

# **ITEM 6**

## **FY 2026 Proposed Budget**

# Budget Assumptions

- Projected revenues based on:
  - 3.0% CPI fee increase
  - Assumption of -9.2% year over year change in TEU volume starting in July 2025 through June 2026 (Low Case)
  - Estimate of 30% capture rate by ACTA of Port TEUs
- ACTA staffing level 11 full-time
- ACTA staff compensation increase of 3.0% for CPI and merit bonus of up to 3.0%
- Office lease renewal savings of approximately \$165,363

# Budget Assumptions

- Core ACTA functions include corridor maintenance, revenue collection, payment of obligations, and servicing of debt
- \$730,429 to voluntarily paydown the unfunded accrued liability (UAL) for CalPERS pension
- M&O budget figures based upon calendar year 2025 budget approved through the Notice of Mutual Agreement process
- Additional funding for outside legal counsel services to assist with updates to the Use and Operating Agreement, Use Permit and related bond documents

# Forecasting Uncertainties

- **Budget Accuracy** is important to the decision making of the Governing Board. For the three years spanning FY22-FY24, actual spending was 30.1% lower than the budget.
- ACTA Finance staff has worked diligently to forecast budget expenditures, which will result in FY25 actual spending being only approximately 10.4% lower than the budget.
- **Revenue Uncertainty** is a key element of the FY26 budget forecast. The current revenue projection of \$110.3 million, while conservative, cannot fully reflect the impacts federal trade tariffs and policies might have on market conditions, which remain uncertain at this time.

# Operating Budget Summary Revenue

(x1000)

	FY 2026 <i>Budget</i>	FY 2025 <i>Estimated Actual</i>	FY 2025 <i>Budget</i>
San Pedro Bay TEUs	11,809	12,866	11,281
ACTA TEUs	3,543	4,206	3,054
Operating Revenue			
Use Fees and Container Charges	\$ 110,307	\$ 129,266	\$ 91,722
Maintenance-of-Way Charges	<u>14,845</u>	<u>11,856</u>	<u>17,118</u>
<b>Total Operating Revenue</b>	<b>\$ 125,152</b>	<b>\$ 141,122</b>	<b>\$ 108,840</b>
Other Revenue	<u>7,925</u>	<u>10,932</u>	<u>8,508</u>
<b>Total Revenue</b>	<b><u>\$ 133,077</u></b>	<b><u>\$ 152,054</u></b>	<b><u>\$ 117,348</u></b>

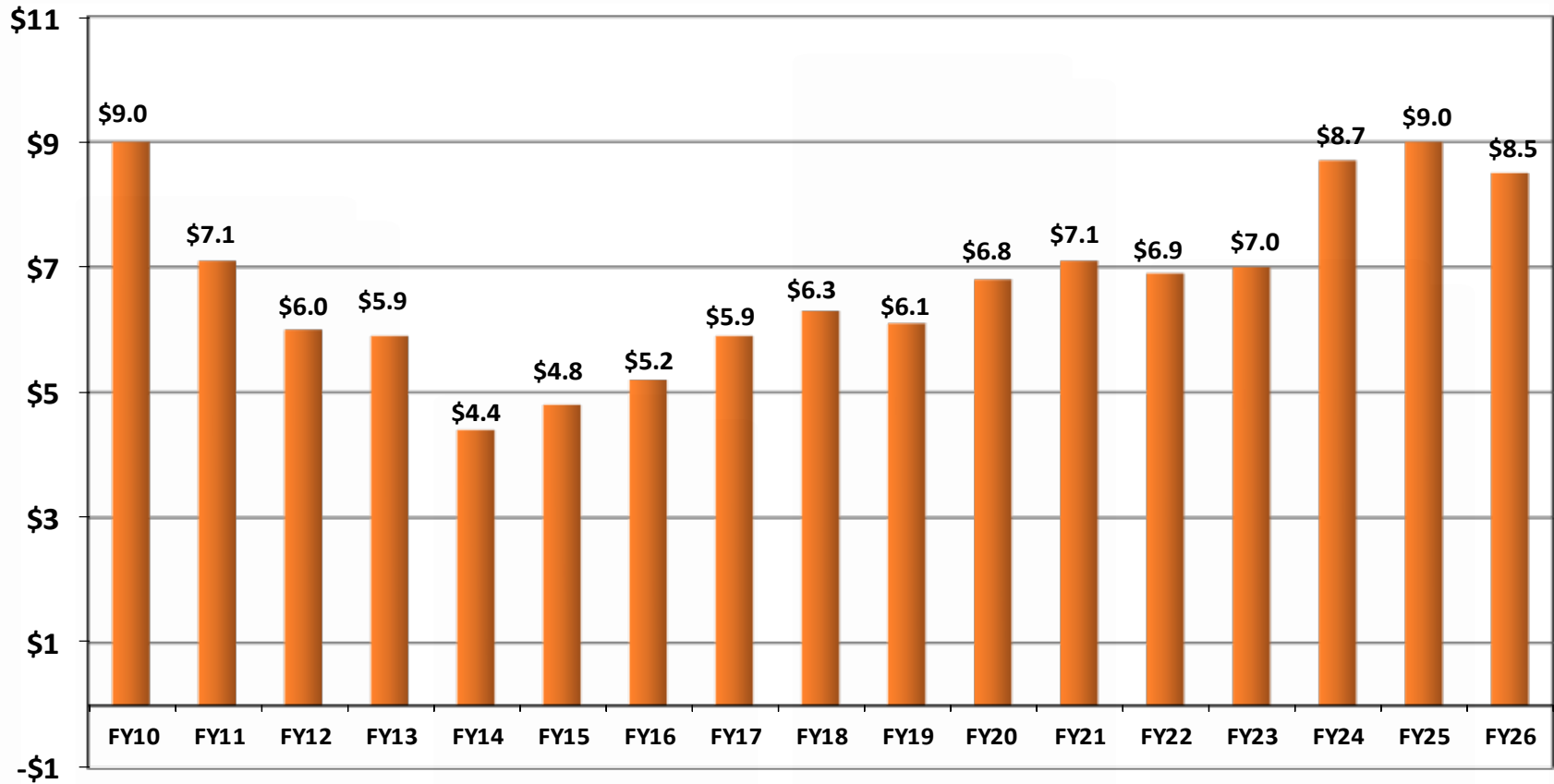
# Administrative Spending by Expense Type

	<b>FY 2026 Budget</b>	<b>FY 2025 Estimated Actual</b>	<b>FY 2025 Budget *Amended</b>
Salaries	\$ 2,238,410	\$ 2,138,844	\$ 2,384,011
Benefits	1,870,277	2,253,328	2,652,177
Office Expenses	432,783	498,115	547,711
Other Management Expenses	107,700	69,169	105,900
Information Technologies	230,500	91,008	164,500
Bank and Investment	196,100	165,117	192,500
Audit	233,911	212,847	261,370
Legal	830,000	521,002	530,000
Governmental Affairs	90,000	77,787	90,000
Professional Services	<u>2,255,700</u>	<u>2,046,777</u>	<u>2,080,699</u>
<b>Total Administrative Expenses</b>	<b>\$ 8,485,381</b>	<b>\$ 8,073,994</b>	<b>\$ 9,008,868</b>

\*FY 2025 Budget Amended February 20, 2025

# Administrative Expense Comparison Budget FY10 to FY26

Millions



# Administrative Expense Comparison Budget vs. Actual FY10 to FY25

Millions

