

A G E N D A

SPECIAL MEETING

Governing Board of the Alameda Corridor Transportation Authority

Meeting Date and Time:	March 20, 2025, 10:00 A.M.
Locations:	Long Beach City College Liberal Arts Campus Board Room 4901 East Carson Street, Building T1100 Long Beach, CA 90808 Fairfield Inn and Suites 43919 20th Street W Lancaster, CA 93536
The public may attend the meeting in person or view the meeting online via Zoom:	https://us02web.zoom.us/j/5622477111 Meeting ID: 562 247 7111 Passcode: boardmtg

OPPORTUNITIES FOR THE PUBLIC TO ATTEND THE MEETING AND PROVIDE PUBLIC COMMENTS

In-person comments may be provided at the meeting but will not be accepted via Zoom. Members of the public attending the meeting in person will be given an opportunity to address the Board on (1) any item on the agenda prior to the Board's consideration of that item, including the consent and closed session agendas; and (2) subjects within the subject matter jurisdiction of the Governing Board during Public Comment on Non-Agenda Items. Members of the public who wish to speak should complete a speaker card indicating the agenda item number on which they will comment or designate "general public comment" and return the card to the Board Secretary. Each speaker will be allowed to speak for up to 3 minutes per agenda item.

Written comments or materials may be submitted by emailing publiccomment@acta.org or brought to the meeting. If you request to distribute documents to the Governing Board, please present the Board Secretary with twelve (12) copies. All written comments or materials submitted for the meeting will be entered into the official meeting minutes. For comments by email, please submit written comments prior to 3:00 pm on the day before the scheduled meeting. Comments submitted by email will be distributed to the Governing Board prior to the meeting and entered into the official meeting minutes.

As a covered entity under Title II of the Americans with Disabilities Act, the Alameda Corridor Transportation Authority (ACTA) does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its programs, services, and activities. Sign language interpreters, assistive listening devices, and translation services may be provided. To ensure availability, 72-hour advance notice is required. Contact the ACTA Office at (562) 247-7777.

ROLL CALL



CLOSED SESSION**CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Significant exposure to litigation pursuant to subdivision (d)(2) of Section 54956.9: (one case)

OPEN SESSION**A. COMMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS****B. REPORTS AND PRESENTATIONS**

- i. January 2025 Performance Report
- ii. ACTA Public Policy Activities

C. APPROVAL OF THE MINUTES

- Minutes of the February 20, 2025, Regular Governing Board Meeting of the Alameda Corridor Transportation Authority

D. AGENDA ITEMS**Consent Agenda (1-2):**

1. RECEIVE AND FILE Monthly Financial Reports as of December 31, 2024
2. INFORMATION ACTA Professional Services Budget Update

Regular Agenda (3-4):

3. APPROVE staff's recommendation to not undertake a Full Restructuring transaction for ACTA's outstanding bonds starting in 2025
4. APPROVE 2025-2026 Renewal of ACTA Insurance Coverages

ADJOURNMENT

REPORT ITEM 1

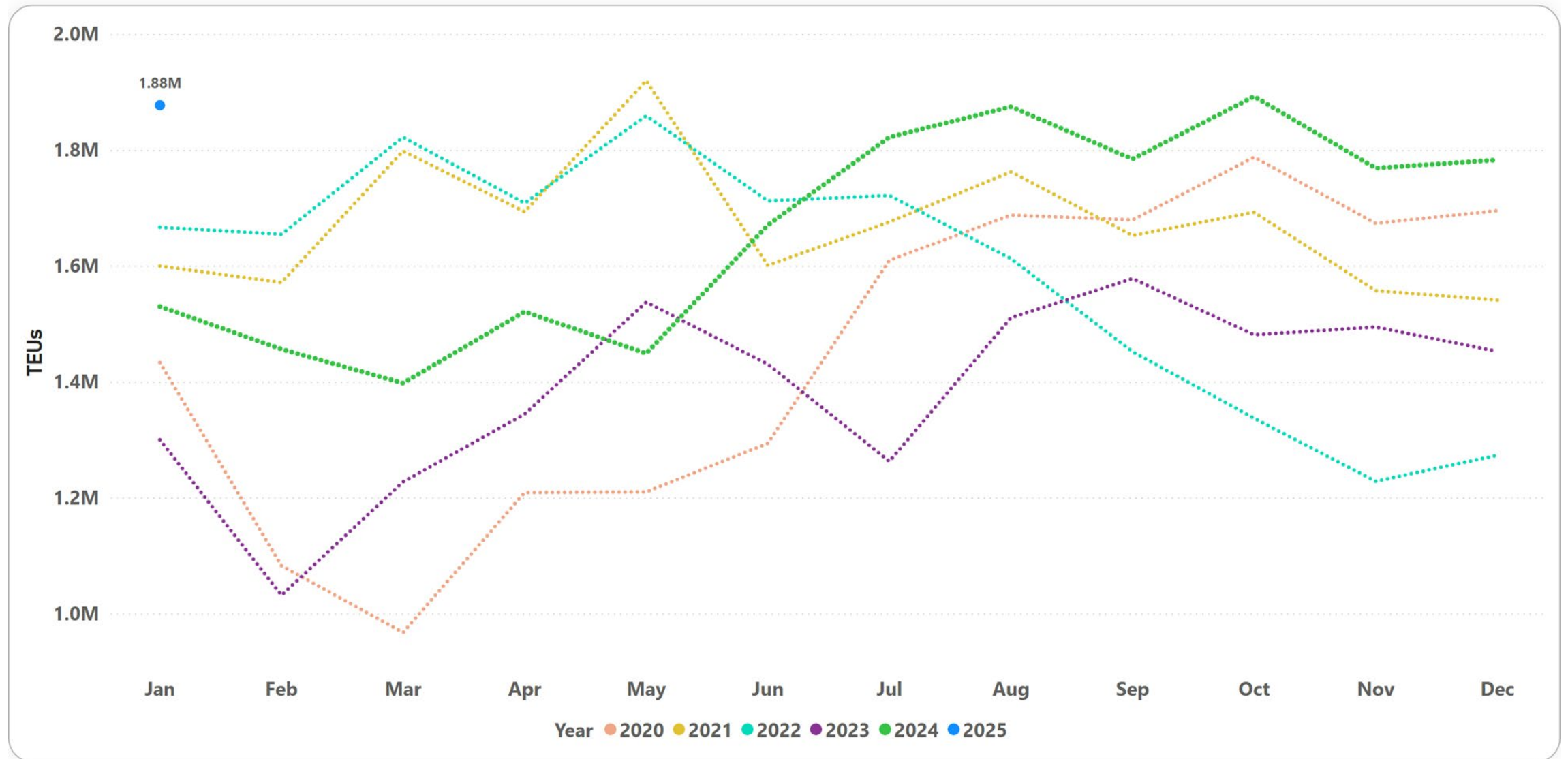
Performance Report Jan - 2025

PORT CONTAINER THROUGHPUT (TEUs) – Jan 2025

Port	POLA		POLB			POLA & POLB		
Category	Monthly TEUs	YoY% Change	Monthly TEUs	YoY% Change		Monthly TEUs	YoY% Change	
Imports	483,831	9.5% <div></div>	471,649	45.0% <div></div>		955,480	24.6%	<div></div>
Exports	113,270	-10.5% <div></div>	98,655	14.0% <div></div>		211,925	-0.5%	<div></div>
Total Loaded	597,102	5.1% <div></div>	570,304	38.5% <div></div>		1,167,406	19.1%	<div></div>
Empties	327,143	13.9% <div></div>	382,430	45.9% <div></div>		709,573	29.1%	<div></div>
Total TEUs	924,245	8.0% <div></div>	952,734	41.4% <div></div>		1,876,979	22.7%	<div></div>

Port	POLA		POLB			POLA & POLB		
Category	YTD	YTD % Change	YTD	YTD % Change		YTD	YTD % Change	
Imports	483,831	9.5% <div></div>	471,649	45.0% <div></div>		955,480	24.6%	<div></div>
Exports	113,271	-10.5% <div></div>	98,655	14.0% <div></div>		211,926	-0.5%	<div></div>
Total Loaded	597,102	5.1% <div></div>	570,304	38.5% <div></div>		1,167,406	19.1%	<div></div>
Empties	327,143	13.9% <div></div>	382,430	45.9% <div></div>		709,573	29.1%	<div></div>
Total TEUs	924,245	8.0% <div></div>	952,734	41.4% <div></div>		1,876,979	22.7%	<div></div>

