

# M E M O

## *Alameda Corridor Transportation Authority*

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Meeting Date: February 20, 2025  
To: Governing Board  
From: Kevin L. Scott, Chief Financial Officer   
Subject: APPROVE Transfer of \$150,000 spending authority from FY25 Line-Item for Legal Services to Professional Services for financial advisory services and to Audit for internal audit services and delegate authority to the CEO or his designee to transfer any subsequent surplus budget amount from the Audit line item to the Professional Services line item

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**Recommendation:**

Approve the transfer of \$150,000 from the fiscal year 2025 budget for Legal Services to the line-item for Professional Services in the amount of \$100,000 and to the line-item for Audit in the amount of \$50,000 and delegate authority to the CEO or his designee to transfer any subsequent surplus budget amount from the Audit line item to the Professional Services line item in fiscal year 2025.

**Discussion:**

At its meeting held on June 20, 2024, ACTA's Governing Board approved a \$9,000,000 Operating Budget, which provided \$680,000 for Legal Services, \$2,000,000 for Professional Services and \$211,370 for Audit Services for the fiscal year.

Staff recommend reducing the Legal Services budget by \$150,000 and increasing the Professional Services budget by \$100,000 and the Audit budget by \$50,000 (Transmittal 1). The transfer of funds will accommodate two necessary expenditures, namely funding a fiscal year 2025 internal audit and for financial advisory services, as follows:

**FY25 Internal Audit:** At its August 2024 meeting, the Governing Board instructed staff to conduct internal audits. Staff proposed a schedule for internal audits which accelerated the audits into FY25. These internal audits were not a foreseen need when the budget was prepared and adopted in the spring of 2024. The proposed transfer of \$50,000 into the Audit budget will fund the outside auditor services, as described in Item #4 of February 20, 2025, Governing Board meeting agenda. To the extent that not all funds for internal audits are needed, staff request authority to transfer excess funds to the Budget Professional Services line-item.

**Financial Advisory Services:** Since September 2024, ACTA has required more outside financial advisory services than anticipated when the budget was established in the spring of 2024. So that staff may continue receiving necessary financial advisory services for the remainder of the fiscal year, the \$100,000 transfer from the Legal Services budget to Professional Services is recommended for approval.

With four months left in the fiscal year, the recommended transfer will leave sufficient funds in the Legal Services budget to accommodate expected real estate and annual continuing disclosure services, as well as typical on-call legal services that may arise.

The proposed transfer of \$50,000 to the Audit line item is based on a maximum estimated expenditure for the initial internal audit. Should the entire amount not be needed for the internal audit, staff recommend that the Governing Board delegate authority to the CEO or his designee to transfer any surplus budget amount to the Professional Services line item to further supplement the cost of financial advisory work this fiscal year

**Budget Impact:**

There is no net impact on ACTA's Operating Budget caused by the proposed line-item transfer.

**Co-General Counsel Review:**

ACTA's Co-General Counsel has reviewed this board report and there are no legal issues at this time.

**Transmittals:**

Transmittal 1 – Amended ACTA Budget