

Fiscal Year 2023/2024

Proposed Annual Budget

Presentation to the Board of Harbor Commissioners

April 13th 2023

THE PORT
OF LOS ANGELES



Today's Focus

Goals for the FY 2023/24 Budget

Operating Revenues

Operating Expenses

Budget Cash Flow

Next Steps for Approval of Budget

Bureau Budgets

Capital Improvement Program (CIP) Budget

Goals for FY 2023/24 Budget

Allocate resources to support objectives of the Strategic Plan

Manage expense growth relative to revenue growth

Continue prudent financial management

Manage through uncertainty

FY 2023/24 Proposed Budget-at-a-Glance

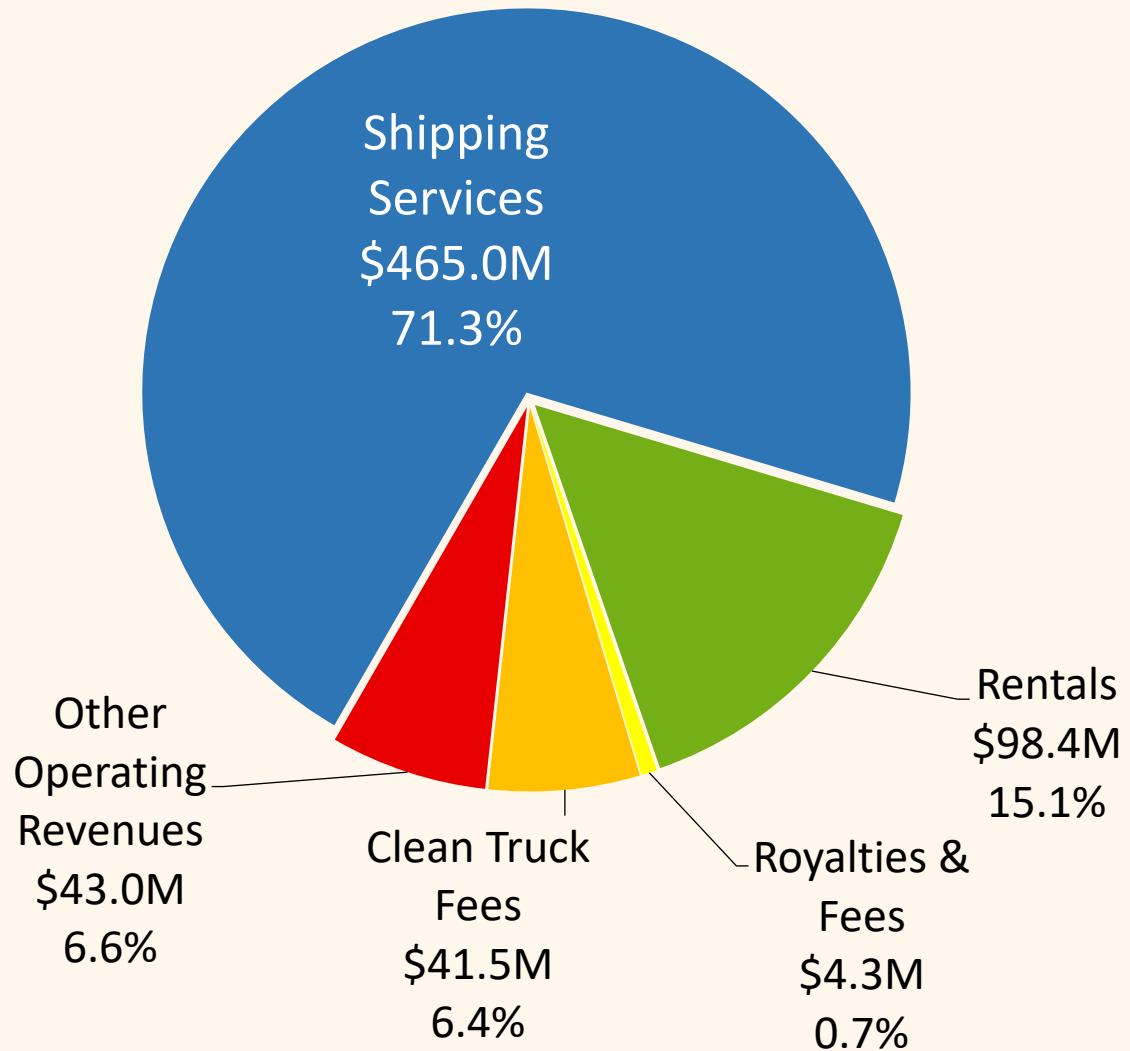


Components (\$ in millions) ³	FY 22/23 Adopted Budget	FY 22/23 Forecast	FY 23/24 Proposed Budget	Δ% Prop. Budget to Adopted	Δ% Prop. Budget to Forecast
Cargo Volumes (TEUs in thousands)	9,850	8,567	9,000	↓ 8.6%	↑ 5.1%
Operating Revenues	\$628.1	\$605.6	\$652.2	↑ 3.8%	↑ 7.7%
Operating Expenses	\$334.0	\$314.8	\$375.5	↑ 12.4%	↑ 19.3%
Operating Income	\$294.1	\$290.8	\$276.7	↓ 5.9%	↓ 4.8%
Operating Margin	46.8%	48.0%	42.4%	↓ 4.4 % points	↓ 5.6 % points
Capital Improvement Program (CIP)	\$180.5	\$153.0	\$216.5	↑ 19.9%	↑ 41.5%
Debt Service	\$67.4	\$67.4	\$68.4	↑ 1.6%	↑ 1.6%

*FY 22/23 Adopted Budget, which spans from July 2022 to June 2023, was adopted in June 2022 and became effective on July 1, 2022.

**FY 22/23 Forecast (Estimate) is the current forecast, as of March 2023, for estimated revenue and expenditures for FY 22/23. Variances between the FY 22/23 Adopted Budget and FY 22/23 Forecast represent changes in the overall revenue and expenditure forecast, which develop as financial information is received throughout the fiscal year.

FY 2023/24 Operating Revenues: \$652.2M



Shipping Services	Proposed FY 2023/24
Cargo Volumes (in TEUs)	9,000,000
Container Wharfage	\$ 395,300,007
Other Wharfage	\$ 43,236,358
Pilotage	\$ 12,168,795
Space Assignments	\$ 9,162,330
Dockage	\$ 5,000,000
Storage/Demurrage	\$ 115,000
Total Shipping Services	\$464,982,490
<i>Container Wharfage / TEU</i>	<i>\$43.92</i>

FY 2023/24 Revenues & Cargo Volumes

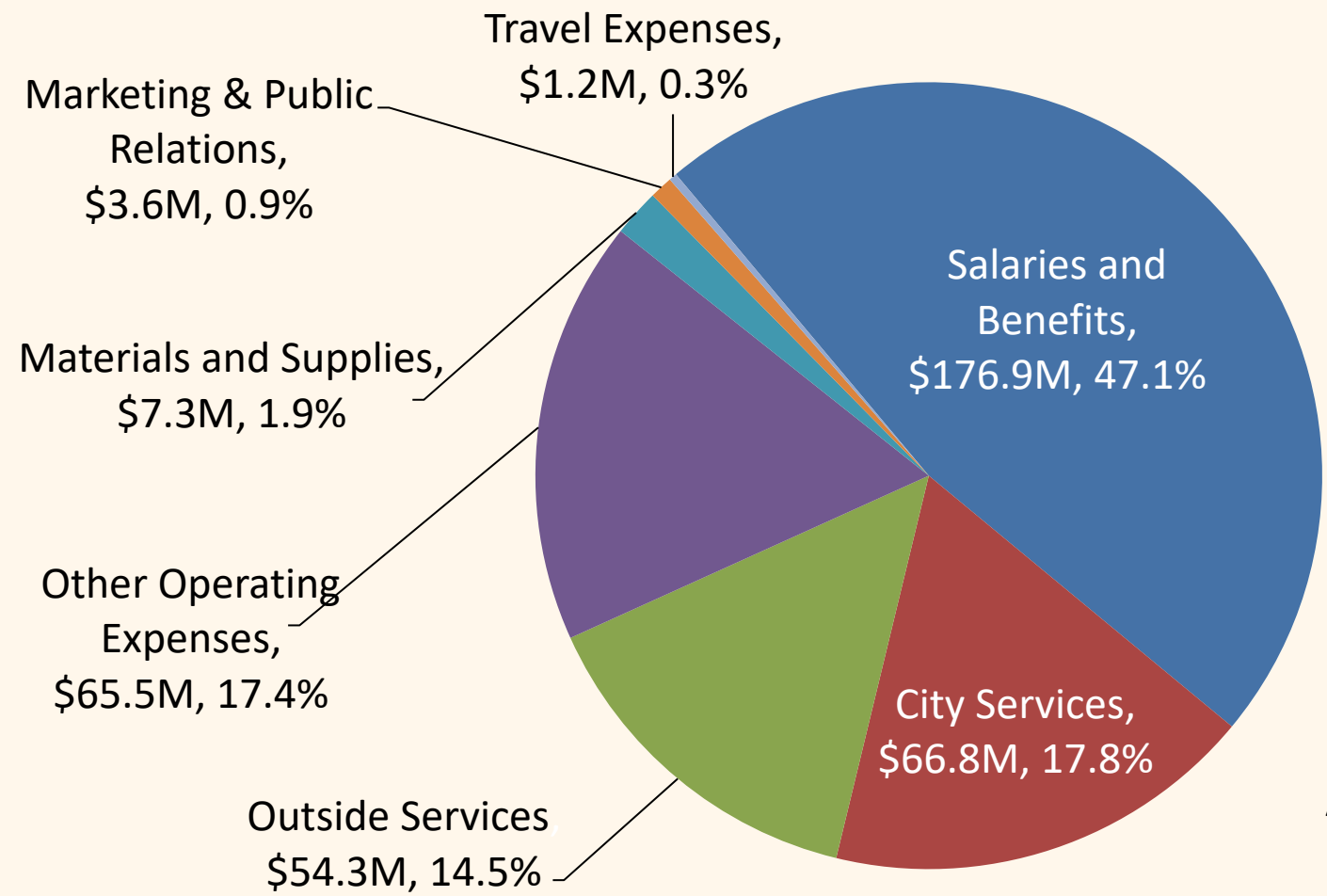
\$652.2M & 9.0M TEUs



(\$ in millions)	Adopted FY 22/23	Forecast FY 22/23	Proposed FY 23/24	% Difference Proposed vs. Adopted	% Difference Proposed vs. Forecast
Cargo Volumes (TEUs)	9.85	8.57	9.00	(8.6%)	5.1%

(\$ in millions)	Adopted FY 22/23	Forecast FY 22/23	Proposed FY 23/24	\$ Difference Proposed vs. Adopted	% Difference Proposed vs. Adopted	\$ Difference Proposed vs. Forecast	% Difference Proposed vs. Forecast
Shipping Services	439.7	428.1	465.0	25.3	5.8%	36.9	8.6%
Rentals	93.9	100.9	98.4	4.5	4.8%	(2.5)	(2.5%)
Royalties & Fees	4.6	5.1	4.3	(0.3)	(5.5%)	(0.8)	(15.5%)
Clean Truck Program	47.7	40.4	41.5	(6.2)	(13.1%)	1.1	2.6%
Other Operating Revenue	42.2	31.1	43.0	0.8	1.9%	11.9	38.4%
Total Operating Revenue	628.1	605.6	652.2	24.1	3.8%	46.6	7.7%