SP Bay Ports' TEUs Trends



ALAMEDA CORRIDOR PERFORMANCE

January

CY2025

FY2025

REVENUE

\$11.6M

+21.3% | \$9.6M
vs Last Year

\$11.6M

+21.3% | \$9.6M
vs Previous CYTD

\$82.9M

+33.0% | \$62.4M
vs Previous FYTD

TEUs

513.4K

+23.5% | 415.8K
vs Last Year

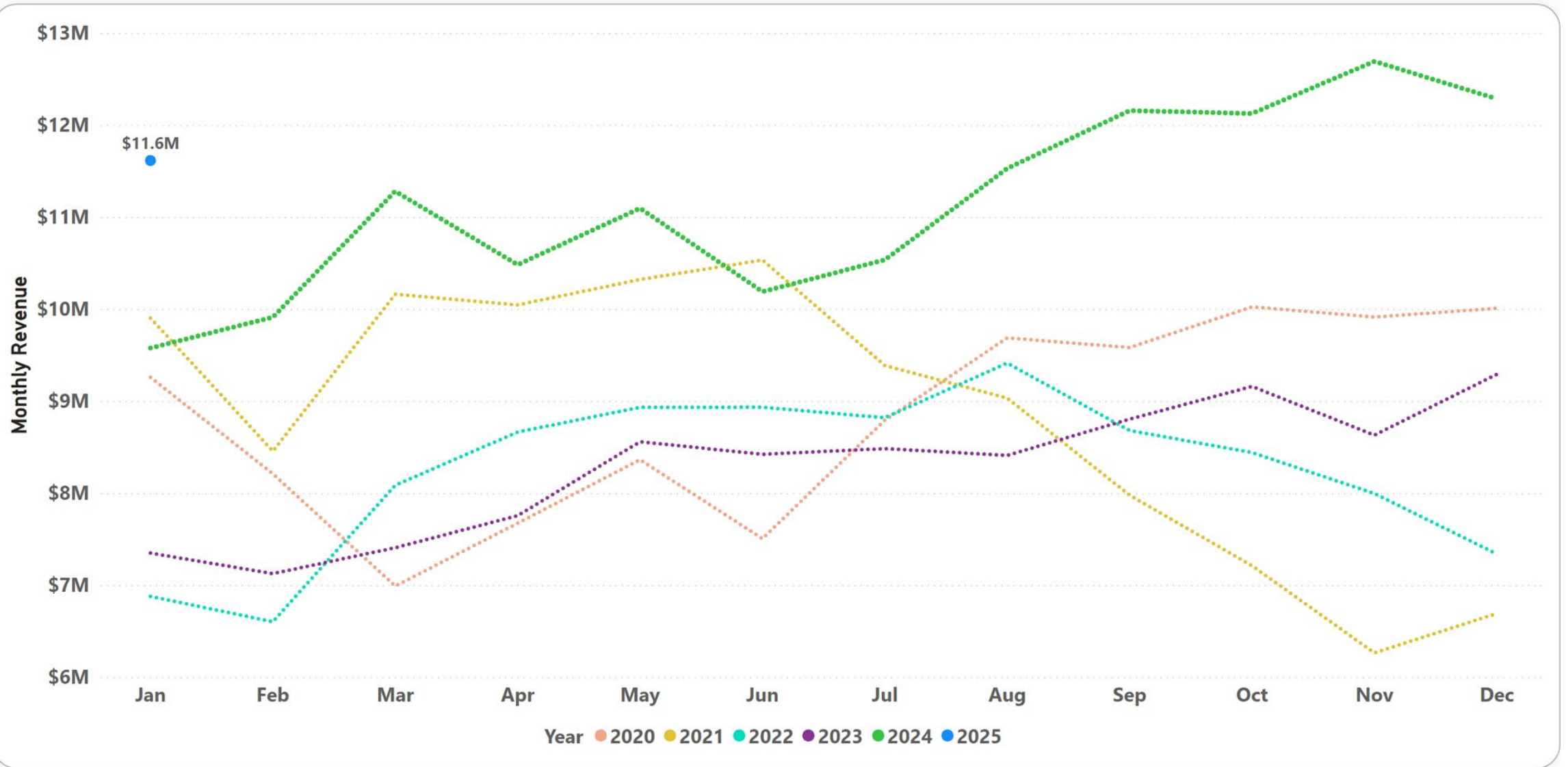
513.4K

+23.5% | 415.8K
vs Previous CYTD

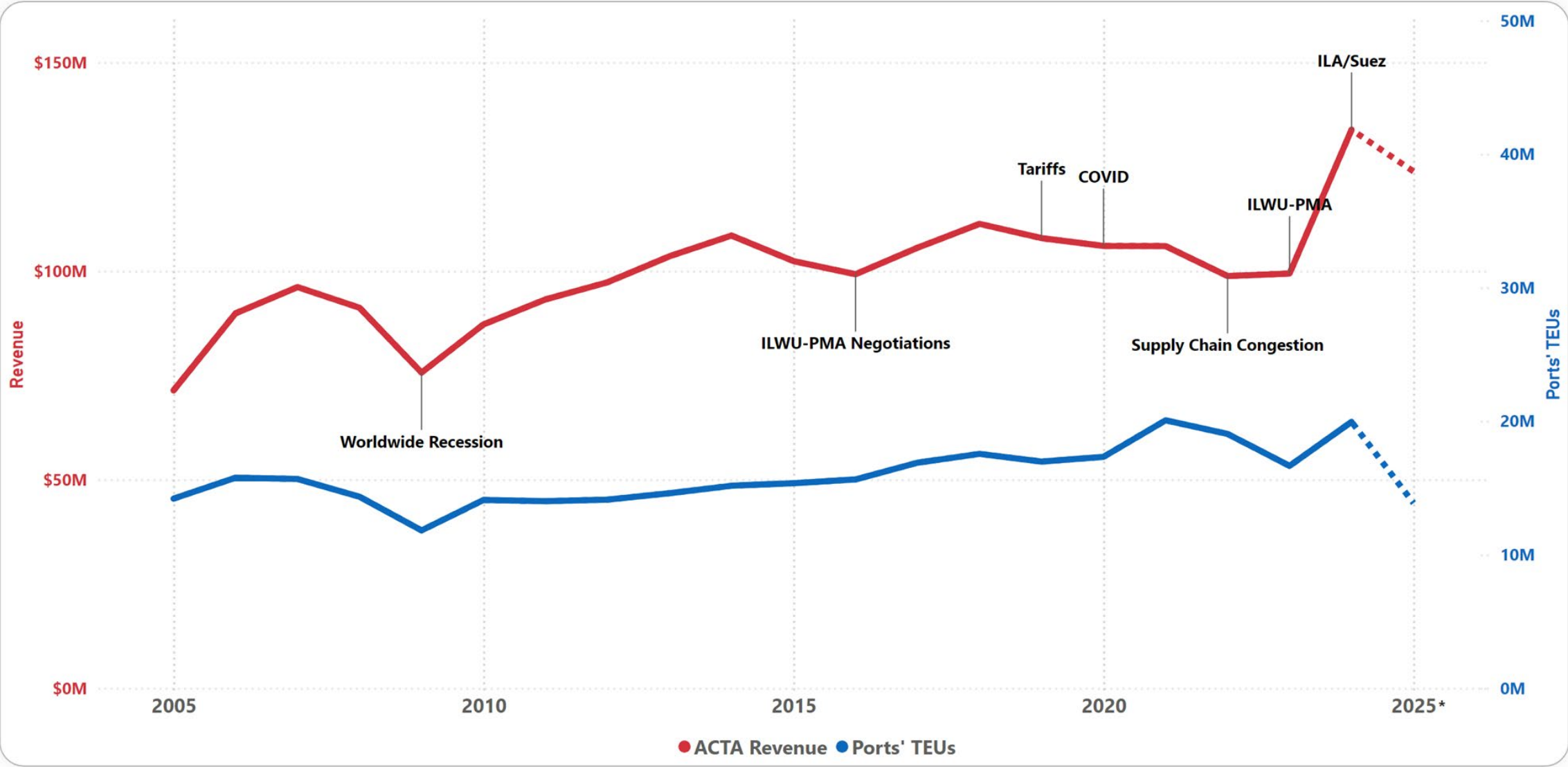
3.7M

+33.2% | 2.8M
vs Previous FYTD

Corridor Revenue Performance



Revenue and Ports' TEUs Trends

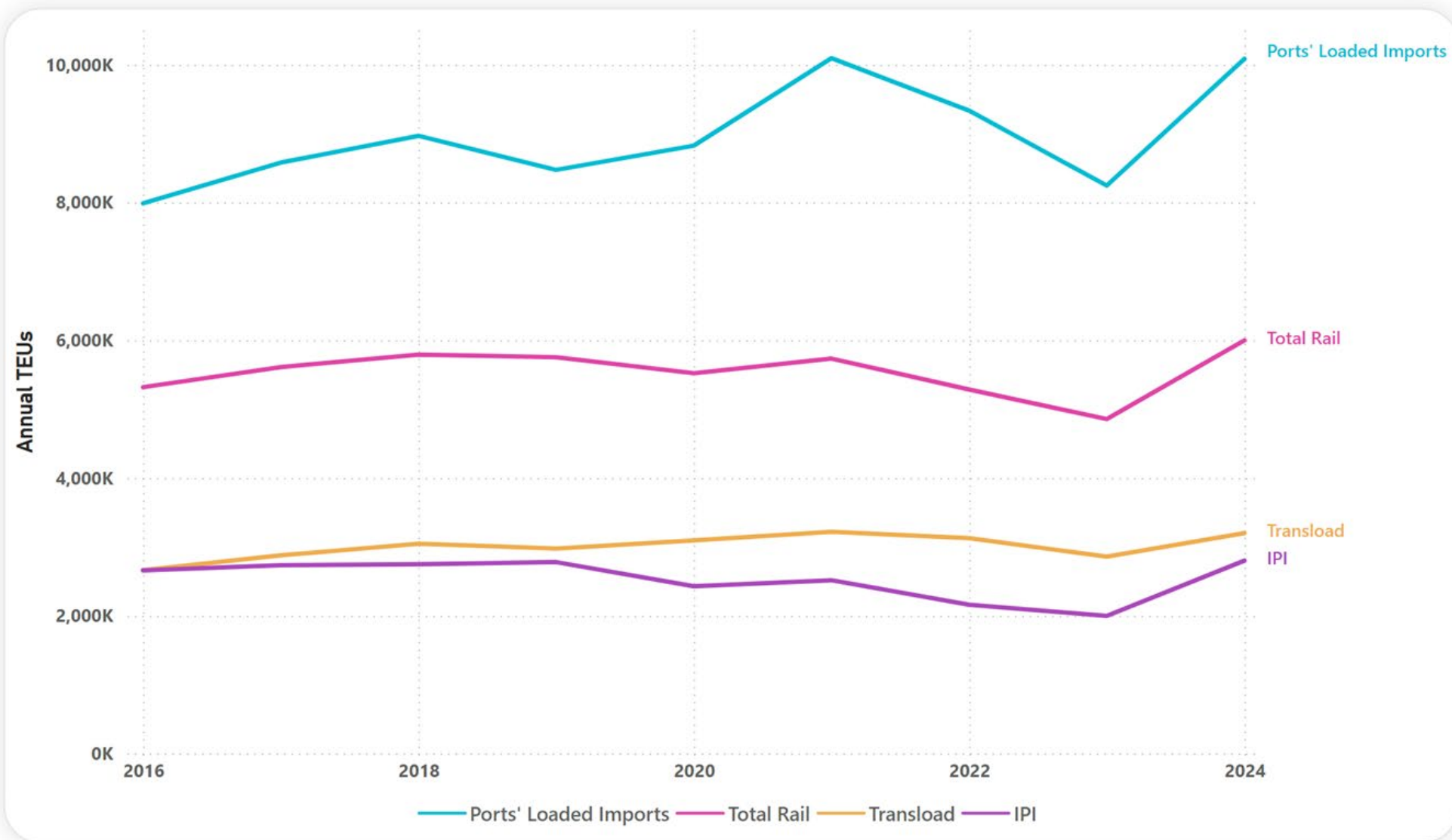


* Actuals through Jan 2025; remaining CY numbers from ACTA's forecast model



San Pedro Bay Intermodal Split

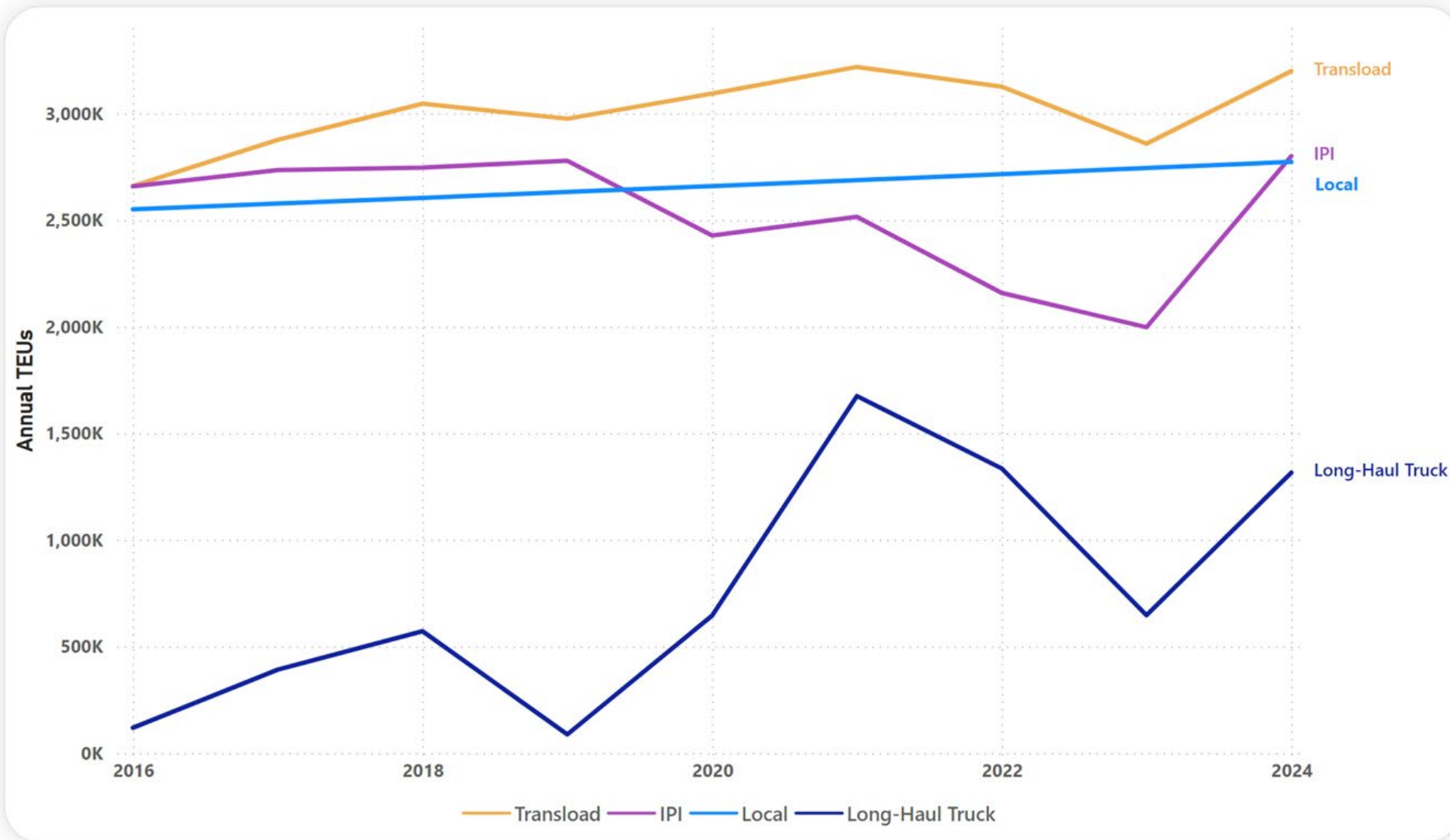
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San Pedro Bay Modal Split

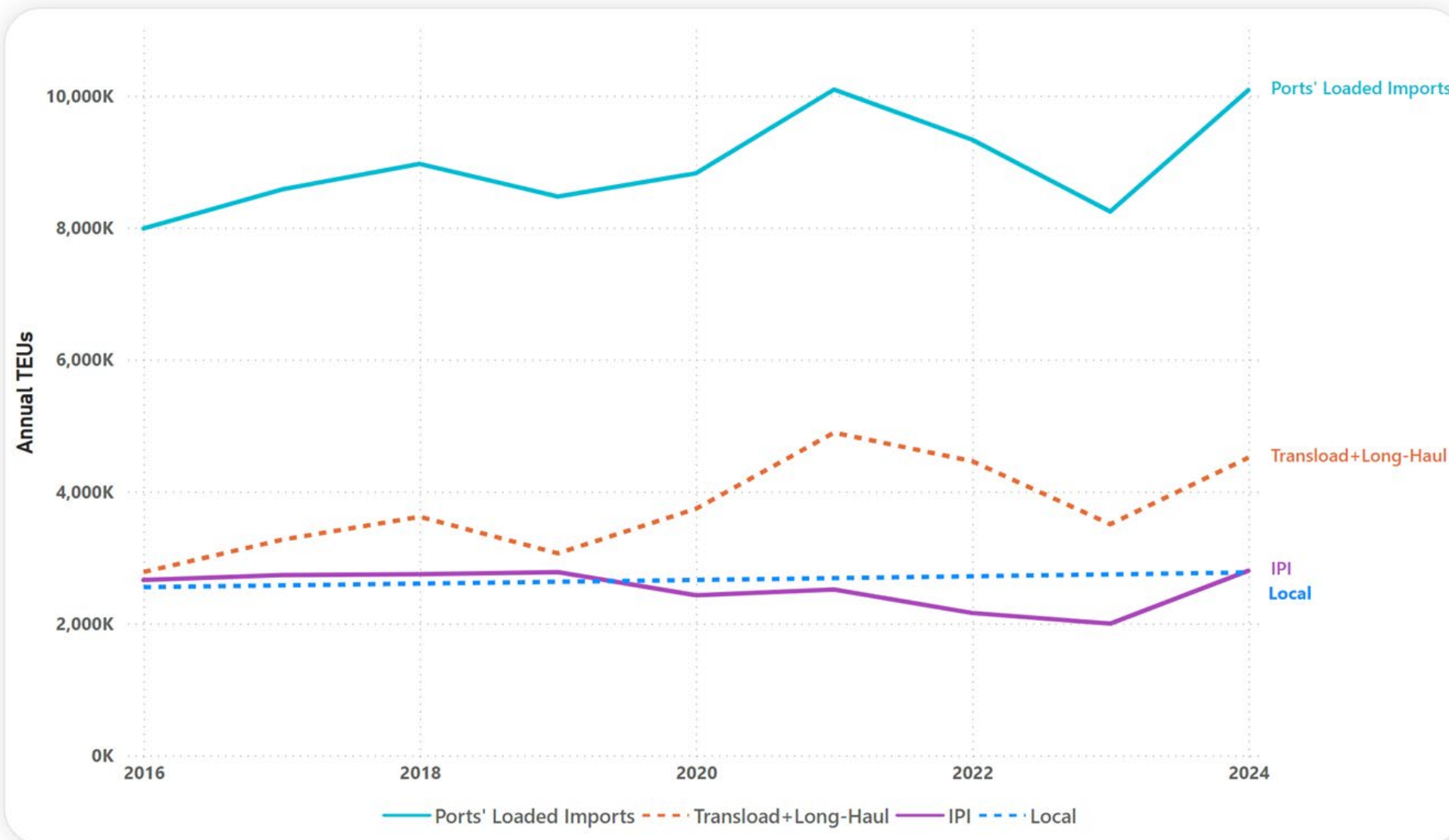
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San Pedro Bay Transport Mode

Loaded Imports



REPORT ITEM 2

ACTA Public Policy March 20, 2025

Discussion

The Public Policy focuses ACTA efforts and facilitates collaboration between ACTA and other agencies to advance investment and policy strategies.

1. Finance — Provide analysis of alternatives, approve strategy to establish 2025 action
2. State of Good Repair
