,000,000.00	10,000,000.00	10,000,000.00	7.000	5,478	5,401	7.500	10/16/2023
3133XSD62	2828	Fed. Home Loan Bank	10/16/2008	5,000,000.00	5,000,000.00	5,000,000.00	7.500	5,478	5,412	8.750	10/27/2023
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	5,256	7.450	
		Subtotal and Average		25,000,000.00	25,000,000.00	25,000,000.00		5,479	5,256	7.450	
Managed Pool Accounts -2											
	Subtotal and Average										
				2,236,392.09	1,512,494.78	2,236,392.09	1.956	1	1	1.956	
SYS1-OPEB-RA	OPEB-1-RA	State Board of Investment		2,236,392.09	1,512,494.78	2,236,392.09	1.956	1	1	1.956	
SYS2-OPEB-ES	OPEB-2-ES	State Board of Investment		29,209,252.57	19,754,515.39	29,209,252.57	1.956	1	1	1.956	
SYS3-OPEB-MT	OPEB-3-MT	State Board of Investment		41,387,415.26	27,990,731.02	41,387,415.26	1.956	1	1	1.956	
		Subtotal and Average		72,833,059.92	49,257,741.19	72,833,059.92		1	1	1.956	
Special Holdings											
	Subtotal and Average										
				3,233,454.00	1,746,065.16	3,233,454.00		353	113	0.396	04/24/2009
85431HBJO	2785	Stanfield Victoria Finance.	05/06/2008	3,233,454.00	1,746,065.16	3,233,454.00		353	113	0.396	
		Subtotal and Average		3,233,454.00	1,746,065.16	3,233,454.00		353	113	0.396	
		Total and Average		399,608,615.87	371,412,282.23	396,488,704.46		1,701	1,478	3.307	

005B-EOM, Aggregate Portfolio
Portfolio Management
Portfolio Details - Cash
December 31, 2008

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		20,944,418.02	20,944,418.02	20,944,418.02		1	1	0.000
SYSBank-024	Bank-024	MT-Admin (Mears Park)	01/01/2008	0.00	0.00	0.00		1	1	0.000
MT-TVM	Bank-0022	MT-TVM Coin and Currency	12/31/2007	0.00	0.00	0.00		1	1	0.000
SYS2643	2643	Dain--Hedging, Cash, Nat. Gas		-752,797.97	-752,797.97	-752,797.97		1	1	0.000
1047-5623-0983	Bank-0020	U.S. Bank	12/31/2007	0.00	0.00	0.00		1	1	0.000
SYSBank-0021	Bank-0021	U.S. Bank	12/31/2007	0.00	0.00	0.00		1	1	0.000
1047-5623-0975	Bank-18A	U.S. Bank	12/31/2007	0.00	0.00	0.00		1	1	0.000
Subtotal and Average					323,952.66	323,952.66		1	1	
Ending Accrued Interest					2,196,399.93	2,196,399.93				
Subtotal					22,711,972.64	22,711,972.64				
Total Cash and Investments Value					394,124,254.87	419,200,677.10		1,701	1,478	3.307