FY 2023/24 Operating Expense Categories \$375.5M

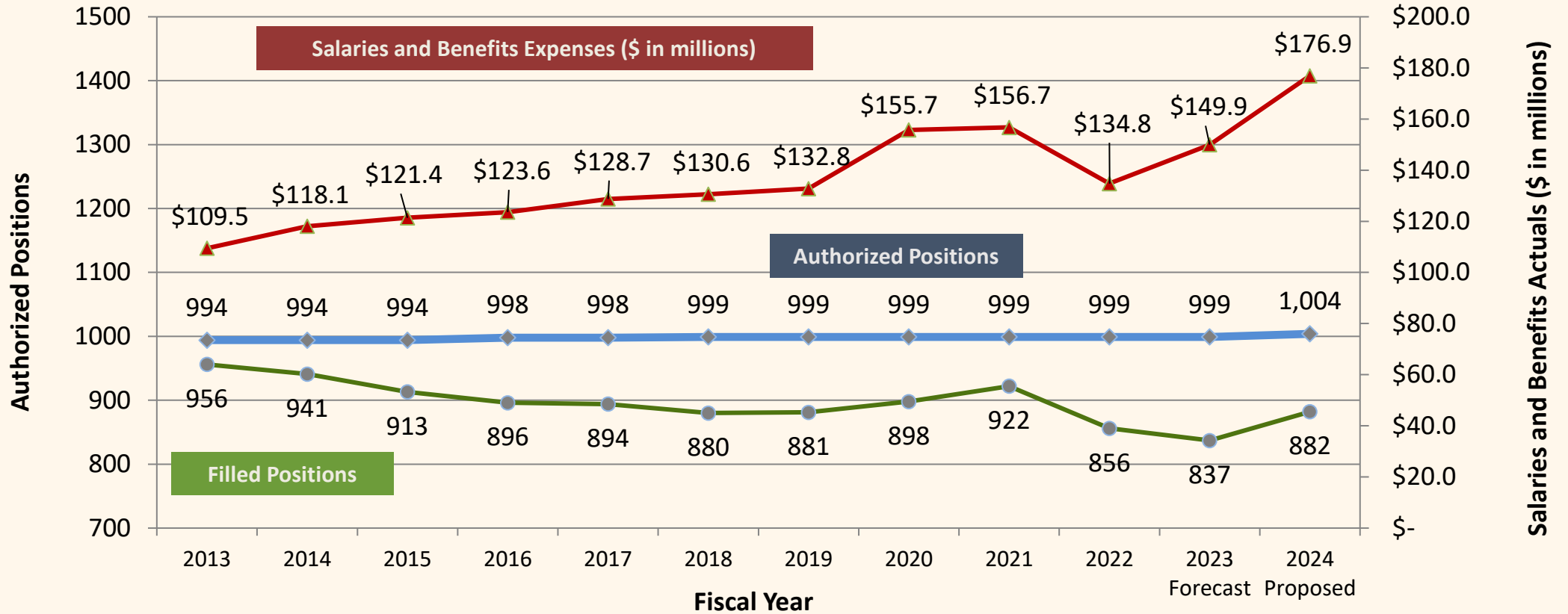


*Other Operating Expenses include (\$19.7M) in Indirect Allocations to Overhead. Without Allocations, Other Operating Expenses are \$85.2M.

FY 2023/24 Drivers of Operating Expense Variances (FY 23/24 Proposed Budget vs. FY 22/23 Adopted Budget)

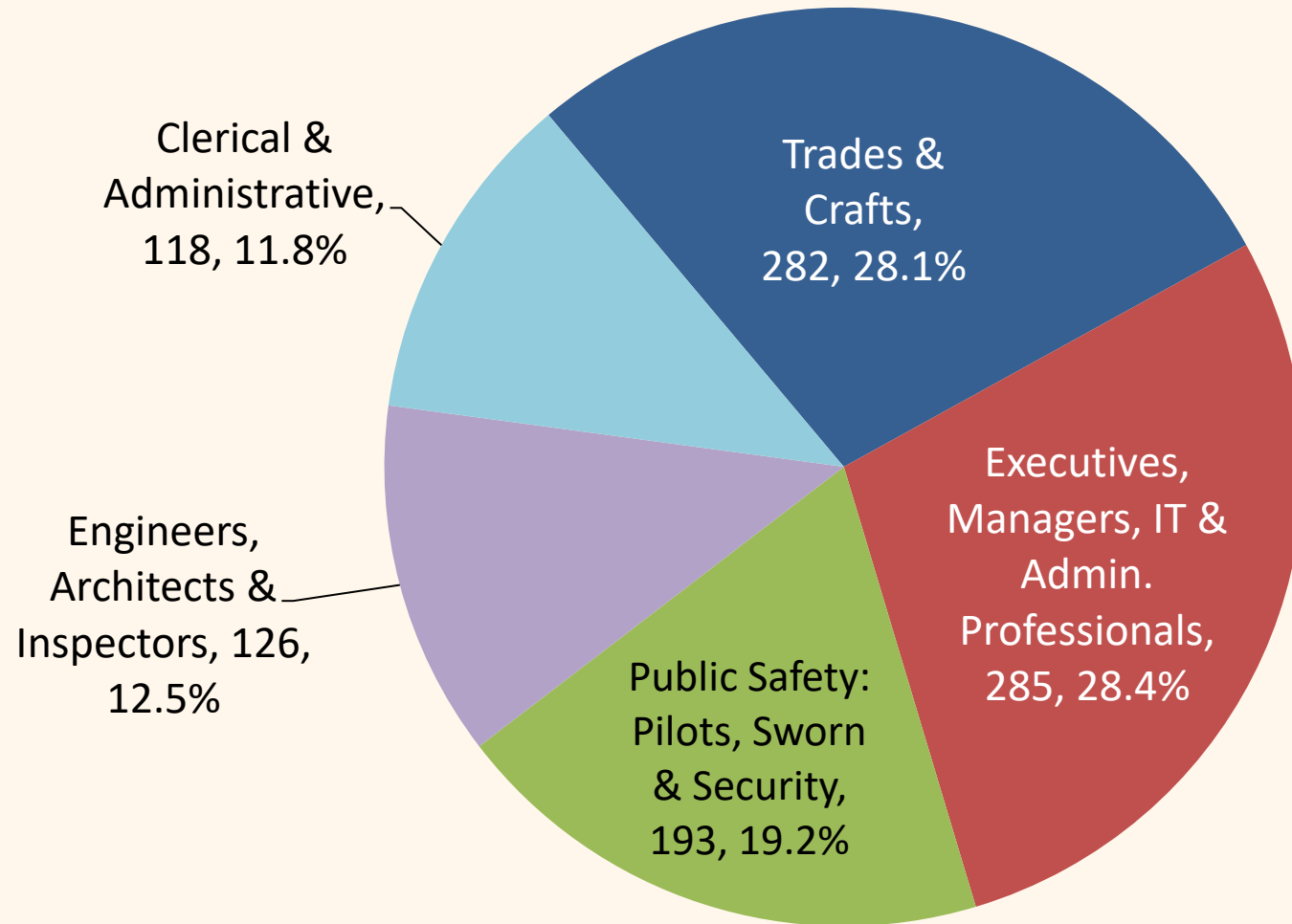
- **Year-to-Year Variances in Operating Expenses  (+41.5M net)**
- **Current Increases \$41.7M**
 - \$14.3M Salaries and Benefits,
 - \$11.4M Other Operating Expenses
 - \$8.7M Electricity
 - \$3.1M Clean Truck Fund Rate
 - \$2.4M Uncollectable Debt Expense, Insurance, Hazardous Waste Fees, Clean Truck Program, etc.
 - ❖ Offset by **(\$2.8M)** Container Incentives
 - \$10.1M Outside Services
 - \$4.6M City Services
 - \$931K Materials and Supplies
 - \$335K Marketing & Public Relations and Travel
- **Current Reductions **(\$234K)****
 - **(\$234K)** Overhead Allocations

Authorized Positions and Salaries & Benefits Expenses



Note: The significant decline in the number of filled positions in FY 2021/22 is attributed primarily to employees retiring under the Separation Incentive Program.