 - ACTA pursuing Communications/Signal upgrade – design underway
 - ACTA MOW Contract RFP – Re-bid and likely extension of current contract by several months
3. Expert Consultant — Selection/procurement of Consultant, RFP forthcoming
4. Security — Continue enhancement of security for infrastructure/cargo
 - Collaboration task forces & joint camera deployment
 - 2025 Emergency Response Exercise



Annual Emergency Response Exercise

Conducted by ACTA

March 9, 2025

Emergency Response Exercise

- Over 150 Firefighters plus Police and Railroad Personnel
- Preparedness training for incidents on Corridor and in the trench
- Agencies involved: LA Co. FD, LAFD, LBFD, Compton Fire, Downey Fire, Union Pacific, BNSF, and ACTA



Emergency Response Exercise

- The exercise scenarios included hazmat situation, rescue operations, and large-scale fire.
- The event received media coverage.
- Exercise is budgeted every year through the MOW budget and professional services budget.



MINUTES OF A REGULAR MEETING OF THE ALAMEDA CORRIDOR TRANSPORTATION AUTHORITY GOVERNING BOARD HELD AT LONG BEACH CITY COLLEGE LIBERAL ARTS CAMPUS BOARD ROOM, 4901 E. CARSON STREET, BUILDING T1100, LONG BEACH, CALIFORNIA 90808 ON FEBRUARY 20, 2025 AT 10:00 A.M.