METROPOLITAN COUNCIL

**Metropolitan Council
Purchases Report**

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

**Sorted by Purchase Date - Purchase Date
October 1, 2008 - December 31, 2008**

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
3133XSEX2	2833	MCTXT	FAC	FHLB	10,000,000.00	10/01/2008	01/15 - Final Pmt.	10,000,000.00		3.250	01/15/2009	3.250	10,000,000.00
3133XSEX2	2834	MCTXT	FAC	FHLB	10,000,000.00	10/01/2008	01/15 - Final Pmt.	10,000,000.00		3.250	01/15/2009	3.250	10,000,000.00
912810PX0	2839	MCTXT	TRC	UST	2,060,000.00	10/01/2008	10/01 - Final Pmt.	2,060,000.00	Sold	4.500	05/15/2038	4.319	0.00
672319BA7	2837	MCTXT	ASB	672319	6,000,000.00	10/02/2008	12/15 - At Maturity	2,916,420.00		4.151	12/15/2020	6.083	2,959,841.40
3133XSBW7	2824	MCTXT	FAC	FHLB	10,000,000.00	10/02/2008	01/02 - Final Pmt.	10,000,000.00		3.200	10/02/2009	3.200	10,000,000.00
3133XSEN4	2832	MCTXT	FAC	FHLB	10,000,000.00	10/02/2008	02/02 - Final Pmt.	10,000,000.00		3.350	02/02/2009	3.350	10,000,000.00
3133XSEN4	2835	MCTXT	FAC	FHLB	10,000,000.00	10/02/2008	02/02 - Final Pmt.	10,000,000.00		3.350	02/02/2009	3.350	10,000,000.00
3133XSEQ7	2838	MCTXT	FAC	FHLB	10,000,000.00	10/02/2008	04/02 - Final Pmt.	10,000,000.00		3.400	04/02/2009	3.400	10,000,000.00
912795L25	2842	MCTXF	ATD	UST	5,000,000.00	10/02/2008	04/02 - At Maturity	4,962,342.10		1.490	04/02/2009	1.522	4,981,338.63
977100AC0	2844	MCTXT	MUN	977100	555,000.00	10/07/2008	11/01 - 05/01	538,749.60	Received	5.700	05/01/2026	5.971	538,965.45
088518CK9	2845	MCTXT	MUN	088518	3,420,000.00	10/15/2008	02/15 - 08/15	3,493,632.60	36,252.00	6.360	08/15/2023	6.136	3,528,836.65
3133XSF29	2836	MCTXT	FAC	FHLB	5,000,000.00	10/15/2008	04/15 - 10/15	5,000,000.00		4.050	04/15/2013	4.050	5,000,000.00
167485EA9	2846	MCTXT	MUN	167485	3,020,000.00	10/16/2008	01/01 - 07/01	3,078,588.00	44,138.56	5.011	01/01/2011	4.080	3,117,199.39
3133XSD62	2828	MCTXT	MC1	FHLB	5,000,000.00	10/16/2008	01/16 - Final Pmt.	5,000,000.00		7.500	10/16/2023	7.500	5,000,000.00
3136F9J38	2827	MCTXT	FAC	FNMA	5,000,000.00	10/16/2008	04/16 - 10/16	5,000,000.00		6.100	10/16/2023	6.100	5,000,000.00
3133XSHE1	2847	MCTXT	MC1	FHLB	5,000,000.00	10/27/2008	01/27 - Quarterly	5,000,000.00		8.750	10/27/2023	8.750	5,000,000.00
912810PX0	2848	MCTXT	TRC	UST	2,000,000.00	11/02/2008	11/13 - Final Pmt.	2,080,000.00	Sold	4.500	05/15/2038	4.261	0.00
452151LF8	2849	MCTXT	MUN	452151	3,000,000.00	11/13/2008	12/01 - 06/01	2,494,050.00	Received	5.100	06/01/2033	6.481	2,496,797.88
797398EG5	2850	MCTXT	MUN	797398	3,000,000.00	11/13/2008	02/15 - 08/15	2,944,710.00	45,824.00	5.728	08/15/2017	6.000	2,991,375.98
912810PX0	2855	MCTXT	TRC	UST	2,000,000.00	11/14/2008	11/15 - 11/17	2,066,875.00	Sold	4.500	05/15/2038	4.299	0.00
613035XA7	2858	MCTXT	MUN	613035	500,000.00	12/01/2008	04/01 - 10/01	449,095.00	4,325.00	5.190	04/01/2026	6.153	453,664.74
686053GG8	2859	MCTXT	MUN	686053	500,000.00	12/01/2008	12/30 - 06/30	424,885.00	Received	4.759	06/30/2028	6.082	425,204.68
79307TAM2	2856	MCTXT	MUN	79307T	3,000,000.00	12/01/2008	05/01 - 11/01	3,056,130.00	17,725.00	7.090	11/01/2025	6.900	3,073,578.50
849067J79	2857	MCTXT	MUN	849067	2,000,000.00	12/01/2008	06/01 - 12/01	1,764,820.00		5.340	12/01/2027	6.420	1,765,851.49
912828JR2	2861	MCTXT	TRC	UST	2,000,000.00	12/02/2008	12/02 - Final Pmt.	2,162,812.50	Sold	3.750	11/15/2018	2.807	0.00
79307TAM2	2864	MCTXT	MUN	79307T	660,000.00	12/17/2008	05/01 - 11/01	665,280.00	5,979.23	7.090	11/01/2025	7.007	671,247.06
786106GN8	2871	MCTXT	MUN	786106	3,500,000.00	12/28/2008	02/15 - 08/15	3,974,600.00	97,813.33	7.680	08/15/2021	6.122	4,071,891.68
794879DC7	2870	MCTXT	MUN	794879	2,830,000.00	12/26/2008	07/01 - 01/01	3,119,650.50	45,645.54	7.350	07/01/2033	6.505	3,165,131.93
SYS2874	2874	MCTXT	LA1	GS	0.01	12/31/2008	02/01 - Monthly	0.01		1.110	11/10	1.110	1,000,000.00
SYS2875	2875	MCTXT	LA1	GS	0.01	12/31/2008	02/01 - Monthly	0.01		1.110	11/10	1.110	31,000,000.00
Total Purchases								124,985,000.02	297,702.56		122,252,640.32		146,240,925.44