FY 2023/24 Position Categories 1004 Authorized Positions

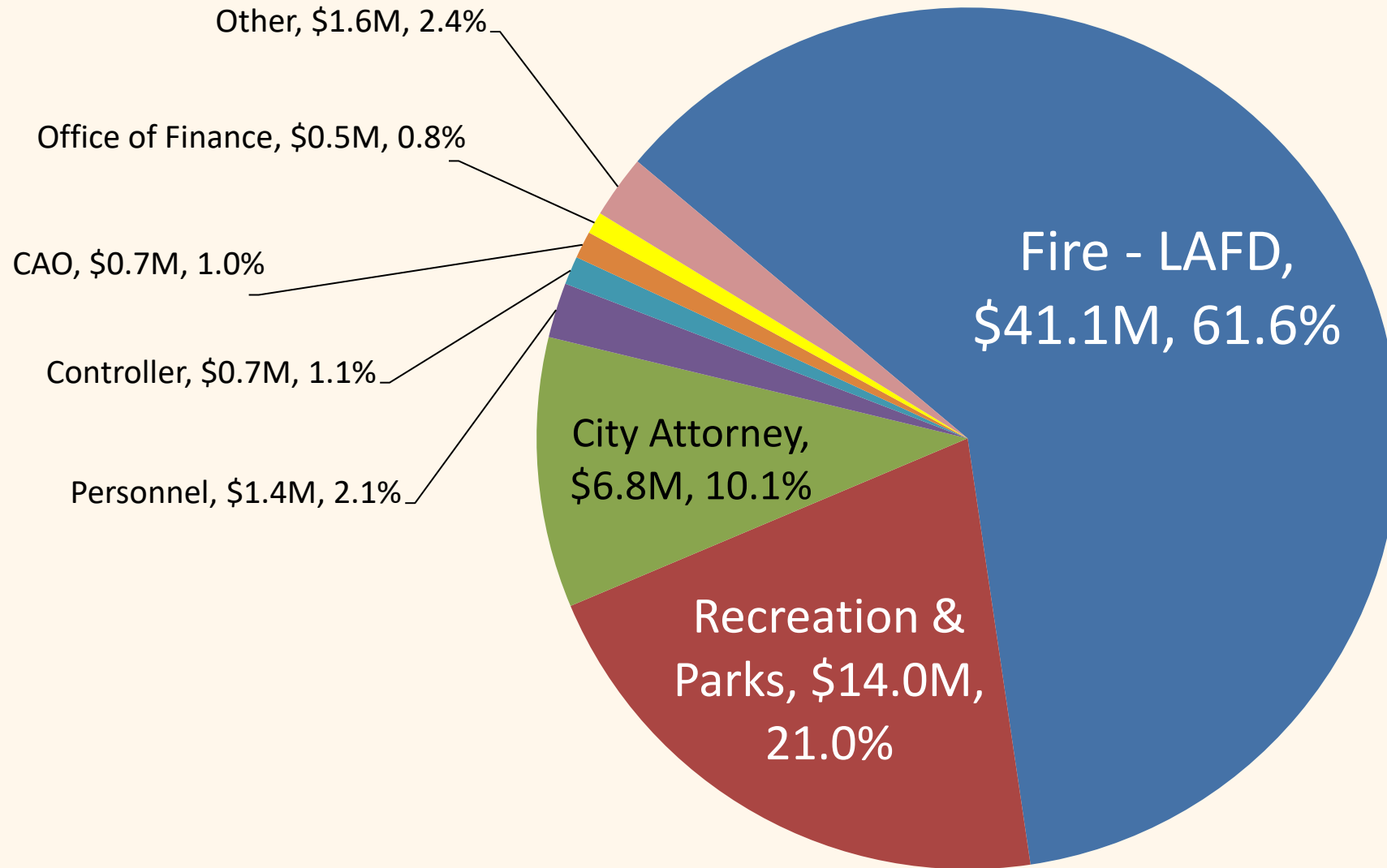


FY 2023/24 Proposed Outside Services - \$54.3M



Division	\$	%	Primary Drivers
Information Technology	\$18.7M	34.5%	Optimizer, ERP Cloud Project, Port Police Systems Support, Cyber Resilience Center, ERP Cloud Subscription, Software & Hardware Computer Maintenance
C&M	\$7.4M	13.6%	Wharves, Buildings, Grounds & Equipment Maintenance Services; Hiring Hall
Environmental Management	\$5.5M	10.2%	Air Quality Svcs & Monitoring, Site Assessment/Restoration, Emergency Response & Hazardous Waste Mgmt., Water Quality
Port Police	\$5.5M	10.0%	Security System Maint. & Continuity of Operations Project; Equipment & Computer Software Maint. Support Services; Police Information Technology, Data, and Video Systems Mgmt.
MIP	\$5.5M	10.0%	Maint. Dredging, C&M Deferred Maint., Marine Improvements, Building Demolition, Historical Asset Digitizing
WF/Com. Real Estate	\$3.8M	7.0%	Cruise Terminal Operations, Real Estate/Financial/Economic Consulting Services, Port Pantry, San Pedro Waterfront Connectivity Plan
City Attorney	\$2.3M	4.3%	Outside Legal Counsel
All Other Divisions	\$5.6M	10.4%	Information Systems Consulting Services; Federal, Environmental, State, & Specialized Advocacy; Software Maintenance/Support; Audit Fees; Financial Services; Copier Contract; Property Mgmt. Services; and Others

FY 2023/24 City Services \$66.8M



FY 2023/24 City Services – \$66.8M Service Details



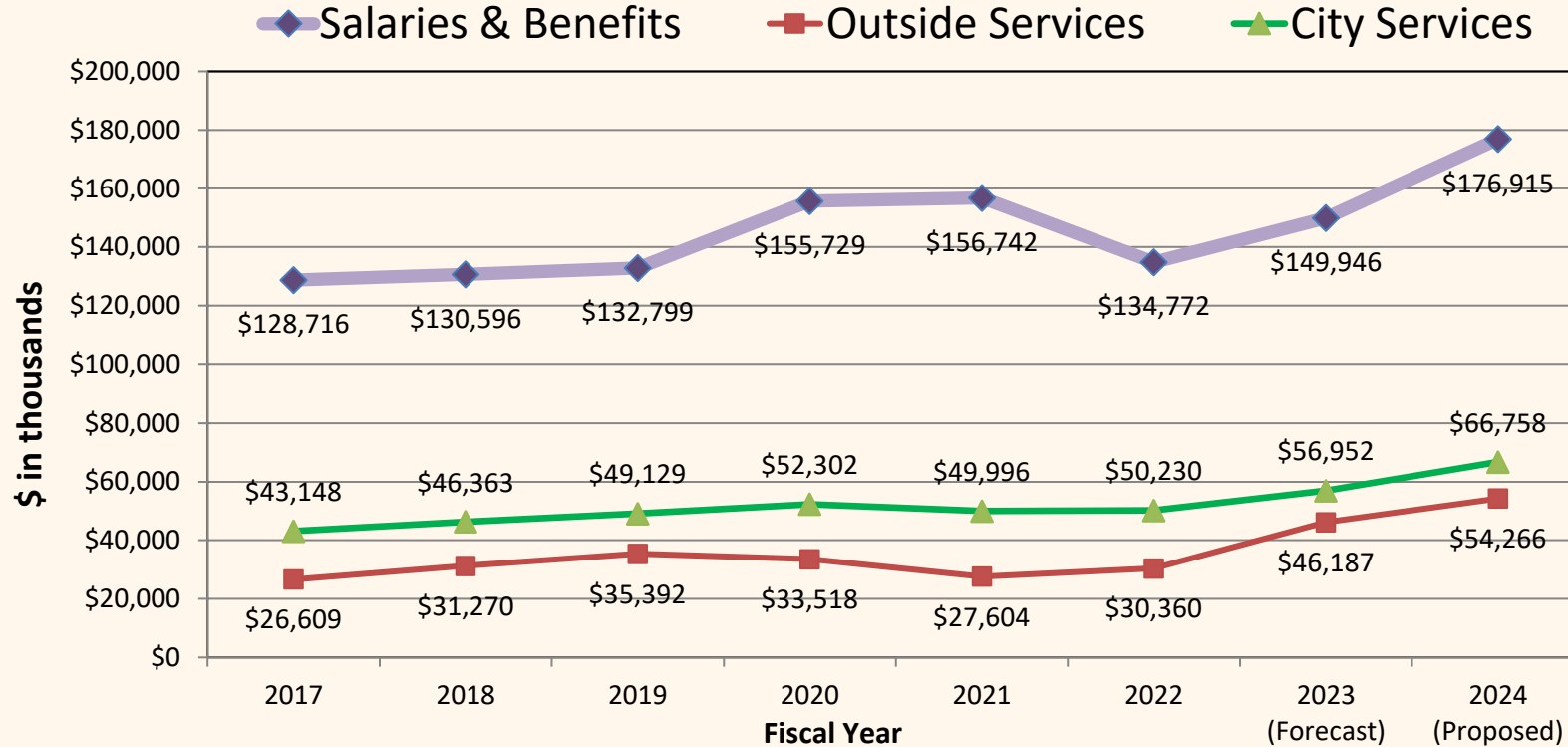
City Department	\$	%	Description
Fire - LAFD	\$41.1M	61.6%	LAFD Fire Services - Supports Approximately 198 Employees
Recreation & Parks	14.0M	21.0%	Parks & Facilities Maintenance - Supports 110 Employees (Parks, Aquarium, Museums, Beaches, Lifeguards, Construction Services, and Rangers)
City Attorney	6.8M	10.1%	In-house Legal Counsel - Supports 22 Employees (Miscellaneous Administration)
Personnel	1.4M	2.1%	Employee Relations , Records Management, and Human Resources Project (HRP)
Controller	708K	1.1%	Payroll, FMS, and Disbursements
CAO	682K	1.0%	Inspector General, Misc. Administration
Treasurer (Office of Finance)	550K	0.8%	Treasury Services (Investments & Cash Management)
Other Departments	1.6M	2.4%	Contract Compliance Certification & Equal Employment Opportunity Compliance, Contract Administration, Street Lighting Maintenance & Repair, Mayor’s Liaison, City Ethics, Emergency Preparedness Mgmt, Council Aide, LAPD Aerial Patrol, Video Production Services, Printed Materials, and Other Services

City Services - Proposed vs. Adopted



(\$ in thousands)	Adopted FY 22/23	Proposed FY 23/24	\$ Difference Proposed vs. Adopted	% Difference Proposed vs. Adopted
Fire – LAFD	\$38,788	\$41,094	\$2,306	5.9%
Recreation & Parks	12,015	14,001	1,986	16.5%
City Attorney	6,563	6,769	206	3.1%
Personnel	1,162	1,378	215	18.5%
Controller	639	708	69	10.8%
CAO	635	682	47	7.4%
Treasurer (Office of Finance)	583	550	(33)	-5.7%
Other	1,809	1,576	(232)	-12.8%
Total City Services	\$62,194	\$66,758	\$4,564	7.3%

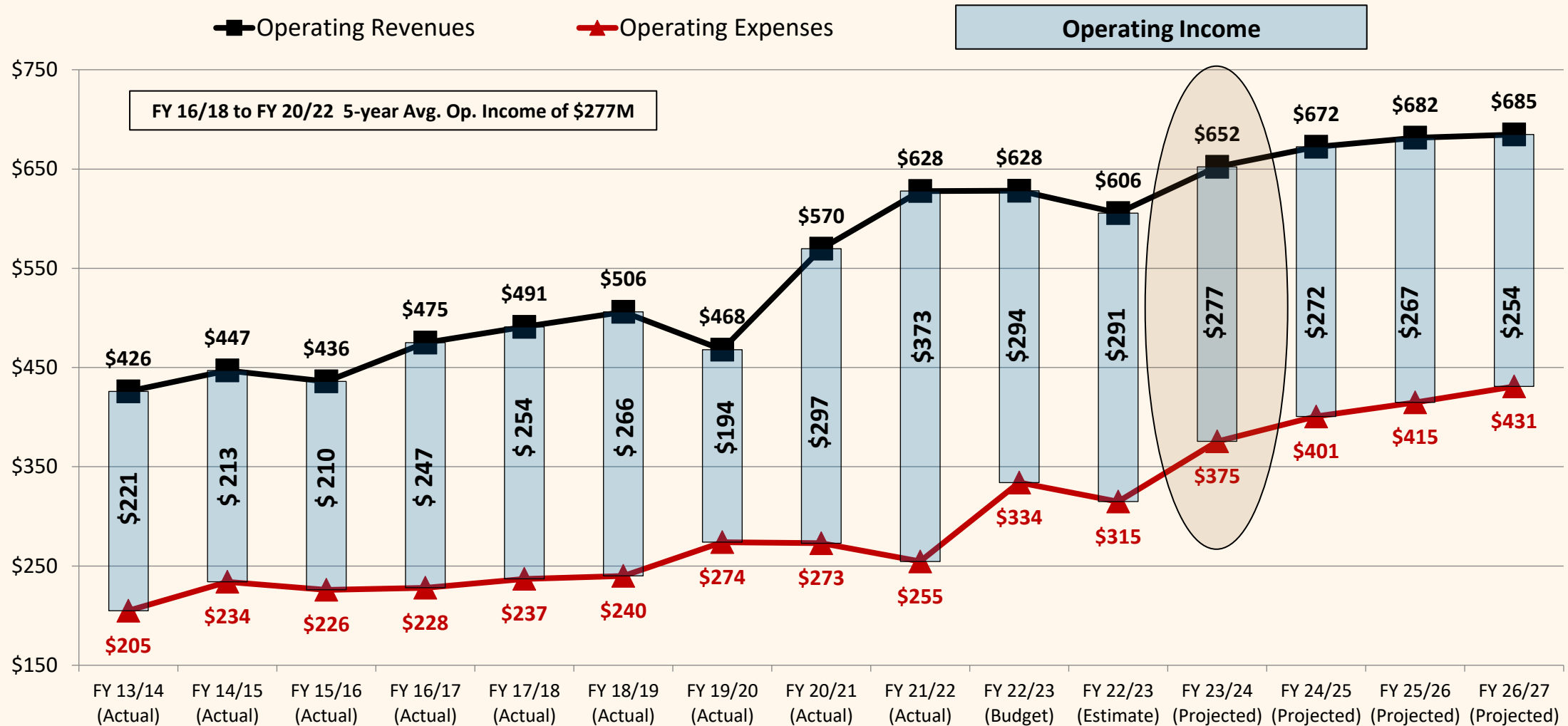
Historical Expenditures FY 2017 – FY 2024