ROLL CALL

Members present:

Michael Cano, Los Angeles County Metro

Frank Colonna, Port of Long Beach

Tim McOsker, City of Los Angeles

Edward Renwick, Port of Los Angeles

Suely Saro, City of Long Beach

Alternate members present:

Michael DiBernardo, Port of Los Angeles

Sam Joumblat, Port of Long Beach

Also present:

Michael Leue, ACTA, Chief Executive Officer

Kevin Scott, ACTA, Chief Financial Officer

Heather McCloskey, ACTA, Co-General Counsel

Thomas Oh, ACTA, Co-General Counsel

Maria Melendres, ACTA, Governing Board Secretary

The meeting was called to order at 10:02 a.m. by Chair McOsker.

OPEN SESSION

A. COMMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS

There were no requests by the public to address the Governing Board.

B. REPORTS AND PRESENTATIONS

i. DECEMBER 2024 CORRIDOR PERFORMANCE

Michael Leue presented the Corridor performance statistics through December 2024.

ii. ACTA PUBLIC POLICY ACTIVITIES

Michael Leue presented an update on ACTA's Public Policy activities.

C. MINUTES

ACTA GOVERNING BOARD REGULAR MEETING OF DECEMBER 12, 2024 – APPROVED.

Minutes of the Regular Meeting of December 12, 2024, of the Governing Board of the Alameda Corridor Transportation Authority, were presented to the Governing Board.

Board Member Colonna motioned, seconded by Board Member Cano that the minutes of the December 12, 2024, Regular Meeting of the Alameda Corridor Transportation Authority be approved as submitted. Carried by the following vote:

AYES: Cano, Colonna, DiBernardo, Joublat, McOsker, Renwick, Saro

NOES: None

ABSENT: None

D. AGENDA ITEMS

Consent Agenda

1. MONTHLY FINANCIAL REPORTS AS OF NOVEMBER 30, 2024 – RECEIVED AND FILED.

Communication from Kevin L. Scott, Chief Financial Officer, dated February 20, 2025, recommending that the monthly financial reports as of November 30, 2024, be received and filed, was presented to the Governing Board.

No public comment was received on Item No. 1.

Board Member Colonna motioned, seconded by Board Member Renwick that Item No. 1 be received and filed. Carried by the following vote:

AYES: Cano, Colonna, DiBernardo, Joublat, McOsker, Renwick, Saro

NOES: None

ABSENT: None

Regular Agenda

2. REVISED ALAMEDA CORRIDOR TRANSPORTATION AUTHORITY INVESTMENT POLICY – APPROVED.

Communication from Kevin L. Scott, Chief Financial Officer, dated February 20, 2025, recommending the approval of the revised Alameda Corridor Transportation Authority Investment Policy, was presented to the Governing Board.

No public comment was received on Item No. 2.

Board Member Renwick motioned, seconded by Vice Chair Saro that Item No. 2 be approved as recommended. Carried by the following vote:

AYES: Cano, Colonna, DiBernardo, Joublat, McOsker, Renwick, Saro

NOES: None

ABSENT: None

3. SPENDING AUTHORITY TRANSFER FROM FY25 LINE ITEM FOR LEGAL SERVICES TO PROFESSIONAL SERVICES AND TO AUDIT SERVICES - DELEGATE AUTHORITY TO THE CEO OR DESIGNEE TO TRANSFER SUBSEQUENT SURPLUS BUDGET AMOUNT FROM THE AUDIT LINE ITEM TO THE PROFESSIONAL SERVICES LINE ITEM – APPROVED.

Communication from Kevin L. Scott, Chief Financial Officer, dated February 20, 2025, recommending the approval to transfer \$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, was presented to the Governing Board.

Board Member Joumbat directed staff to provide specific line items for Professional Services at the next Governing Board meeting.

No public comment was received on Item No. 3.

Board Member Joumbat motioned, seconded by Board Member Colonna that Item No. 3 be approved as recommended. Carried by the following vote:

AYES: Cano, Colonna, DiBernardo, Joumbat, McOsker, Renwick, Saro

NOES: None

ABSENT: None

4. BCA WATSON RICE, WESTERN REGION, LLP – THIRD AMENDMENT TO AGREEMENT C0864 – APPROVED.

Communication from Kevin L. Scott, Chief Financial Officer, dated February 20, 2025, recommending the approval of the third amendment to Agreement C0864 with BCA Watson Rice, Western Region, LLP to add internal audit services and increase the compensation by \$50,000 for a total compensation amount of \$653,111, was presented to the Governing Board.

No public comment was received on Item No. 4.

Board Member Renwick motioned, seconded by Board Member Saro that Item No. 4 be approved as recommended. Carried by the following vote:

AYES: Cano, Colonna, DiBernardo, Joumbat, McOsker, Renwick, Saro

NOES: None

ABSENT: None

5. RESOLUTION NO. JPA 25-1 – POLICY UNDER GOVERNMENT CODE SECTION 54956.96 – APPROVED.

Communication from Michael C. Leue, Chief Executive Officer, dated February 20, 2025, recommending that the Board approve Resolution No. JPA 25-1, a policy authorizing limited circumstances for ACTA Governing Board members to communicate information obtained in Closed Session during ACTA Governing Board meetings to their legal counsel and members of their appointing home legislative body, was presented to the Governing Board.

No public comment was received on Item No. 5.

Vice Chair Saro motioned, seconded by Board Member Renwick that Item No. 5 be approved as recommended. Carried by the following vote:

AYES: Cano, Colonna, DiBernardo, Joumbat, McOsker, Renwick, Saro

NOES: None

ABSENT: None

6. PRELIMINARY BUDGET SCHEDULE – FISCAL YEAR 2025/2026 – INFORMATION.

Communication from Kevin L. Scott, Chief Financial Officer, dated February 20, 2025, with information on a preliminary budget schedule to include the key budget preparation, review, and approval dates, was presented to the Governing Board.

No public comment was received on Item No. 6.

CLOSED SESSION

At 10:38 a.m., Chair McOsker recessed the Governing Board meeting to hold a conference with legal counsel – anticipated litigation. Significant exposure to litigation pursuant to subdivision (d)(2) of Section 54956.9 of the Government Code.


At 11:52 a.m., the meeting was again called to order by Chair McOsker. Ms. Heather McCloskey, ACTA Co-General Counsel, announced there were no reportable actions from closed session.

ADJOURNMENT

At 11:54 a.m., the meeting was adjourned sine die.

M E M O

Alameda Corridor Transportation Authority

To: Governing Board
Meeting Date: March 20, 2025
From: Kevin L. Scott, Chief Financial Officer 
Subject: RECEIVE AND FILE Monthly Financial Reports as of December 31, 2024

Recommendation:

Receive and file the Monthly Financial Reports as of December 31, 2024.

Discussion:

The financial package includes the following:

- Monthly Financial Statements (See Transmittal 1).

Statements of Net Position - Unaudited statement of ACTA's assets and liabilities as of December 31, 2024. The audited June 30, 2024 financial information is also included for comparative purposes to the beginning of the fiscal year.

Statement of Revenues, Expenses and Changes in Net Position – Fiscal Year 2025 unaudited statement of revenues, expenses and changes in net position through December 31, 2024. Also included is the statement as of December 2023 which has been included for comparative purposes for six months of information.

Comparison of Budget Functional Expenses – Operating Budget by Expense Type - The fiscal year-to-date budget is compared to actual revenue and expenditures incurred as of December 31, 2024.

Comparison of Budget Functional Expenses – Operating Budget by Funds - The fiscal year-to-date budget is compared to actual revenue and expenditures incurred as of December 31, 2024.

Cash and Investment Summary – Cash and investment balances and the corresponding investment schedule are being presented as of December 31, 2024. The cash and investment balances are segregated by institution, account number reference, and account description. Balances are presented in book and market value. Also included are the grant funds received for the SR-47 project during the current fiscal year. The investment schedule summarizes the composition of the agency's investment portfolio and how the portfolio complies with the Board approved Investment Policy.

Cash Flow – Cash flow for the month of December 2024 is presented. It is presented in both a summary format and a detailed format. A fiscal year-to-date cash flow showing all activity through December 31, 2024, is also presented in both a summary format and a detailed format. The dollar amounts represent the book values for each account.

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 - Monthly Financial Statements as of December 31, 2024



Statements of Net Position

December 31, 2024 and June 30, 2024

	December 2024	June 2024
<u>Assets & Deferred Outflows of Resources</u>		
Current Assets:		
Restricted Cash & Cash Equivalents, & Investments	\$ 21,361,292	\$ 143,137,200
Receivables	12,523,284	12,752,663
Prepaid Expenses	1,761,884	2,448,458
Total Current Assets	35,646,460	158,338,321
Prepaid Bond Insurance Premiums, net	29,123,641	29,697,138
Restricted Investments *	203,150,088	51,132,104
Assets Held for Transfer	311,990	311,990
Net OPEB Asset	370,904	370,904
Capital Assets Not Being Depreciated	438,148,732	438,148,732
Capital Assets, Net	1,002,768,222	1,013,329,849
Total Assets	1,709,520,037	1,691,329,038
Deferred Outflows of Resources:		
Loss on Refunding	35,695,488	38,795,381
Pension and OPEB Related Items	1,571,245	1,571,245
Total Assets & Deferred Outflows of Resources	\$ 1,746,786,770	\$ 1,731,695,664
<u>Liabilities, Deferred Inflows of Resources, & Net Position</u>		
Current Liabilities:		
Accounts Payable	\$ 4,267,068	\$ 6,005,375
Unearned Revenue	6,601,356	5,372,279
Accrued Interest Payable, Current Portion	12,280,192	12,419,912
Revenue Bonds Payable, Current Portion	15,970,000	16,255,000
Other Liabilities	526,552	736,000
Total Current Liabilities	39,645,168	40,788,566
Noncurrent Liabilities:		
Shortfall Advances Payable to Ports	14,195,748	13,839,081
Net Pension Liability	2,340,987	2,340,987
Accrued Interest Payable, Net of Current Portion	592,484,945	551,790,732
Revenue Bonds Payable, Net of Current Portion & Unamortized Discount	1,762,845,395	1,780,332,982
Total Noncurrent Liabilities	2,371,867,075	2,348,303,782
Total Liabilities	\$ 2,411,512,243	\$ 2,389,092,348
Deferred Outflows of Resources:		
Gain on refunding	43,794,018	44,555,018
Deferred Inflows of Resources	436,591	436,591
Total Deferred Outflows of Resources	44,230,609	44,991,609
<u>Net Position</u>		
Net Investment in Capital Assets	-	-
Restricted for Debt Service	164,865,323	124,137,739
Restricted for Capital Projects	-	-
Restricted by Master Trust Agreement	79,711,435	90,762,509
Unrestricted	(953,532,841)	(917,288,541)
Total Net Position	(708,956,083)	(702,388,293)
Total Liabilities, Deferred Inflows of Resources, & Net Position	\$ 1,746,786,770	\$ 1,731,695,664
<p>* All investments with a maturity within three months are considered cash for the year-end financial statements. Monthly, unaudited financial statements, carry all investments, regardless of maturity date(s), as Restricted Investments. Fully detailed classifications are only done at year-end in accordance with GASB 40, therefore classification differences exist.</p>		
	December 2024	June 2024
Current	\$ 21,361,292	\$ 143,137,200
Noncurrent	203,150,088	51,132,104
	\$ 224,511,380	\$ 194,269,304
		\$ 30,242,076
		FY2025 Increase



