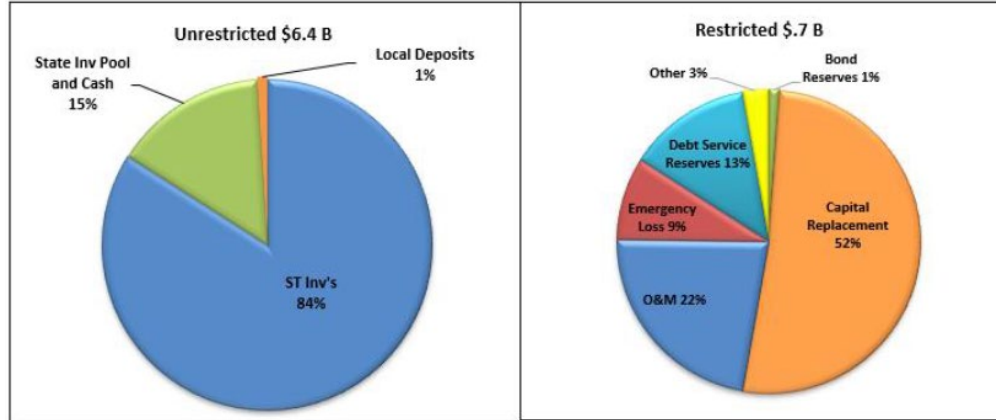


Asset Liability Management (ALM) Report and Portfolio Actions

*Finance and Audit Committee
9/11/2025*



ALM-Investment Portfolio



Total Agency investments in the combined unrestricted and restricted portfolios were ~\$7.1 billion as of June 30, 2025

- Unrestricted funds are available for any Agency needs, whereas Restricted funds are set aside for specific purposes based on Board policy and other constraints

The portfolio remains well positioned and staff continues to monitor the economic data and adjust the portfolio as appropriate

ALM-Debt Portfolio

The Agency had ~\$4.8 billion of outstanding bonds and TIFIA borrowings as of June 30, 2025

The Agency continuously reviews the portfolios and takes appropriate action based on market conditions and financial needs

Certain of these portfolio actions require Board Approval, including the issuance/redemption of debt and budget changes



Portfolio Actions

Sound Transit regularly reviews its investment and debt portfolios and seeks an appropriate balance between risk and return while ensuring funding of the system's operations and capital expansion

Per budget policy, Board action is required to change budgeted long-term debt principal repayment, interest, and financing fees

- **Resolution No. R2025-25:** Redeem issue 2015S-2A, a \$75 million issue of floating rate notes
- **Resolution No. R2025-24:** Increase 2025 debt issuance to provide for an additional TIFIA draw of \$629 million not contemplated in the original 2025 budget

R2025-25: 2015S-2A Bond Redemption

- The agency issued \$150 million of total variable rate debt in 2015. The issuance was divided into two issues of \$75 million each, 2015S-2A and 2015S-2B. The debt is tied to a market rate known as “Securities Industry Markets Association Municipal Swap Index” (SIFMA)
 - Note: the 2015S-2B issue was redeemed in 2023
- The 2015S-2A issue is approaching the end of its index floating rate period and requires action
- The Agency has been well served by having a portion of its debt in variable rate instruments. However, in the current higher interest rate environment it is preferred to redeem this portion of the debt
- Staff considered multiple options in relation to the 2015S-2A issue. It was determined a redemption is the preferred approach given 1) market conditions 2) execution cost of a remarketing



R2025-24: Additional TIFIA Draw

The table from the Q2 ALM report shows the Agency's TIFIA loans

The 2025 budget included draws of ~\$1.5 Billion

The remaining draws were planned for future years

However, given prudent cash management best practices and a quicker-than-anticipated opening of the Federal Way Link Extension, staff feels it appropriate to accelerate the draw into 2025

Staff will complete the full draws on East Link, Federal Way Link, and Redmond Link in 2025, pending Board approval of the higher 2025 draw

Central Puget Sound Regional Transit Authority Summary of Outstanding TIFIA Loans					
TIFIA Loan	Execution Date	Final Maturity	Loan Amount	Amount Drawn	Int Rate
East Link	9/10/2021	11/1/2058	\$1,330,000,000	\$1,283,667,568	1.91%
Northgate	9/10/2021	11/1/2056	\$815,267,000	\$815,267,000	1.91%
O&M Facility East	9/10/2021	11/1/2055	\$87,663,515	\$87,663,515	1.91%
Lynnwood Link	9/10/2021	11/1/2059	\$657,863,164	\$657,863,164	1.91%
Redmond	9/10/2021	11/1/2059	\$520,981,378	\$336,086,705	1.91%
Federal Way	9/10/2021	11/1/2059	\$629,472,431	\$0	1.91%
HTLE Project	5/2/2023	5/1/2058	\$93,306,180	\$93,306,180	3.79%
NE 130th Street Inf	5/2/2023	5/1/2061	\$79,250,877	\$0	3.79%
RRIF Loan					
Souder Access	5/2/2023	11/1/2061	\$154,152,530	\$0	3.79%
Total TIFIA Loans			\$4,167,957,075	\$3,073,854,132	1.97%
Total Outstanding Debt				\$4,772,044,132	2.33%

2025 Budgeted Draws	1,514,197,742
Add EL/DRLE/FWLE draws to 2025 budget	629,472,431
Total Updated 2025 Budget Draws	2,143,670,173

Thank you.



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