(CAGR) Compound Annual Growth Rate FY 2017 to FY 2024	Year-to-Year % Difference	FY 20	FY 21	FY 22	FY 23	FY 24
4.6%	Salaries & Benefits	17.3%	0.7%	-14.0%	11.3%	18.0%
6.4%	City Services	6.5%	-4.4%	0.5%	13.4%	17.2%
10.7%	Outside Services	-5.3%	-17.6%	10.0%	52.1%	17.5%

Operating Revenues and Expenses

Past, Present, Proposed, Projected



FY 2023/24 Capital Improvement Program (CIP): \$216.5M



(\$ in Thousands)	Adopted Budget FY 2022/23	Forecast FY 2022/23	Proposed Budget FY 2023/24	Δ% Proposed to Adopted Budget	Δ% Proposed to Forecast
Capital Improvement Program:					
Terminal Improvements	\$ 67,343	\$76,537	\$99,529	47.8%	30.0%
Transportation Projects	13,880	7,564	22,473	61.9%	197.1%
Security Projects	4,145	4,215	1,990	(52.0%)	(52.8%)
Public Access / Env. Enhancements	45,990	44,617	24,494	(46.7%)	(45.1%)
Maritime Services	49,188	20,046	68,032	38.3%	239.4%
Total CIP Budget	\$ 180,546	\$ 152,979	\$ 216,518	19.9%	41.5%

*Projects were reclassified from Transportation Projects and Maritime Services to Terminal Improvements for the FY 23 Forecast and FY 24 Proposed Budget.

FY 2023/24 Capital Improvement Program (CIP): \$216.5M



Top 5 CIP Projects in FY 2023/24

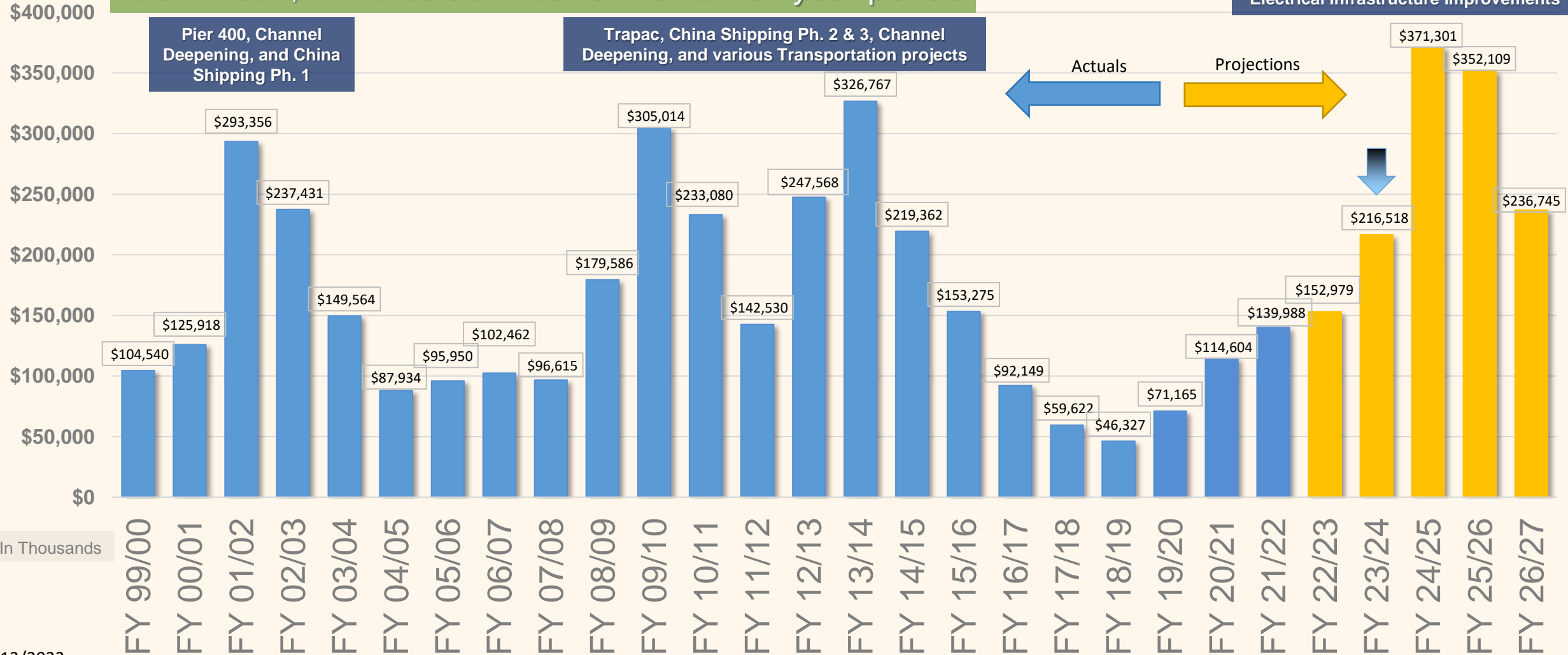
1. Pier 400 Corridor Storage Track Expansion	\$29.7M
2. SR47/Vincent Thomas Bridge & Front St/Harbor Blvd Interchange Reconfiguration	19.0M
3. Marine Oil Terminal Engineering & Maint. Standards (MOTEMs)	17.8M
4. Los Angeles Waterfront Projects (San Pedro & Wilmington)	11.4M
5. Terminal Island Demolition Projects	11.3M
Total	\$89.1M

Capital Improvement Program 2000 - 2027



More than \$4B invested in our CIP over 25+ year period

Terminal Island Maritime Support, Electrical Infrastructure Improvements



*In Thousands

Cash from Operations & Investments



(\$ in millions)	Actual FY 21/22	Forecast FY 22/23	Proposed FY 23/24	Variance Prop. – Fore. Fav. (Unfav.)
Operating Revenues	627.8	605.6	652.2	↑ 46.6
Less: Operating Expenses	(254.6)	(314.8)	(375.5)	↑ (60.7)
Operating Income	373.2	290.8	276.7	↓ (14.1)
Less: Debt service	(77.8)	(67.4)	(68.4)	↑ (1.0)
Sub Total	295.4	223.4	208.3	↓ (15.1)
Less: Capital Improvement Plan	(89.7)	(153.0)	(216.5)	↑ (63.5)
Less: Capital Equipment & Allocations	(27.7)	(26.5)	(35.8)	↑ (9.3)
Cash Earned (Needs), before Grants & Other	178.0	43.9	(44.0)	↓ (87.9)
Plus: Capital Grant Receipts	11.9	24.5	43.3	↑ 18.8
Plus: Other Items, Net	(64.1)	21.7	(12.1)	↓ (33.8)
Cash from Operations and Investments*	125.8	90.1	(12.8)	↓ (102.9)

* Reduction in FY 23/24 cash from operations is expected to occur primarily due to by increases in capital investment spending and higher operating expenses, offset by increases in operating revenue, capital grants, and non-operating revenues.

Scheduled Next Steps



Milestones	Timeframe
Re-evaluate Operating Revenue and Expense Budgets to modify as needed	April/May 2023
Budget & Finance Committee Budget Hearings	April/May 2023
Board Budget Adoption	June 8, 2023

**THE PORT
OF LOS ANGELES** LA

America's Port

THANK YOU
For Your Support



PORT OF LOS ANGELES



 **BOARD OF HARBOR COMMISSIONERS**

 **EXECUTIVE BUREAU**

**EXECUTIVE OFFICE
COMMISSION OFFICE**

 **CITY ATTORNEY**

 **MARKETING & CUSTOMER RELATIONS BUREAU**


CARGO/INDUSTRIAL REAL ESTATE
CARGO MARKETING
ENVIRONMENTAL MANAGEMENT
PLANNING & STRATEGY
WATERFRONT/ COMMERCIAL REAL ESTATE
WHARFINGERS

 **DEVELOPMENT BUREAU**

CONSTRUCTION
CONSTRUCTION & MAINTENANCE
ENGINEERING
GOODS MOVEMENT
MAINTENANCE IMPROVEMENT PROGRAM

 **PUBLIC SAFETY & EMERGENCY MANAGEMENT BUREAU**

INFORMATION TECHNOLOGY
PORT PILOTS
PORT POLICE

 **STAKEHOLDER ENGAGEMENT BUREAU**

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CONTRACTS & PURCHASING
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ACCOUNTING
DEBT & TREASURY
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INTERNAL AUDIT
RISK MANAGEMENT