Statement of Revenues, Expenses, & Changes in Net Position

Six Months ended December 31, 2024 and 2023

	<u>December 2024</u>	<u>December 2023</u>
Operating Revenues:		
Use Fees & Container Charges	\$ 71,745,925	\$ 53,399,223
Maintenance-of-Way Charges	5,927,810	5,195,846
Total Operating Revenues	<u>77,673,735</u>	<u>58,595,069</u>
Operating Expenses:		
Salaries & Benefits	2,167,278	1,128,673
Administrative Expenses	413,791	967,449
Professional Services	741,810	475,015
Maintenance-of-Way	8,593,868	8,934,581
Depreciation	10,561,626	10,555,768
Total Operating Expenses	<u>22,478,373</u>	<u>22,061,486</u>
Operating Income (Loss)	55,195,362	36,533,583
Nonoperating Revenues:		
Interest & Investment Revenue, Net	4,692,565	4,417,770
Public Benefit Income	-	54,185
Miscellaneous Revenue	1,666,265	389,769
Total Nonoperating Revenues	<u>6,358,830</u>	<u>4,861,724</u>
Nonoperating Expenses:		
Interest Expense	67,906,789	63,454,082
Expenses for Public Benefit & Pass Thru Expenses	976,194	1,289,342
Amortization of deferred gain on bond refunding	(761,001)	-
Costs of Issuance	-	35
Gain/Loss Sale or Transfer of Capital Assets	-	-
Total Nonoperating Expenses, Net	<u>68,121,982</u>	<u>64,743,459</u>
Changes in Net Position	(6,567,790)	(23,348,152)
Net Position:		
Net Position, Beginning of Year	(702,388,293)	(585,539,734)
Net Position - End of Year	<u>\$ (708,956,083)</u>	<u>\$ (608,887,886)</u>



Comparison of Budget By Expenses Type as of December 31, 2024

(\$ in thousands)	Fiscal Year-to-Date		
	Budget*	Actuals	Variance
Revenues			
Operating Revenues			
Use Fees & Container Charges	\$ 45,860,972	\$ 71,745,925	\$ 25,884,953
Maintenance-of-Way Charges	8,558,908	5,927,810	(2,631,098)
Total Operating Revenues	<u>54,419,880</u>	<u>77,673,735</u>	<u>23,253,855</u>
Other Revenues			
Projects			
Pier Pass	30,000	30,000	-
EPA Order & Pass Thru Income	1,477,843	1,636,265	158,422
Subtotal Projects	<u>1,507,843</u>	<u>1,666,265</u>	<u>158,422</u>
Miscellaneous			
Public Benefit Income	37,500	-	(37,500)
Gain/Loss from Sale of Fixed Assets	-	-	-
Ports-Shortfall Advances	-	-	-
Investment Income	2,708,885	4,692,565	1,983,680
Subtotal Miscellaneous	<u>2,746,385</u>	<u>4,692,565</u>	<u>1,946,180</u>
Subtotal Other Revenues	<u>4,254,228</u>	<u>6,358,830</u>	<u>2,104,602</u>
Total Sources of Funds	<u>58,674,108</u>	<u>84,032,565</u>	<u>25,358,457</u>
Expenses			
Salaries	1,192,006	1,079,726	(112,280)
Benefits	1,326,089	1,087,552	(238,537)
Office Expenses	273,856	270,087	(3,769)
Other Management Expenses	52,950	13,623	(39,327)
Information Technologies	82,250	48,522	(33,728)
Bank & Investment	96,250	81,558	(14,692)
Audit	105,685	104,847	(839)
Legal	340,000	165,604	(174,396)
Governmental Affairs	45,000	38,662	(6,338)
Other Professional Services	990,350	432,697	(557,653)
Pass Thru Expenses & EPA Order	1,285,081	930,821	(354,260)
Expenses for Public Benefit	37,500	45,373	7,873
Total Administrative Expenses	<u>5,827,017</u>	<u>4,299,072</u>	<u>(1,527,947)</u>
Maintenance-of-Way Expenses-Rail - Contractors	6,260,243	3,753,593	(2,506,650)
Maintenance-of-Way Expenses-Rail - Capital	-	-	-
Maintenance-of-Way Expenses-Rail - Other	2,298,666	2,174,217	(124,449)
Maintenance-of-Way Expenses-Nonrail - Contractors	855,353	524,911	(330,442)
Maintenance-of-Way Expenses-Nonrail - Capital	6,231,256	1,779,494	(4,451,762)
Maintenance-of-Way Expenses-Nonrail - Other	146,669	277,869	131,200
Maintenance-of-Way Expenses - ACTA	100,461	83,785	(16,676)
Total Maintenance-of-Way Expenses	<u>15,892,648</u>	<u>8,593,868</u>	<u>(7,298,779)</u>
Subtotal Administrative and M&O Expenses	<u>21,719,665</u>	<u>12,892,940</u>	<u>(8,826,726)</u>
Financing Expenses			
Debt & Port Advance Interest/Bonds Premium Discount	26,128,906	27,212,577	1,083,671
Debt Service - Accrued CAB Interest	40,555,775	40,694,212	138,437
Subtotal Financing Expenses	<u>66,684,681</u>	<u>67,906,789</u>	<u>1,222,107</u>
Depreciation & Amortization Expenses			
Depreciation	10,492,582	10,561,626	69,044
Amortization of deferred gain on bond refunding	-	(761,001)	(761,001)
Cost of Issuance	-	-	-
Subtotal Depreciation & Amortization Expenses	<u>10,492,582</u>	<u>9,800,625</u>	<u>(691,957)</u>
Total Operating Expenses	<u>98,896,928</u>	<u>90,600,355</u>	<u>(8,296,575)</u>
Income (Loss)	<u>\$ (40,222,820)</u>	<u>\$ (6,567,790)</u>	<u>\$ 33,655,033</u>

* Y-T-D Budget calculated on a straight line basis.



Comparison of Budget By Funds as of December 31, 2024

(\$ in thousands)	Fiscal Year-to-Date		
	Budget*	Actuals	Variance
Revenues			
Operating Revenues			
Use Fees & Container Charges	\$ 45,860,972	\$ 71,745,925	\$ 25,884,953
Maintenance-of-Way Charges	8,558,908	5,927,810	(2,631,098)
Total Operating Revenues	54,419,880	77,673,735	23,253,855
Other Revenues			
Projects			
Pier Pass	30,000	30,000	-
EPA Order & Pass Thru Income	1,477,843	1,636,265	158,422
Subtotal Projects	1,507,843	1,666,265	158,422
Miscellaneous			
Public Benefit Income	37,500	-	(37,500)
Gain/Loss from Sale of Fixed Assets	-	-	-
Ports-Shortfall Advances	-	-	-
Investment Income	2,708,885	4,692,565	1,983,680
Subtotal Miscellaneous	2,746,385	4,692,565	1,946,180
Subtotal Other Revenues	4,254,228	6,358,830	2,104,603
Total Sources of Funds	58,674,108	84,032,565	25,358,458
Expenses			
Financing Fees	830,302	683,032	(147,270)
Administrative Costs	3,674,133	2,639,847	(1,034,286)
Capital	-	-	-
Railroads-M&O	8,558,908	5,927,810	(2,631,098)
Reserve-M&O	7,233,278	2,582,274	(4,651,004)
Financing Fees-M&O	100,461	83,785	(16,676)
Revenue Fund-Interest & Bonds Premium/Discount	26,128,906	27,212,577	1,083,671
Expenses for Public Benefit	37,500	45,373	7,873
LAIF General Fund-Pass Thru & EPA	1,285,080	930,821	(354,260)
Total Expenses	47,848,568	40,105,518	(7,743,051)
Non Cash Expenses			
Accrued CAB Debt Service Interest	40,555,775	40,694,212	138,437
Depreciation	10,492,582	10,561,626	69,044
Amortization of deferred gain on bond refunding	-	(761,001)	(761,001)
Cost of Issuance	-	-	-
Subtotal Interest, Depreciation, & Amortization Expenses	51,048,357	50,494,837	(553,519)
Total Operating Expenses	98,896,925	90,600,356	(8,296,570)
Income (Loss)	\$ (40,222,817)	\$ (6,567,790)	\$ 33,655,028

* Y-T-D Budget calculated on a straight line basis.