Received = Accrued Interest at Purchase was received by report ending date.

METROPOLITAN COUNCIL

**Metropolitan Council
Sales/Call Report
Sorted by Maturity Date - Maturity Date
October 1, 2008 - December 31, 2008**

Metropolitan Council
Fiscal Services--Treasury Ops.
390 Robert Street North
St. Paul, MN 55101-1805
(651)802-1629

CUSIP	Investment #	Port	Issuer Sec. Type	Purchase Date	Redem. Date	Par Value	Rate at Redem.	Book Value at Redem.	Redemption Principal	Redemption Interest	Total Amount	Net Income
12/27/2017												
3128X0TU3	2308-S	MCTXLT	FHLMC FAC	12/27/2002	12/27/2008	5,000,000.00	5.600 V	5,000,000.00	5,000,000.00	140,000.00	5,140,000.00	140,000.00
					12/27/2017						Call	
3128X0TU3	2309-S-B	MCTXLT	FHLMC FAC	04/01/2005	12/27/2008	5,000,000.00	5.600 V	5,000,000.00	5,000,000.00	140,000.00	5,140,000.00	140,000.00
					12/27/2017						Call	
3128X0TU3	2310-S	MCTXLT	FHLMC FAC	12/27/2002	12/27/2008	5,000,000.00	5.600 V	5,000,000.00	5,000,000.00	140,000.00	5,140,000.00	140,000.00
					12/27/2017						Call	
			Subtotal			15,000,000.00		15,000,000.00	15,000,000.00	420,000.00	15,420,000.00	420,000.00
11/15/2018												
912828JR2	2861	MCTXLT	UST TRC	12/02/2008	12/02/2008	2,000,000.00	3.750	2,166,334.60	2,190,000.00	3,522.10	2,193,522.10	27,187.50
					11/15/2018						Sale	
			Subtotal			2,000,000.00		2,166,334.60	2,190,000.00	3,522.10	2,193,522.10	27,187.50
06/30/2020												
3133XC6C2	2495-S	MCTXLT	FHLB FAC	06/30/2005	12/30/2008	5,000,000.00	5.750 V	5,000,000.00	5,000,000.00	143,750.00	5,143,750.00	143,750.00
					06/30/2020						Call	
3133XC6C2	2498-S	MCTXLT	FHLB FAC	08/30/2005	12/30/2008	10,000,000.00	5.750 V	10,000,000.00	10,000,000.00	287,500.00	10,287,500.00	287,500.00
					06/30/2020						Call	
			Subtotal			15,000,000.00		15,000,000.00	15,000,000.00	431,250.00	15,431,250.00	431,250.00
05/15/2038												
912810PX0	2839	MCTXLT	UST TRC	10/01/2008	10/01/2008	2,000,000.00	4.500	2,093,994.57	2,095,000.00	33,994.57	2,128,994.57	35,000.00
					05/15/2038						Sale	
912810PX0	2848	MCTXLT	UST TRC	11/10/2008	11/13/2008	2,000,000.00	4.500	2,123,754.90	2,115,000.00	44,510.87	2,159,510.87	35,755.97
					05/15/2038						Sale	
912810PX0	2855	MCTXLT	UST TRC	11/14/2008	11/17/2008	2,000,000.00	4.500	2,066,866.38	2,095,625.00	497.24	2,096,122.24	29,265.86
					05/15/2038						Sale	
			Subtotal			6,000,000.00		6,284,605.85	6,305,625.00	79,002.68	6,384,627.68	100,021.83
			Total Sales			38,000,000.00		38,450,940.45	38,495,625.00	933,774.78	39,429,399.78	978,455.33

V - Security with variable rate change.