BUREAU BUDGETS



MARKETING & CUSTOMER RELATIONS BUREAU Michael DiBernardo



CARGO/INDUSTRIAL REAL ESTATE

CARGO MARKETING

ENVIRONMENTAL MANAGEMENT

PLANNING & STRATEGY

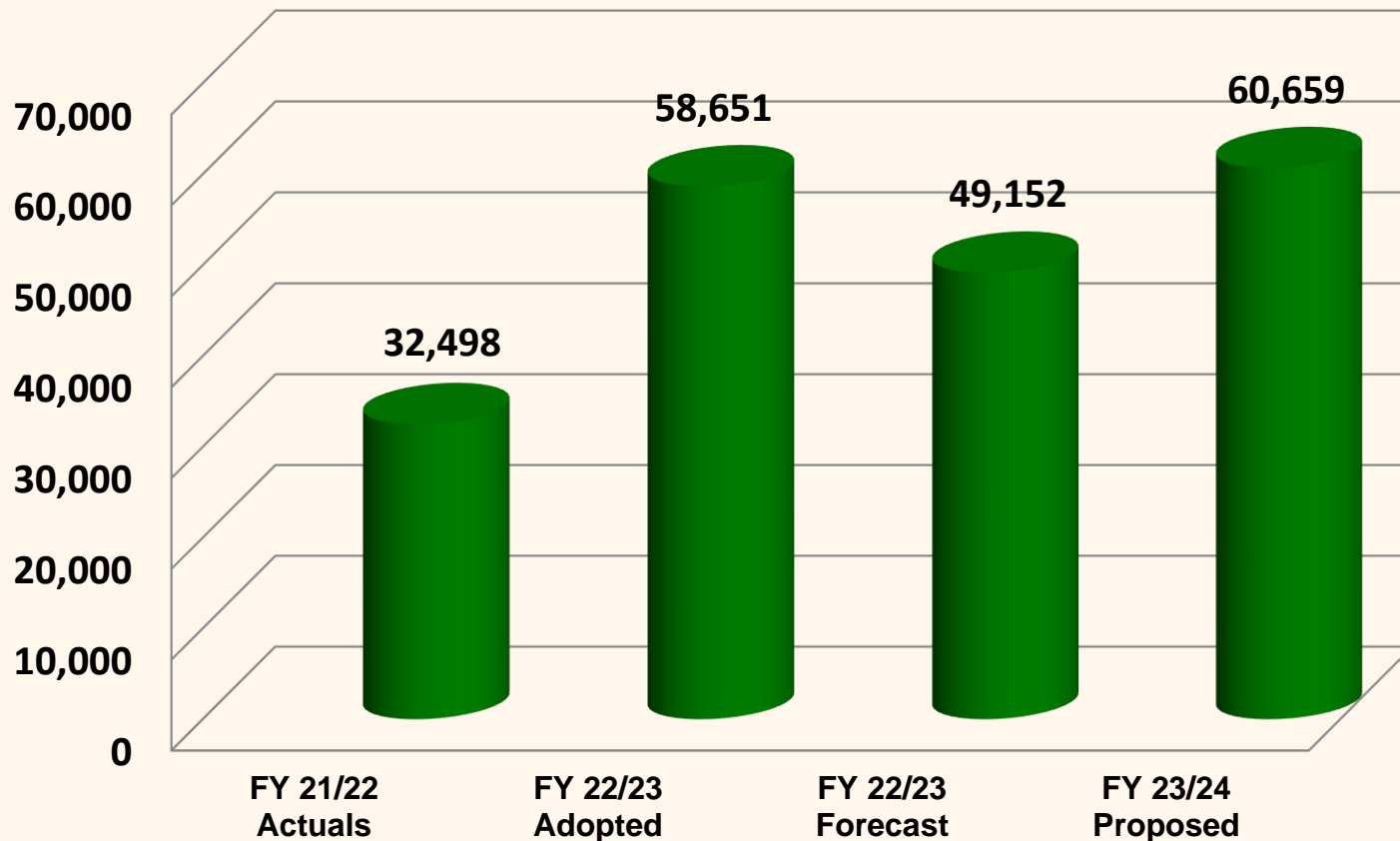
WATERFRONT/COMMERCIAL REAL ESTATE

WHARFINGERS

Marketing & Customer Relations Bureau Operating Budget-at-a-Glance



Net Operating Expenses



Budget Highlights

- FY 23/24 Proposed Net Operating Expenses: \$60.7M
 - \$11.5M or 23.4% increase relative to FY 22/23 Forecast
- Drivers of changes to FY 23/24 Proposed:
 - Other Operating Expenses
 - Increase in Clean Truck Fund Rate Program, Cruise Incentive, and Taxes & Assessments; offset by decrease in Container Incentives*
 - ✓ +\$9.9M vs. Forecast
 - Salaries & Benefits
 - ✓ +\$2.4M vs. Forecast
 - Outside Services
 - Decrease in Cruise Center Overflow Facilities, San Pedro Waterfront Connectivity Plan, and Environmental Assessment Services*
 - ✓ -\$755K vs. Forecast

Marketing & Customer Relations Bureau FY 2023/24 Goals & Initiatives

Objective 1: World-Class Infrastructure that Promotes Growth

- Continue efforts to optimize Port properties with projects such as Everglades Berths 121-126, Fenix Marine Berth 305, YTI Berths 212-223, Phillips 66, Shell Oil, PBF, Valero, VOPAK, Berth 191 dry bulk, Berth 44 boat yard, and Inner Cruise Terminal & Outer Harbor
- Focus on economic development opportunities such as the San Pedro Waterfront Connectivity Plan, San Pedro/Wilmington Waterfront, Public Access Investment Plan, and AltaSea
- Amend the Port Master plan to facilitate projects that meet CAAP and long-range facility plan goals
- Be aggressive on securing grants for development projects and equipment



Objective 2: A Secure, Efficient, and Environmentally Sustainable Supply Chain



- Continue to implement zero-emission (ZE) deployment projects for cargo handling equipment and on-road trucks in support of 2030 and 2035 ZE goals, including the Clean Truck Fund Rate Spending Plan; Technology Advancement Programs; and specific initiatives for Harbor crafts and locomotives
- Work with major shipping lines on the Green Shipping Corridor from Shanghai/Singapore to San Pedro Bay
- Continuation of risk assessments for liquid bulk facilities
- Support the use of data to improve supply chain efficiency

Objective 3: Improved Financial Performance of Port Assets

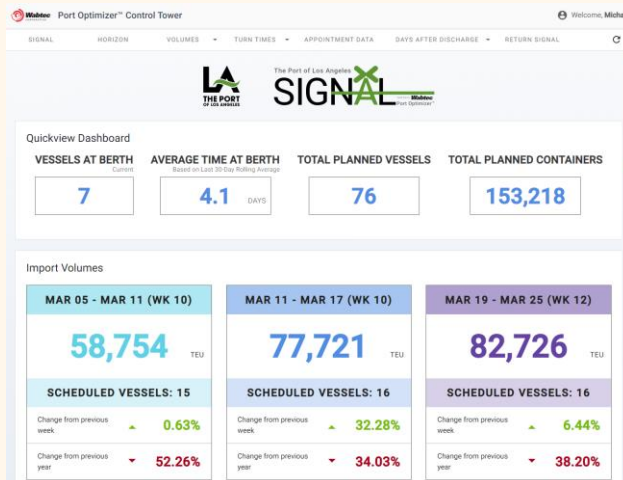
- Convert space assignments into term permits
- Continue to update permits that include Consumer Price Index annual increases
- Increase the utilization of vacant Port facilities
- Dispose of under-performing properties
- Timely assessment of shipping fees and compilation of cargo statistics



- Continue to use the appraisal process to ensure Port property is consistent with market rents
- Ensure old permits are updated with new templates
- Manage abandoned and derelict boats
- Advance Wilmington and San Pedro Marina development initiatives

Objective 4: Strong Relationships with Stakeholders

- Focus efforts on regaining cargo market share by reaching out to shipping lines, cargo owners, and key stakeholders
- Participate in industry speaking events that highlight the Port
- Support focused advertising campaigns and messaging



- Continue CEQA analysis for liquid bulk, breakbulk, container, marina, and visitor-serving tenants along with the Workforce Training Center
- Support stakeholder efforts to improve cargo velocity
- Continued promotion and upgrades of the Port Optimizer
- Provide great customer service
- Retain and grow staff

Marketing & Customer Relations Bureau FY 2023/24 Proposed Division Budgets



Division	Budgeted Positions	Gross Expenses				Capital Expenses (CAPEX)*	Operating Exp (Gross Exp without CAPEX)
		Salaries & Benefits	Outside Services	Other Operating Exp	Total Gross Exp	Allocations to Capital Budget	Net Operating Expense
Cargo Marketing	9	\$ 1,584,659	\$ 133,025	\$ 11,571,479	\$ 13,289,163	\$ -	\$ 13,289,163
Cargo/Industrial Real Estate	30	5,054,024	336,530	54,011	5,444,565	-	5,444,565
Environmental Management	29	5,510,372	5,526,150	23,418,348	34,454,870	(1,327,835)	33,127,035
Planning and Strategy	8	1,513,502	31,597	197,838	1,742,937	-	1,742,937
Waterfront/Commercial Real Estate	14	2,656,183	3,789,696	609,860	7,055,739	-	7,055,739
TOTAL	90	\$ 16,318,739	\$ 9,816,998	\$ 35,851,536	\$ 61,987,273	\$ (1,327,835)	\$ 60,659,438

Totals may differ due to rounding.

***Capital Expenses (CAPEX)/Allocations to Capital Budget** include salary and benefit expenses for staff time spent directly working on capital projects, and a portion of other divisional operating expenses that are allocated as overhead in support of work performed on capital projects.

Marketing & Customer Relations Bureau

Top Drivers



Top Drivers

- **Other Operating Expenses: \$34.6M, net of allocations (\$1.3M)**
 - ✓ Clean Truck Fund Rate (CTFR) Program: \$17.0M; which is offset by CTFR Revenue
 - ✓ Container and Cruise Incentives: \$11.2M
 - Truck Turn Time Incentive Program: \$3.0M
 - Dual Transaction Incentive Program: \$2.7M
 - Ocean Common Carrier Incentive Program: \$2.5M
 - Cruise Incentive Program: \$2.5M
 - Ultra-Large Container Vessel Incentive Program: \$600K
 - ✓ Environmental Incentives: \$4.0M
 - Vessel Speed Reduction Program: \$2.3M
 - Technology Advancement Program: \$1.2M
 - Environmental Shipping Index: \$500K
 - ✓ Clean Truck Program – Administrative Costs \$1.5M
 - ✓ Taxes & Assessments: \$980K
 - ✓ Travel Expenses: \$299K
 - ✓ Subscriptions: \$270K
 - Global PIERS Data: \$182K
- **Salaries & Benefits: \$16.2M, net of capital allocations (\$75K)**
- **Outside Services: \$9.8M**
 - ✓ Environmental Assessment Services: \$5.4M
 - Air Quality Services and Monitoring: \$2.0M
 - Site Assessment & Restoration Services: \$1.4M
 - Emerg. Response & Hazardous Waste Mgmt. Svcs: \$914K
 - Water Quality Services: \$825K
 - California Least Tern Monitoring Services: \$155K
 - CEQA/NEPA Services: \$150K
 - ✓ Cruise Terminal Operations and Maintenance: \$3.1M
 - Cruise Center Operations: \$2.3M
 - Cruise Center Overflow Facilities: \$804K
 - ✓ Real Estate, Financial, and Economic Consulting Services: \$365K
 - ✓ Property Management Services: \$229K
 - ✓ Port Pantry: \$175K
 - ✓ San Pedro Waterfront Connectivity Plan (SPWCP): \$100K

New Items

- **Other Operating Expenses: \$5.8M**
 - ✓ Clean Truck Fund Rate Program: \$5.6M
 - CTFR incentive – Infrastructure Match: \$3.3M
 - CTFR Incentive – Advanced Truck Technologies - Joint Electric Truck Scaling Initiative Program: \$750K
 - CTFR Incentive – Advanced Truck Technologies: \$500K
 - CTFR Incentive – Innovation Zero Emission Truck Concepts: \$500K
 - CTFR Incentive – Small Fleet Program: \$500K
 - ✓ Water Utility Service Reimbursement at Knoll Hill: \$20K
 - ✓ Foreign and Domestic Travel: \$6K
 - ✓ Various Memberships: \$2K
 - ✓ Cellular Service Plan: \$1.4K

- **Outside Services: \$15K**
 - ✓ Wilmington Marine Services: \$15K
 - ✓ Computer Software: \$59

- **Salaries & Benefits: \$96.2K**
 - ✓ (1) Administrative Clerk for Environmental Management Division: \$95K
 - ✓ Training Fees & Materials: \$1.2K



DEVELOPMENT BUREAU Antonio V. Gioiello, P.E.