Cash & Investment Summary as of December 31, 2024

Cash and Investment Balances (\$ in thousands)				
Institution	Account Reference #	Account Description	Book Value	Market Value
Bank of America				
	0457 & 0796	Concentration & Disbursement Accounts	504	504
Pre Bond Sale Accounts-Union Bank- Now US Bank				
	5080	SR-47	4,742	4,809
Grant Reimbursement Received this month \$50,854.75				
Grant Reimbursement Received FY to Date \$50854.75				
Local Agency Investment Fund (LAIF)				
	40-19-006	General Fund	11,330	11,330
1999, 2004, 2012, 2016, 2022 Bond Funds- US Bank				
Revenue Funds	1170	Revenue Fund	35,435	35,619
	1171	M & O Fund	8,888	8,957
	1172	Reserve Account	15,576	15,688
	1189	Administrative Costs	8,981	9,100
		Subtotal Revenue Funds	68,880	69,364
Debt Service Funds	61180	99A Interest	1	1
	61181	99A Principal	-	-
	61183	99A Redemption	-	-
	61192	99A Senior Lien	269	271
	61193	99A 17th Level	46,571	47,096
	61186	99A Construction	-	-
	61200	99C Interest Account	3,176	3,190
	61201	99C Principal Account	26,482	26,723
	38003	04B Debt Service Reserve	25,821	25,637
	39004	04A Debt Service Reserve	15,640	15,765
	39006	04A Financing fee	1,270	1,289
	39002	04A Debt Service Principal Account	-	-
	59001	12 Debt Service Interest Account	391	391
	59002	12 Debt Service Principal Account	2,392	2,402
	59004	12 Debt Service Reserve Account	7,998	7,845
	27000	16A Debt Service	15	15
	27004	16A Debt Service Reserve	3,788	3,730
	27001	16A Interest	1	1
	27002	16A Principal	5	5
	108006	16B Financing fee	674	682
	108000	16B Financing fee	27	27
	108001	16B Interest	16	16
	98000	2022A DS Fund	34	34
	98006	2022A Bond Proceeds Account	-	-
	53000	2022B DS Fund	67	67
	53002	2022B Interest Account	3,060	3,060
	86000	2022C DS Fund	41	41
	86002	2022C Interest Account	5	5
	86006	2022C Bond Proceeds Account	-	-
	40000	2024A DS Fund	22	22
	40002	2024A Interest Account	86	86
	740000	2024B DS Fund	-	-
	280000	2024C DS Fund	14	14
	90000	2024D DS Fund	88	88
		Subtotal Debt Service Funds	137,954	138,503
Total 1999, 2004, 2012, 2016, 2022, 2024 Bond Funds- U.S. Bank			206,834	207,867
Total Cash & Investment Balances			\$ 223,410	\$ 224,510



Cash & Investment Summary (Cont'd) as of December 31, 2024

Investment Schedule MTI and non-MTI (\$ in thousands)

Type of Investment	Book Value	Market Value	Percentage of Total	Investment Policy Limit
Money Market Funds	9,527	9,527	4.24%	20.00%
U.S. Government & Agency Obligations	161,839	162,973	72.59%	100.00%
Commercial Paper	-	-	0.00%	15.00%
U.S. Treasury Note	30,910	30,748	13.70%	100.00%
Corporate Bonds	9,300	9,429	4.20%	30.00%
Bank of America	504	504	0.22%	20.00%
Local Agency Investment Fund	11,330	11,330	5.05%	\$40 Million
Total	\$ 223,410	\$ 224,511	100.00%	

Investment Schedule (MTI) (\$ in thousands)

Type of Investment	Book Value	Market Value	Percentage of Total	Investment Policy Limit
Money Market Funds	7,426	7,426	3.31%	20.00%
U.S. Government & Agency Obligations	154,979	156,036	69.50%	100.00%
Commercial Paper	-	-	0.00%	15.00%
U.S. Treasury Note	26,240	26,019	11.59%	100.00%
Corporate Bonds	9,300	9,429	4.20%	30.00%
Bank of America	-	-	0.00%	20.00%
Local Agency Investment Fund	-	-	0.00%	\$40 Million
Total	\$ 197,945	\$ 198,910	88.60%	

Investment Schedule (non-MTI) (\$ in thousands)

Type of Investment	Book Value	Market Value	Percentage of Total	Investment Policy Limit
Money Market Funds	2,101	2,101	0.94%	20.00%
U.S. Government & Agency Obligations	6,860	6,937	3.09%	100.00%
Commercial Paper	-	-	0.00%	15.00%
U.S. Treasury Note	4,670	4,729	2.11%	100.00%
Corporate Bonds	-	-	0.00%	30.00%
Bank of America	504	504	0.22%	20.00%
Local Agency Investment Fund	11,330	11,330	5.05%	\$40 Million
Total	\$ 25,465	\$ 25,601	11.40%	



Cash Flow as of December 31, 2024

Monthly Cash Flow

December 2024

Total Beginning Cash		<u><u>\$ 62,831,243</u></u>
Receipts		
Use Fees & Container Charges	\$ 12,691,168	
M&O & Misc. Revenues, & Funds Transfers	<u>1,646,211</u>	
Total Receipts	14,337,379	
Disbursements		
Debt Service - Transfer to Accounts	3,003,476	
M&O, Administrative, & Financing Expenses	<u>3,072,945</u>	
Total Disbursements	6,076,421	
Cash Flow for Month		<u><u>\$ 8,260,958</u></u>
Total Ending Cash		<u><u>\$ 71,092,201</u></u>



Cash Flow as of December 31, 2024

December 2024

Beginning Cash

Master Indenture Revenue Fund 1170	25,721,956
Master Indenture M&O Fund 1171	9,572,319
Master Indenture Reserve Fund 1172	15,719,352
Admin Fund 1189	9,381,092
Financing Fee-Senior	321,968
Financing Fee-1st Sub	1,413,392
Financing Fee-2nd Sub	701,164
Total Beginning Cash	<u>62,831,243</u>

Receipts

Use Fee & Container Charges	12,691,168
M&O	1,391,045
Funds Transferred from BOA to Admin Fund	25,000
Funds Transferred from BOA to Reserve Fund	-
Funds Transferred from BOA to Revenue Fund	-
Interest Income / Loss	230,166
Total Receipts	<u>14,337,379</u>

Total Cash \$ 77,168,622

Disbursements

Debt Service - transfer to 1999C Principal	-
Debt Service - transfer to 1999C Interest	1,050,830
Debt Service - transfer to 2012 Interest	128,955
Debt Service- transfer to 2012 Principal	784,167
Debt Service- transfer to 2022B Interest	1,011,233
Debt Service - transfer to 2024A Interest	28,292
Semi-Annual Accounting - Transfers & Debt Service	
Transfer to 2012 Reserve	-
Transfer to 2004A Financing Fee	-
Transfer to 2016B Financing fee	-
Transfer to 1999A Financing fee	-
Transfer to Admin Fund	-
Transfer to Master Reserve	-
Transfer to 2016A Reserve	-
Transfer to 2016B Financing Fee	-
Transfer to 2022C Reserve Fund	-
Transfer to 17th level	-
Debt service payment - 2016A Interest	-
Debt service payment - 2016B Interest	-
Debt service payment - 2022C Interest	-
M&O - Railroads expense payments	2,127,097
M&O - Reserve expense payments	242,907
Administrative expense payments	464,312
Financing expense payments	238,629
Total Disbursements	<u>6,076,421</u>

Net Ending Cash \$ 71,092,201

Ending Cash

Master Indenture Revenue Fund 1170	35,434,958
Master Indenture M&O Fund 1171	8,888,199
Master Indenture Reserve Fund 1172	15,575,721
Admin Fund 1189	8,980,905
Financing Fee-Senior	268,599
Financing Fee-1st Sub	1,270,253
Financing Fee-2nd Sub	673,567
Total Ending Cash	<u>\$ 71,092,201</u>



Cash Flow - YTD as of December 31, 2024

Cash Flow - Fiscal Year-to-Date

December 2024

Total Beginning Cash as of 7/1/24		\$ 85,331,920
Receipts		
Use Fees & Container Charges	\$ 70,022,364	
M&O & Misc. Revenues, & Funds Transfers	22,840,637	
Total Receipts	92,863,001	
Disbursements		
Debt Service - Transfer to Accounts	92,240,935	
M&O, Administrative, & Financing Expenses	14,861,787	
Total Disbursements	107,102,722	
Cash Flow for Fiscal Year		\$ (14,239,721)
Total Ending Cash		\$ 71,092,201



Cash Flow - YTD as of December 31, 2024

December 2024

Beginning Cash as of 7/1/24

Master Indenture Revenue Fund 1170	56,182,560
Master Indenture M&O Fund 1171	6,156,876
Master Indenture Reserve Fund 1172	11,142,356
Admin Fund 1189	8,794,789
Financing Fee-Senior	288,408
Financing Fee-1st Sub	2,030,262
Financing Fee-2nd Sub	736,669
Total Beginning Cash	<u>85,331,920</u>

Receipts

Use Fee & Container Charges	70,022,364
M&O	9,936,159
Funds Transferred from BOA to Admin Fund	3,676,707
Funds Transferred from BOA to Reserve Fund	6,820,616
Annual Accounting - Transfer from Revenue Fund	114,664
Interest Income / Loss	2,292,492
Total Receipts	<u>92,863,001</u>

Total Cash \$ 178,194,922

Disbursements

Debt Service - transfer to 1999C Principal	-
Debt Service - transfer to 1999C Interest	6,231,356
Debt Service - transfer to 2012 Interest	826,309
Debt Service- transfer to 2012 Principal	4,399,317
Debt Service - transfer to 2022B Interest	5,996,890
Debt Service- transfer to 2024A Interest	168,289
Semi-Annual Accounting - Transfers & Debt Service	
Transfer to 2012 Reserve	-
Transfer to 2004A Financing Fee	368
Transfer to 2016B Financing fee	8,424,703
Transfer to 1999A Financing fee	114,296
Transfer to Admin Fund	3,596,064
Transfer to Master Reserve	6,820,616
Transfer to 2016A Reserve	6,580,500
Transfer to 2016B Financing Fee	-
Transfer to 2022C Interest	2,652,625
Transfer to 17th level	46,429,603
Debt service payment - 2016A Interest	-
Debt service payment - 2016B Interest	-
Debt service payment - 2022C Interest	-
M&O - Railroads expense payments	7,393,619
M&O - Reserve expense payments	2,691,251
Administrative expense payments	3,732,650
Financing expense payments	1,044,267
Total Disbursements	<u>107,102,723</u>

Net Ending Cash \$ 71,092,201

Ending Cash

Master Indenture Revenue Fund 1170	35,434,958
Master Indenture M&O Fund 1171	8,888,199
Master Indenture Reserve Fund 1172	15,575,721
Admin Fund 1189	8,980,905
Financing Fee-Senior	268,599
Financing Fee-1st Sub	1,270,253
Financing Fee-2nd Sub	673,567
Total Ending Cash	<u>\$ 71,092,201</u>

M E M O

Alameda Corridor Transportation Authority

To: Governing Board
Meeting Date: March 20, 2025
From: Graham Christie, Chief Operating Officer *Graham M. Christie*
Subject: INFORMATION ACTA Professional Services Budget Update

Recommendation:

ACTA Staff information responding to ACTA Governing Board request for Professional Services Budget update.