CONSTRUCTION

CONSTRUCTION & MAINTENANCE

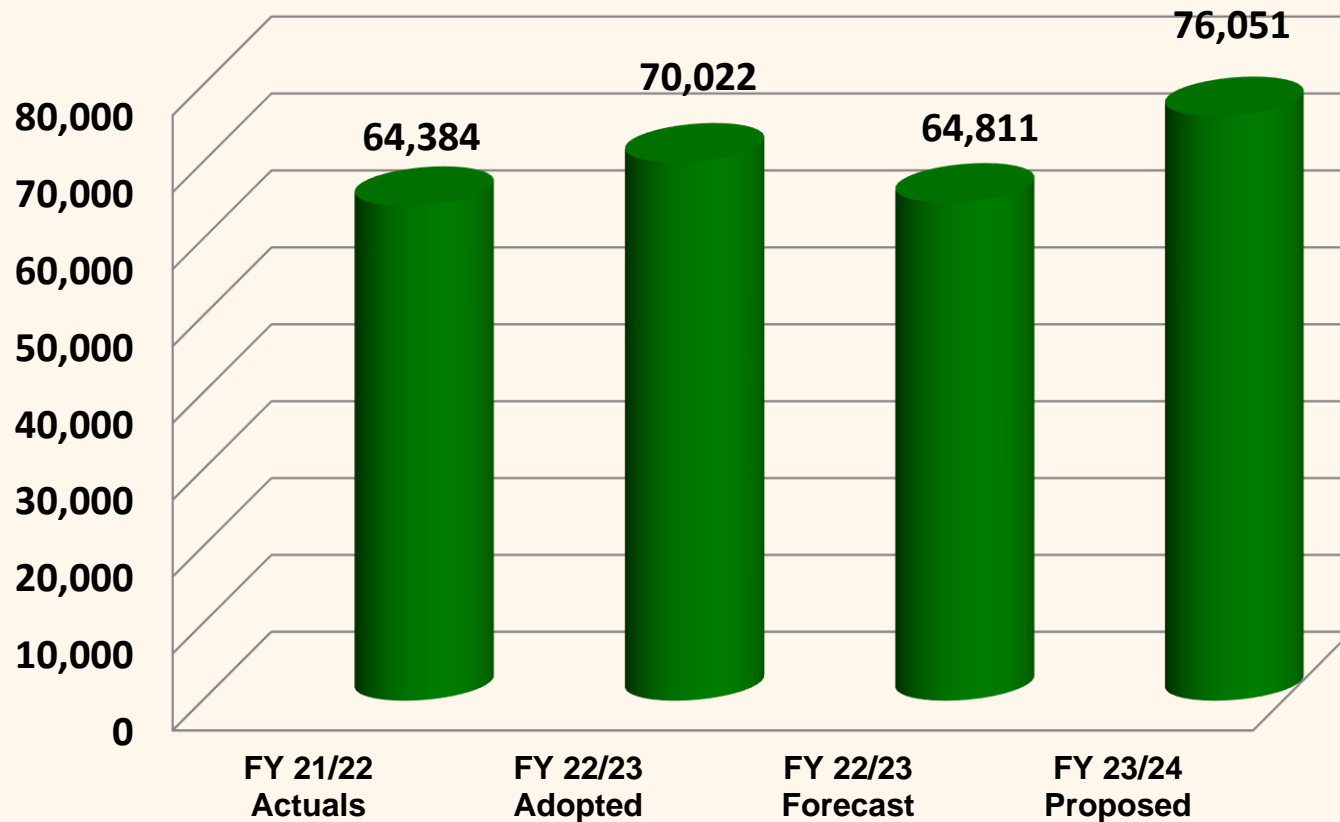
ENGINEERING

GOODS MOVEMENT

MAINTENANCE IMPROVEMENT PROGRAM

Development Bureau Operating Budget-at-a-Glance

Net Operating Expenses



Budget Highlights

- FY 23/24 Proposed Net Operating Expenses: \$76.1M
 - \$11.2M or 17.3% increase relative to FY 22/23 Forecast
- Drivers of changes to FY 23/24 Proposed:
 - Salaries & Benefits
 - ✓ \$11.5M vs. Forecast
 - Other Operating Expenses
 - Increases in Equipment Rental; Operating, Landscaping, and Gardening Materials & Supplies; Parts & Materials,*
 - ✓ +\$329K vs. Forecast
 - Outside Services
 - Reductions in Hiring Hall and Building Maintenance; offset with funding in FY 24 for Historic Asset Digitizing and increases in Maintenance Services for Dredging, Grounds, Facilities and Land, and Misc. Professional Services*
 - ✓ -\$605K vs. Forecast

Objective 1: World-Class Infrastructure that Promotes Growth



- Develop a Capital Improvement Program (CIP) that improves the Port's operational strength and financial sustainability
 - The FY 2023/24 Proposed CIP includes \$216.5M for terminal, transportation, security, public access, and maritime services projects
 - Refer to subsequent slides for further details

Objective 4: Strong Relationships with Stakeholders



- Deliver key LA Waterfront development projects on time and on budget
 - The FY 2023/24 Proposed CIP includes \$14.5M for LA Waterfront projects
 - Refer to subsequent slides for further details

Development Bureau FY 2023/24 Proposed Division Budgets



Division	Budgeted Positions	Gross Expenses				Capital Expenses (CAPEX)*	Operating Exp (Gross Exp without CAPEX)
		Salaries & Benefits	Outside Services	Other Operating Exp	Total Gross Exp	Allocations to Capital Budget	Net Operating Expense
Construction	69	\$ 14,455,087	\$ 165,884	\$ 217,872	\$ 14,838,843	\$ (7,210,234)	\$ 7,628,609
Construction and Maintenance	295	41,447,516	7,380,029	5,490,197	54,317,742	(5,386,445)	48,931,297
Engineering	90	18,717,132	270,418	331,531	19,319,081	(7,286,622)	12,032,459
Goods Movement	4	1,099,562	279,331	24,064	1,402,957	-	1,402,957
Maintenance Improvement Program	0	-	5,446,700	608,877	6,055,577	-	6,055,577
TOTAL	458	\$ 75,719,297	\$13,542,362	\$ 6,672,541	\$ 95,934,201	\$ (19,883,301)	\$ 76,050,900

Totals may differ due to rounding

***Capital Expenses (CAPEX)/Allocations to Capital Budget** include salary and benefit expenses for staff time spent directly working on capital projects, and a portion of other divisional operating expenses that are allocated as overhead in support of work performed on capital projects.

Top Drivers

- **Salaries & Benefits: \$62.0M, net of capital allocations (\$13.8M)**
- **Outside Services: \$13.5M**
 - ✓ Maintenance Improvement Program: \$5.4M
 - Berths 401-406 Maintenance Dredging: \$1.6M
 - C&M Deferred Maintenance: \$694K
 - Marine Improvements: \$630K
 - Maintenance Dredging: \$602K
 - Building Demolitions: \$555K
 - Historical Asset Digitizing: \$500K
 - ✓ Wharf Maintenance: \$1.8M
 - ✓ Building Maintenance: \$1.7M
 - ✓ Hiring Hall: \$1.4M
 - ✓ Grounds Maintenance: \$1.2M
 - ✓ Equipment Maintenance: \$615K
 - ✓ Software Consulting, Maintenance & Support: \$535K
- **Other Operating Expenses: \$539K, net of capital allocations (\$6.1M)**
 - ✓ C&M Parts & Materials: \$2.9M
 - ✓ Fuel for Port Equipment: \$1.0M
 - ✓ Maintenance Improvement Program: \$609K
 - Port-Wide Electrical Infrastructure Inspections and Repairs: \$254K
 - Maintenance Paving: \$120K
 - C&M Deferred Maintenance: \$109K
 - ✓ C&M Tools, Equipment and Facility Rental: \$582K
 - ✓ Operating Materials & Supplies: \$359K
 - ✓ Office Equipment and General Office Supplies: \$258K
 - ✓ Travel: \$187K
 - ✓ City Services: \$176K
 - ✓ Telephone Services: \$167K

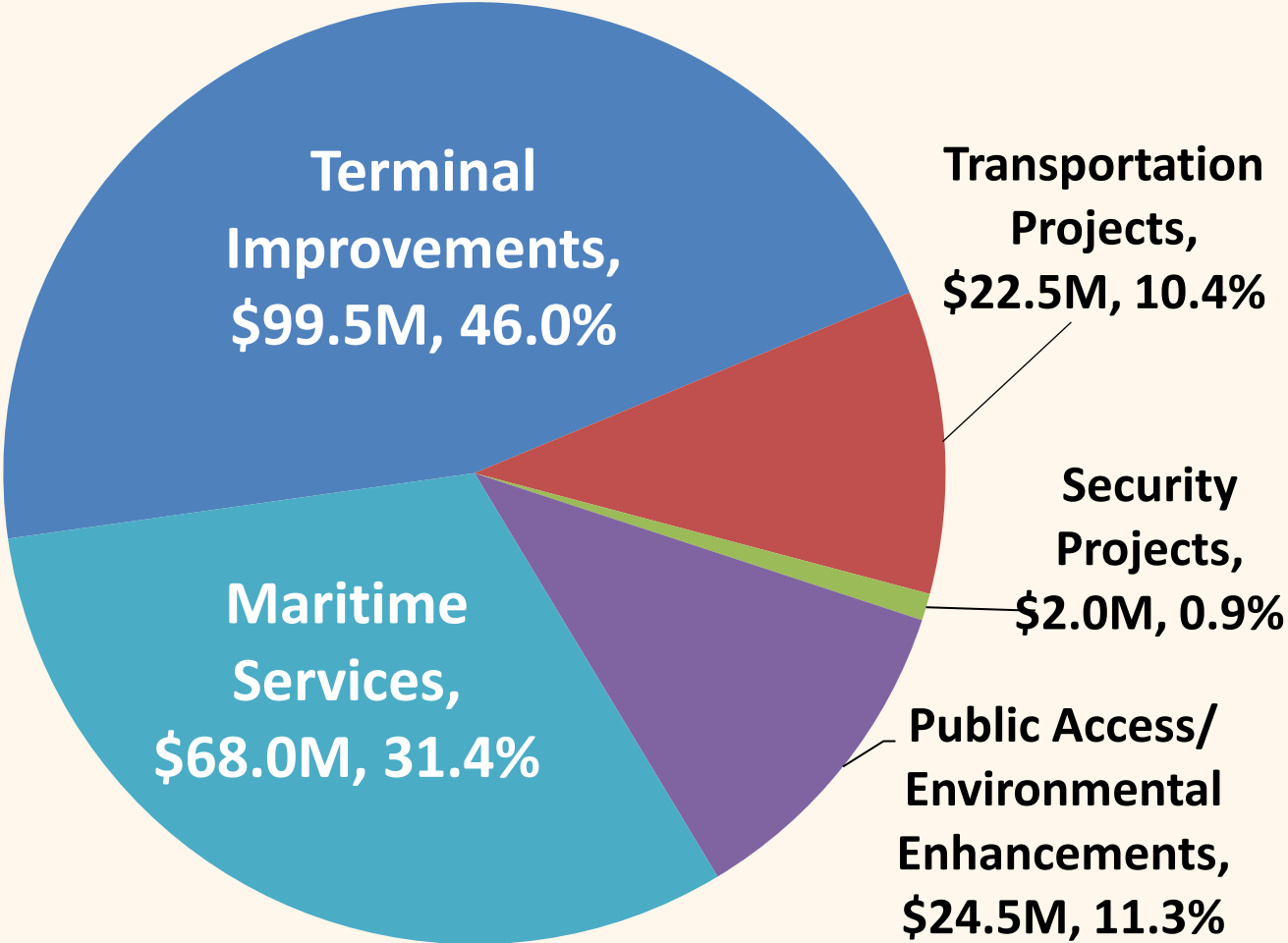
New Items

- **Outside Services: \$900K**
 - ✓ Hiring Hall: Staff Augmentation for Implementation of Oracle Maintenance Cloud: \$750K
 - ✓ Landscaping Maintenance Services: \$100K
 - ✓ Impound Vessel Related Services: \$50K
- **Other Operating Expenses: \$126K**
 - ✓ (20) HP Z6 Workstations: \$100K
 - ✓ Domestic Travel: \$25K
 - ✓ Memberships: \$808
 - ✓ Professional Land Surveyor Act and Subdivision Map: \$180
- **Salaries & Benefits: \$592K**
 - ✓ (3) Port Electrical Mechanics for Construction & Maintenance Division: \$558K
 - ✓ Training, Licenses, and Fees: \$34K
- **Maintenance Improvement Program: \$714K**
 - ✓ Historic Asset Digitizing: \$500K
 - ✓ POLA Bridge Inspection Program: \$177K
 - ✓ Berths 302-305 Painting of Bollards, Guard Posts, Safety Guard Posts, and Redstripes: \$35K