Discussion:

ACTA Staff manage the elements of the ACTA Operating Budget as approved by the ACTA Governing Board annually. The Operating Budget is established based on planned expenditures for the fiscal year, tracked by department heads to ensure expenditures are according to plan, and expenditures are overseen by the accounting department using standard accounting practices.

The Governing Board asked for a status update on Professional Services. The information in Transmittal 1 provides the status as of February 21, 2025.

Budget Impact:

The status of the Professional Services budget does not indicate a need for modification of the FY25 Operating Budget.

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 – Professional Services Budget Status - Fiscal Year 2025

Professional Services Budget Status
Fiscal Year 2025

Description	Budget *Amended	**Actual	Expected	Comment
Accounting System Services	45,000	8,281	35,000	Add module for Contracts/Budget
Actuarial Services	27,600	-	27,600	End of year activity
Engineering Services	537,152	164,533	372,619	Services in progress; fully programmed
Environmental (Air Emissions Modeling) Services	11,500	1,820	9,680	Work in progress; utilize by end of year
Environmental Engineering Services	116,984	-	100,000	Anticipated services; \$17k available for misc
Financial Advisors	220,000	58,910	161,090	Services in progress; utilize by end of year
HR Services	10,000	-	-	As needed (\$10k available)
HSA Benefits	900	525	375	Work in progress; utilize by end of year
IT Services	457,595	142,225	315,370	Services in progress; utilize by end of year
Overhead Reconciliation	30,000	-	30,000	Audit closeout for ACET
Pier B Review	48,000	5,383	42,617	Pier B Design Review; utilize by end of year
Property ROW Services	37,174	1,190	35,984	Services in progress; utilize by end of year
Rating Agency	59,000	18,083	40,917	Services in progress; utilize by end of year
Revenue Assessment Verification System	455,994	31,375	420,000	Special project; \$5k available as needed
Security and Emergency Drill	23,800	4,200	19,000	Emergency Drill and Corridor security
	2,080,699	436,526	1,610,251	

*FY2025 Budget Amended February 20, 2025


**Actual as of February 21, 2025

M E M O

Alameda Corridor Transportation Authority

To: Governing Board

Meeting Date: March 20, 2025

From: Kevin L. Scott, Chief Financial Officer 

Subject: APPROVE staff's recommendation to not undertake a Full Restructuring transaction for ACTA's outstanding bonds starting in 2025

Recommendation:

ACTA Staff proposes that the Governing Board approve our recommendation to not pursue a Full Restructuring of ACTA's outstanding bonds starting in 2025.

ACTA's Governing Board has several financing options available to address projected revenue shortfalls. These options range from a Full Restructuring, which aims to eliminate all projected shortfalls through long-term bond issuances, to more limited restructuring approaches that target shortfalls in specific years or maintain a steady shortfall level. The Governing Board can also choose to forgo restructuring entirely, leaving ACTA's current debt obligations unchanged.

ACTA Staff recommends that the Governing Board not pursue a Full Restructuring at this time. If the Governing Board rejects this recommendation and directs Staff to proceed with a Full Restructuring, ACTA would likely complete a financing transaction in 2025, followed by another transaction in 2026. Given the lead time required for refinancing and the need for early action under a Full Restructuring, Staff advises the Governing Board to determine now whether it wants to proceed with that approach.

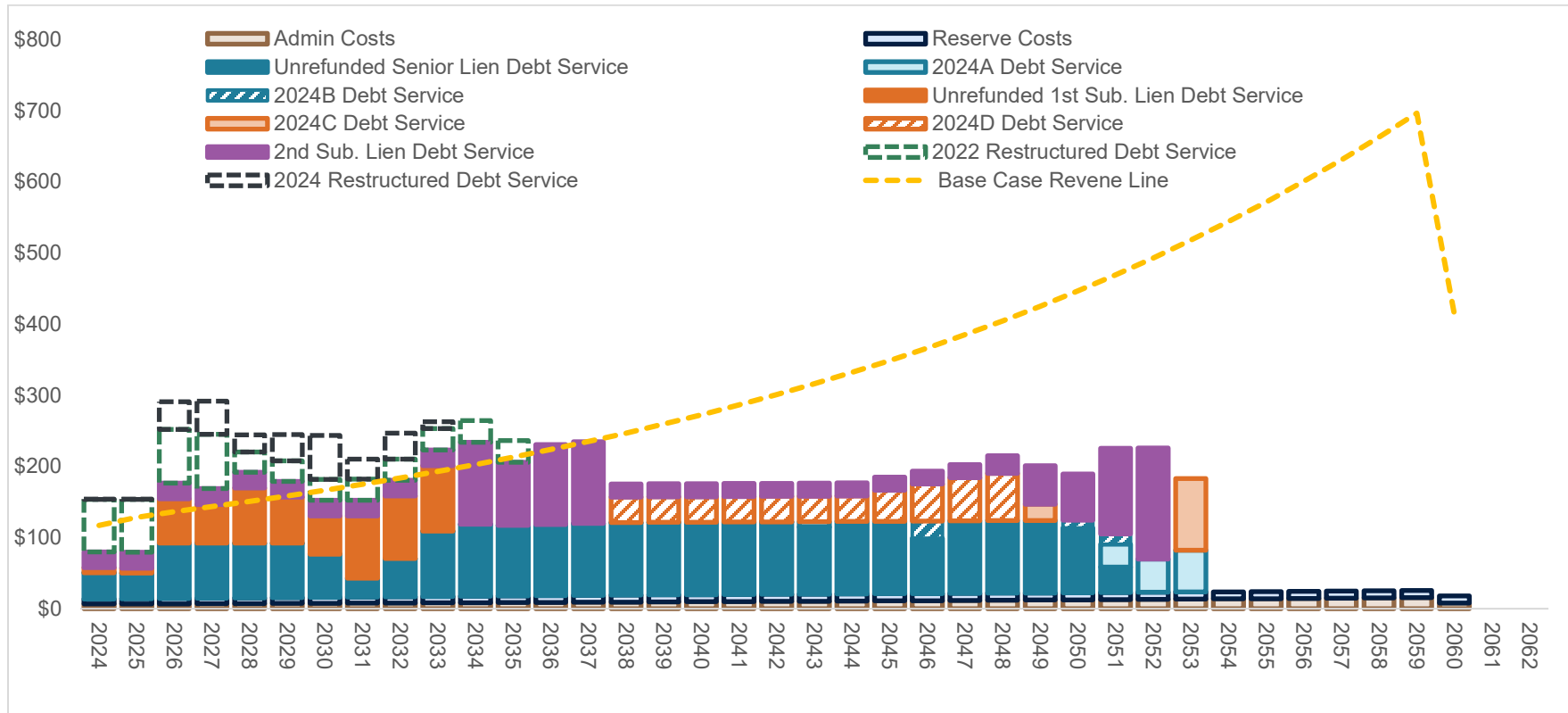
If the Governing Board approves Staff's recommendation to forgo a Full Restructuring, Staff expects to present recommendations for financing alternatives at a future meeting.

Background:

ACTA collects Use Fees and Container Charges for waterborne containers that are transported to and from Southern California by rail, which is the primary source of ACTA's revenue. Revenues are used to pay ACTA's debt service, administrative costs and reimbursement of the costs of capital improvements, all in accordance with the Master Trust Indenture. If annual Use Fees and Container Charges fall short of covering ACTA's debt service in a given year, a "shortfall" occurs. In that case, the Ports of Los Angeles and Long Beach ("Ports") must cover up to 40% (20% each) of the shortfall through a "Shortfall Advance." ACTA is obligated to refund the Shortfall Advances at such time as it has available revenues after payment of all debt service, administrative costs and capital costs in a given year. Shortfall Advances accrue interest from the date advanced at the rate per annum equal to the six-month U.S. Treasury Bill.

ACTA's Base Case revenue projections and current debt service profile are illustrated in Figure 1.

Figure 1 – Current Debt Service Profile



Notes:

- Base Case Revenue assumes 2.5% annual growth of cargo volume and 2.5% annual increase in fee unit rates.
- Annual Administration and Reserve Replenishment costs are forecast at \$13 million and increase to \$25 million in the later years.
- Annual obligations are defined as Debt Service plus certain financing fees and any deposits into the debt service reserve funds.
- Debt service and revenues are shown annually, with the period ending on October 1 of each year.
- Debt service provided by J.P. Morgan and projected revenues provided by PFM based on ACTA's forecasting assumptions.
- Open-dashed boxes show debt that was previously restructured in 2022 and 2024.
- Amounts shown in millions.

Base Case revenue projections, which assume 2.5% annual growth of cargo volume and 2.5% annual increase in unit rates (applied for Use Fees and Container Charges), and ACTA's existing debt service schedule predict that there will be revenue shortfalls in Bond Years 2026-2037, which are expected to necessitate Shortfall Advance payments from the Ports in each of those years; there are no anticipated shortfalls from BY 2038 through the final maturity of ACTA's bonds in BY 2053.

Note, the Ports have been required to pay Shortfall Advances on two prior occasions, once in calendar year 2011 and once in calendar year 2012. As a result of these Shortfall Advance payments, ACTA began imposing a \$1.00/TEU surcharge (the "Surcharge") on waterborne containers in December 2011 as permitted by the Use and Operating Agreement. These prior Shortfall Advances, together with interest, have not been repaid to the Ports and the Surcharge remains in place.

Discussion:

Restructuring the existing outstanding bond obligations of ACTA will incur transactional costs and ACTA Staff has evaluated such costs in comparison to the Ports making Shortfall Advance payments. There are several alternative financing strategies with varying levels of bond restructuring that will have different impacts on the need for the Ports to make Shortfall Advance payments to cover anticipated revenue shortfalls.

The alternative financing strategies are as follows:

1. **Full Restructuring** – designed to eliminate all currently projected shortfalls through the issuance of long-term bonds;
2. **Near-Term Restructuring** – designed to eliminate all currently projected shortfalls in calendar years 2026 to 2030 through the issuance of long-term bonds, which is in essence the first phase of the Full Restructuring (this alternative by itself would result in shortfalls after 2030);
3. **Moderate Restructuring** – designed to limit currently projected shortfalls to a consistent level through a smaller refinancing when compared with the Full Restructuring;
4. **No Bond Restructuring** – maintains the existing status of ACTA's outstanding bonds and currently projected shortfalls.

The Governing Board should consider these financing strategies now, as the next shortfall is expected in 2026, with larger shortfalls beginning in 2027 and continuing through 2037. If a Full Restructuring alternative is pursued, there could be benefit from a multi-tranche refinancing, starting in mid-2025 with additional transactions in 2026. The Near-Term and Moderate Restructuring strategies have smaller refinancing requirements and would realize less advantage from a 2025 transaction.

The alternative financing strategies have been evaluated based upon ACTA's Base Case revenue projections. The table in Figure 2 shows the results for each of the proposed alternative financing strategies. There are five factors used to evaluate the alternatives, as follows:

- (i) **Net Incremental Debt Service** represents the net additional debt service that ACTA must pay as a result of pursuing a certain restructuring strategy;
- (ii) **Restructured/Defeased Par** represents the amount of currently outstanding par that must be restructured or defeased in order to achieve the restructuring target; this also includes par amount defeased using ending balance from BY 2024;
- (iii) **NPV Cost of Restructuring** represents the net present value of the Net Incremental Debt Service;

- (iv) **Cashflow Shortfalls Total** represents total ACTA shortfalls projected through the end of the Use & Operating Agreement in April 2062. This figure is inclusive of reserve replenishment and administrative expenses; and
- (v) **NPV of Shortfalls & Excess Revenues** represents the net present value of ACTA's cashflows through the current end of the Use & Operating Agreement in April 2062 (higher results indicate improved cashflow for Ports).

Figure 2 – Analysis of Alternative Financing Strategies

	Full Restructuring	Near-Term Restructuring	Moderate Restructuring	No Bond Restructuring
i. Net Incremental Debt Service	\$1,802,900,526	\$958,546,518	\$112,850,209	-
ii. Restructured / Defeased Par	\$683,540,000	\$582,640,000	\$460,475,000	\$55,325,000
iii. NPV Cost of Restructuring (% of Refunded Par)	28 %	14 %	-8 %	0 %
iv. Cashflow Shortfalls Total (BY26-62)	(\$8,232,929)	(\$114,424,168)	(\$251,734,520)	(\$305,585,951)
v. NPV of Shortfalls & Excess Revenue thru 2062	\$1,379,298,616	\$1,455,266,340	\$1,536,735,847	\$1,549,071,131

Note:

All NPV calculations are discounted at 5.0%.

Shortfalls include payments for debt service, ACTA's administrative costs and capital costs

These results show:

- **Full Restructuring** has the highest expected increase in debt service and cost of finance (as reflected by Net Incremental Debt Service and NPV Cost of Restructuring), but it has the lowest overall projected shortfalls through 2062 (final honing of such restructure would seek zero shortfalls).
- **Near-Term Restructuring** accomplishes the first five years of the Full Restructuring and adds more than half the cost. The projected shortfalls are second lowest and the net present value of cashflows (NPV of shortfalls and excess revenue) is greater than Full Restructuring.
- **Moderate Restructuring** has a much lower incremental debt service and cost of finance, and the projected shortfalls are moderated to a steady level (about \$23M annually from 2027-2036 in the evaluated scenario).
- **No Bond Restructuring** has no incremental debt service or cost of finance, but the projected overall shortfalls are the highest of the alternatives; the NPV of shortfalls and excess revenue is also the highest for this alternative.

Two key factors should be considered when evaluating financing strategies. First, ACTA's stable bond ratings depend in part on its refinancing capacity through 2062. A Full or Near-Term Restructuring would use much of this capacity, potentially leading to downward pressure on ACTA's ratings. Second, if revenues fall short of Base Case forecasts, the Full and Near-Term Restructurings pose a greater risk to ACTA's internal rate of return ("IRR") than the Moderate or No Bond Restructuring options.

The Governing Board is requested to approve staff's recommendation to not pursue the Full Restructuring strategy at this time. Approval of this recommendation will not preclude any refinancing strategy in 2026 or at an even later date. Staff's recommendation is based on the analysis presented and comparing each alternative's cost of finance, the total estimated projected shortfalls, NPV of cashflow, and the risk to ACTA's IRR. Moreover, it is anticipated that the Ports will issue a *San Pedro Bay Long-term Cargo Forecast* report later this year which will provide more up-to-date economic and market information that will be beneficial for analyzing future refinancing strategies available to ACTA.

Budget Impact:


No budget appropriation is necessary at this time.

Co-General Counsel Review:

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

M E M O

Alameda Corridor Transportation Authority

To: Governing Board
Meeting Date: March 20, 2025
From: Kevin L. Scott, Chief Financial Officer 
Subject: APPROVE 2025-2026 Renewal of Insurance Coverage

Recommendation:

It is recommended that the Governing Board authorize the Chief Financial Officer or his designee to:

1. Negotiate and accept the recommendations of Willis Towers Watson ("Willis"), ACTA's Broker of Record, for placement of required insurance for the period April 15, 2025 through April 14, 2026; and
2. Bind insurance, on behalf of ACTA, in accordance with the recommendations of Willis.

Renewal Process:

Each year ACTA's Broker of Record reviews ACTA's insurance needs and solicits bids for insurance coverage on behalf of ACTA. The current insurance policies will need to be renewed effective April 15, 2025. ACTA carries eight types of insurance coverage, as shown on the attached Insurance Program Schematic in Transmittal 1.

ACTA's insurance year begins on April 15 and ends on April 14 of the following year. ACTA purchases insurance policies covering Corridor Property, Difference in Conditions, Terrorism, Railroad Liability, Auto Liability, Office Property, Workers' Compensation, Directors & Officers Liability, and Crime Insurance. Certain policies, including Corridor Property Insurance with an associated Business Interruption Rider are required by the terms of the Master Trust Indenture. Under the terms of the Use & Operating Agreement, the Railroads reimburse ACTA for premiums for the Corridor Property and Railroad Liability policies.

In January, 2025, ACTA staff met with representatives from ACTA's Broker of Record, Willis, to begin the annual insurance policy renewal process. During the preliminary meeting, Willis indicated that, as a result of market factors, insurance premiums can be expected to be comparable to last year. With Willis's assistance, ACTA completed the insurance applications for use by prospective carriers. Willis has presented ACTA's insurance needs, business model, and financial credentials to appropriate insurance markets to solicit coverage proposals on ACTA's behalf. As of the present, ACTA has received proposals which together represent a 1.8% increase from the prior year's renewals. Willis continues seeking additional proposals from other carriers to ensure annual premium competitiveness for the required coverage. Upon finalization, ACTA and Willis will meet with risk managers from both railroads to review and approve the coverage. Upon authorization of the Governing Board, the Chief Financial Officer or his designee will bind the final insurance portfolio. See Transmittal 1 for a Preliminary Premium Summary.

Budget Impact:

Willis is compensated directly by ACTA and receives no commission compensation from any insurance company or provider. Costs for the premiums and for Willis are included in the FY24 Budget.

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 – 2025 Preliminary Premium Summary and Comparison to 2024 Insurance Policies

Transmittal 1 - 2025 Preliminary Premium Summary and Comparison

Coverage	2025 Exposure	Exposure% Change from 2024	2024 Premium (A)	2024 Premium Adj for 2025 Exposure Change (B)	2025 Premium (C)	2025 Premium Change before Adj (C-A)	2024 Premium Change after Adj (C –B)
Corridor Property	\$1,775,766,674 TIV	2.17%	\$2,143,403	\$2,189,915	\$2,196,951	\$53,548	\$7,036
Terrorism	\$1,777,778,725 TIV	1%	\$38,897	\$39,286	\$35,007	\$(3,980)	\$(4,279)
DIC	\$1,775,766,674 TIV	2.17%	\$385,000	\$393,355	\$365,000	\$(20,000)	\$(28,355)
Railroad Liability	\$1,744,187 Payroll	10%	\$149,375	\$164,313	\$161,001	\$11,626	\$(3,312)
Excess Railroad Liability Estimated	\$1,744,187 Payroll	10%	\$59,770	\$65,747	\$65,000	\$5,230	\$(747)
Auto	0 Autos	0%	\$298	\$298	\$731	\$433	\$433
Office Property Estimated	\$3,039,270 TIV	0%	\$13,028	\$13,028	\$13,000	\$(28)	\$(28)
Workers Compensation	\$1,744,187 Payroll	19%	\$9,282	\$11,046	\$8,155	\$(1,127)	\$(2,891)
Crime	11 Employees	(9)%	\$11,982	\$10,904	\$10,894	\$(1,088)	\$(10)
Excess Crime	11 Employees	(9)%	\$5,981	\$5,443	\$5,804	\$(177)	\$361
Public Officials / EPL	\$117,400,000 Revenue	9%	\$68,422	\$74,580	\$75,175	\$6,753	\$595
Excess Public Officials / EPL	\$117,400,000 Revenue	9%	\$14,216	\$15,495	\$15,394	\$1,178	\$(101)
TOTAL			\$2,899,654	\$2,983,410	\$2,952,112	\$52,458	\$(31,298)