CAPITAL IMPROVEMENT PROGRAM

Proposed FY 2023/24 Capital Improvement Program (CIP) Budget \$216.5M



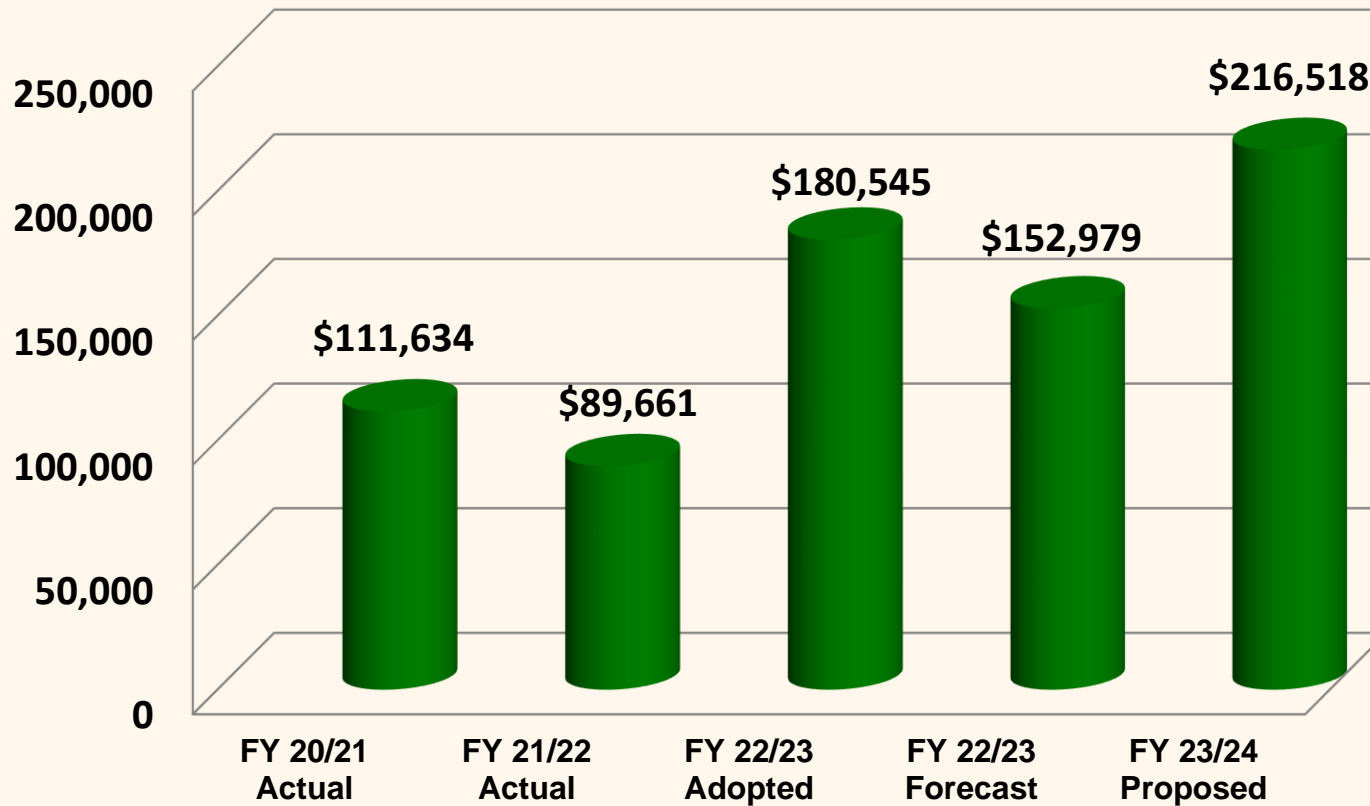
*Includes Salaries and Benefits

Capital Improvement Program Budget-at-a-Glance



Budget Highlights

Capital Improvement Program



- FY 23/24 Proposed CIP: \$216.5M
 - \$63.4M or 41.5% increase relative to FY 22/23 Forecast
- Key Expenditures:
 - Pier 400 Corridor Storage Track Expansion: \$29.7M
 - State Route 47/Vincent Thomas Bridge & Front St./Harbor Blvd. Interchange Reconfig.: \$19.0M
 - MOTEMs: \$17.8M
 - Berths 302-305 On-Dock Rail Expansion: \$11.4M
 - Terminal Island Demolition Projects: \$11.3M
 - Berths 177-182 Marine Improvements: \$10.8M
 - San Pedro Waterfront Promenade – Phase II & Clean-Up: \$10.2M
 - Berth 306 Container Wharf: \$9.2M
 - Front Street Beautification Project: \$4.0M
 - Terminal Island Maritime Support Facility: \$4.0M
 - Berths 302-305 RMG Crane Rail & Foundation: \$2.9M
 - Joint Ports Good Movement Workforce Training Facility: \$2.8M
 - Wilmington Waterfront Avalon Pedestrian Bridge and Promenade Gateway: \$1.4M
 - Wilmington Waterfront Promenade: \$1.2M
 - Navy Way and Seaside Ave. Interchange Improvements: \$1.1M

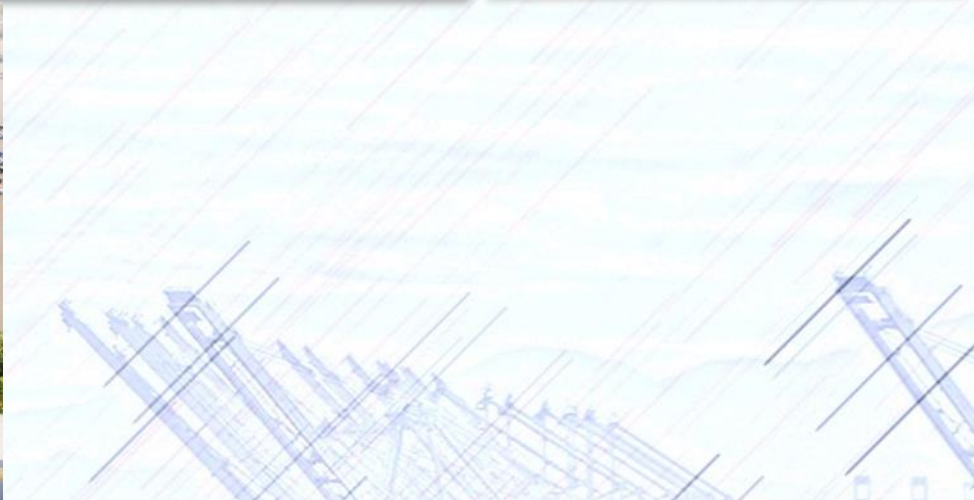
Public Access Investment Plan

Active LA Waterfront Projects



Project Elements (\$ in millions)	PREVIOUS YEARS	FY 23/24 Year 9	FY 24/25 Year 10	FY 25/26 Year 11	FY 26/27 Year 12	Total CIP (millions)
San Pedro Waterfront Promenade & Town Square – Phase I Promenade Town Square Floating Docks Restroom Facility Electrical Utility Service	\$55.73	\$0.21	\$0.04	-	-	\$55.98
San Pedro Waterfront Promenade - Phase II*	6.76	9.10	11.14	-	-	27.00
San Pedro Waterfront Berths 78 Clean Up – Phase II	0.29	1.14	0.07	-	-	1.50
208 East 22 nd Street Parking Lot Improvements	0.26	0.65	6.92	12.89	0.08	20.80
Total San Pedro Waterfront:						\$105.28
Wilmington Waterfront Promenade and Site Assessment	68.46	1.17	0.67	-	-	70.30
Wilmington Waterfront Avalon Pedestrian Bridge and Promenade Gateway	3.69	1.43	5.73	32.88	20.64	64.37
Wilmington Youth Sailing and Aquatic Center	0.89	0.18	2.06	1.45	0.02	4.60
Total Wilmington Waterfront:						\$139.27
TOTAL:	\$136.08	\$13.88	\$26.63	\$47.22	\$20.74	\$244.55

Wilmington Waterfront Promenade



- **Project Cost: \$71.5M**
- **Const: *Nov. 2020 – Summer 2023***
- **\$1.2M in FY 23/24 CIP**

Wilmington Waterfront Avalon Pedestrian Bridge and Promenade Gateway

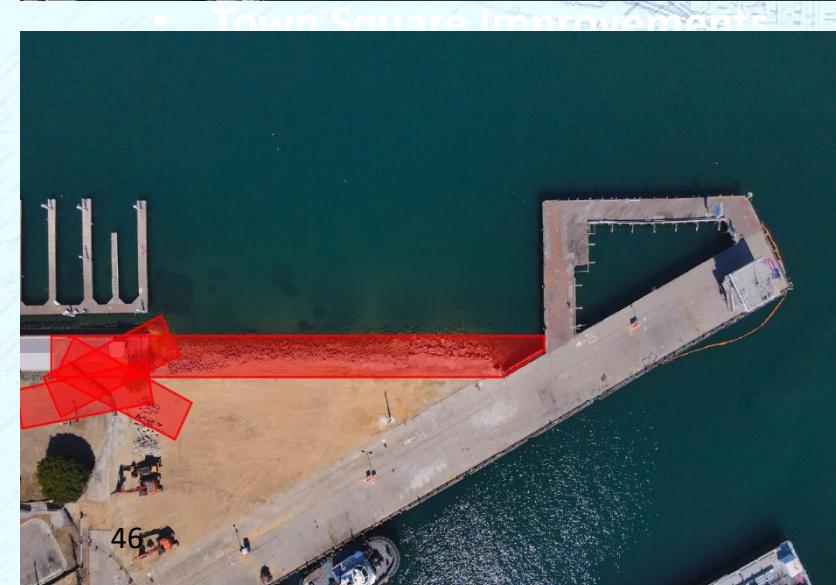


- **Project Cost: \$65.0M**
- **Construction: *Nov. 2024 – Spring 2027***
- **\$1.4M in FY 23/24 CIP**



San Pedro Waterfront Berths 74-83 Promenade – Phase II & Clean-Up

- **Project Cost: \$28.5M**
- **Construction: *June 2023 – Dec. 2024***
- **\$10.2M in FY 23/24 CIP***



208 East 22nd St. Parking Lot Improvements



- **Develop and Redevelop approximately 17.5 acres** for public parking for approx. 1,900 parking stalls

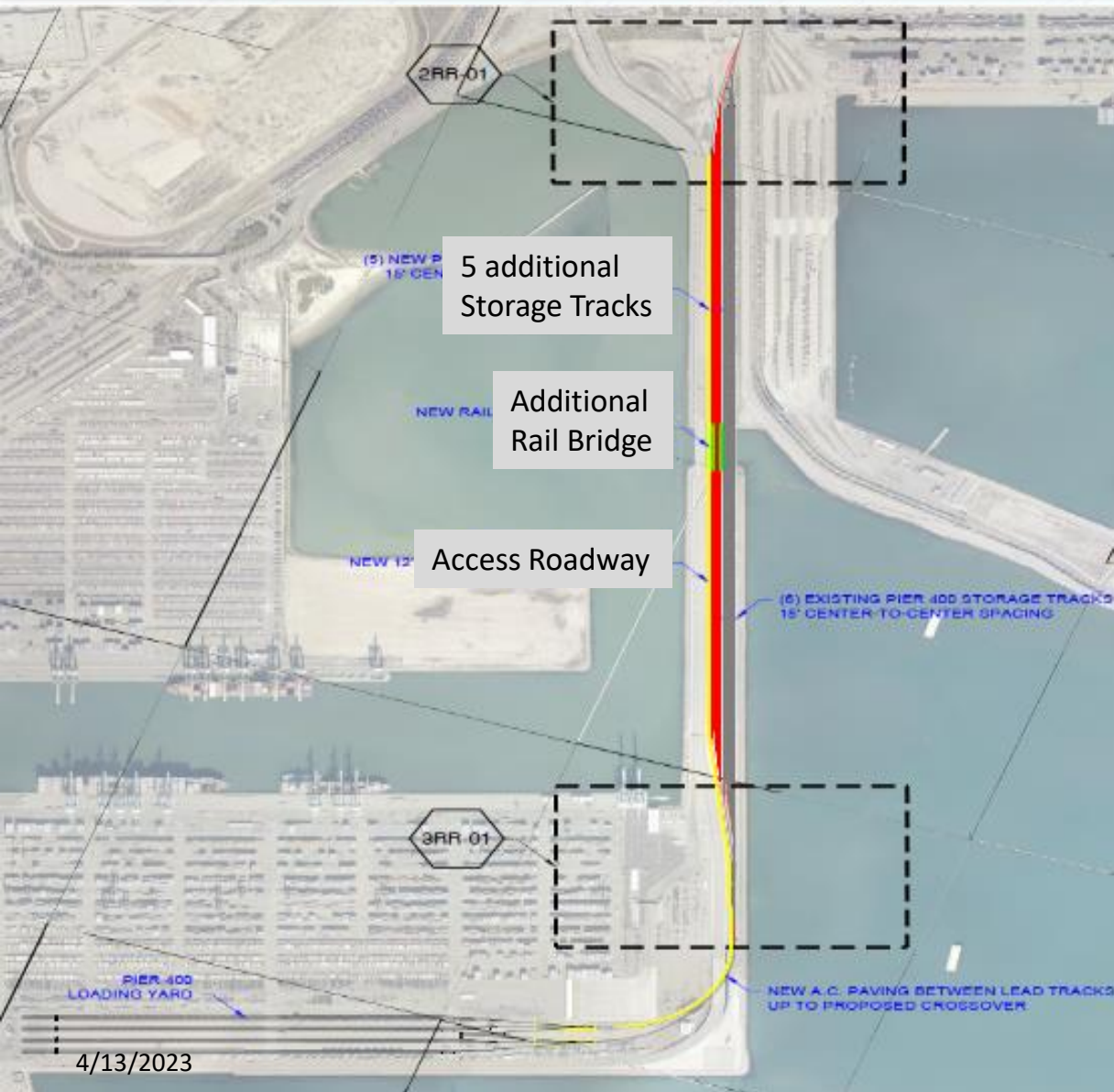
- **Improvements** include: demolition, removals, drainage, AC paving, striping, driveway modifications, site lighting, site security, fencing, security cameras, and parking kiosks

- Project Cost: \$20.8M

- Construction: Jan. 2025 – Sept. 2025

- **\$650K in FY 23/24 CIP**

Pier 400 Corridor Storage Track Expansion



BRIDGE OBLIQUE VIEW

- **Project Cost: \$73.2M**
- **Construction: Feb. 2022 to May 2024**
- **Grant Funding: \$21.6M**
- **\$29.7M in FY 23/24 CIP**

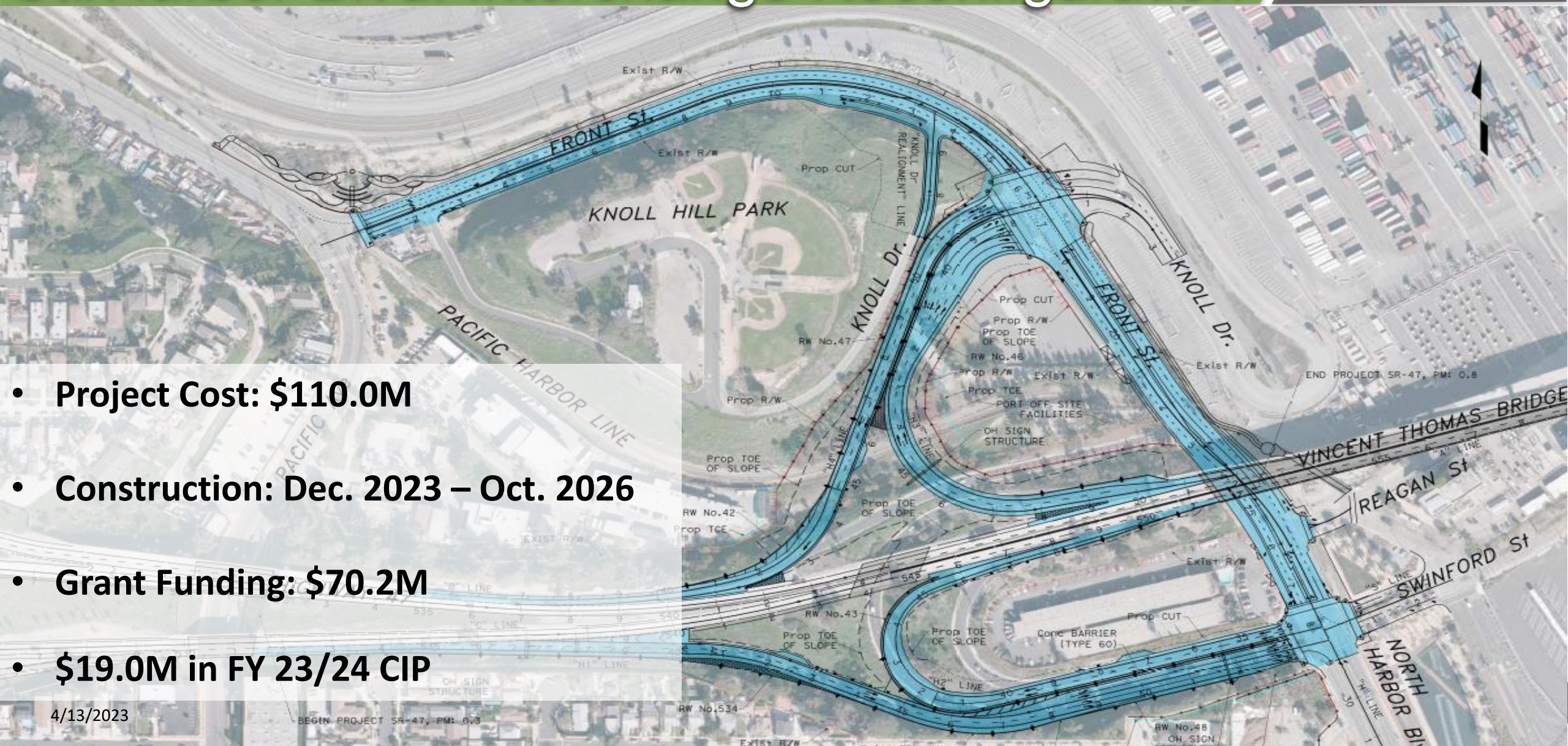
MOTEMS Program (Ongoing)

- Berths 167-169 (Shell) Total: \$44.8M
- Construction: *July 2021 – Jan. 2024*
- \$4.4M in FY 23/24 CIP

- Berths 238-239 (PBF) Total: \$35.0M
- Construction: *Oct. 2023 – Oct. 2026*
- \$13.3M in FY 23/24 CIP



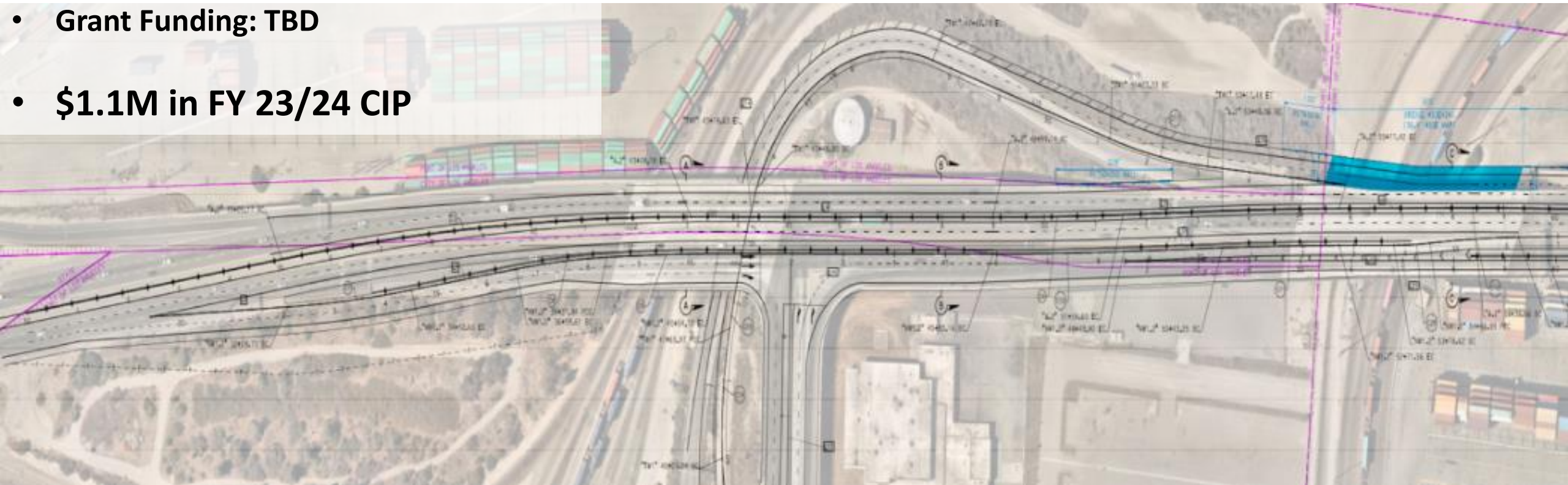
State Route 47/Vincent Thomas Bridge & Front St./Harbor Blvd. Interchange Reconfiguration



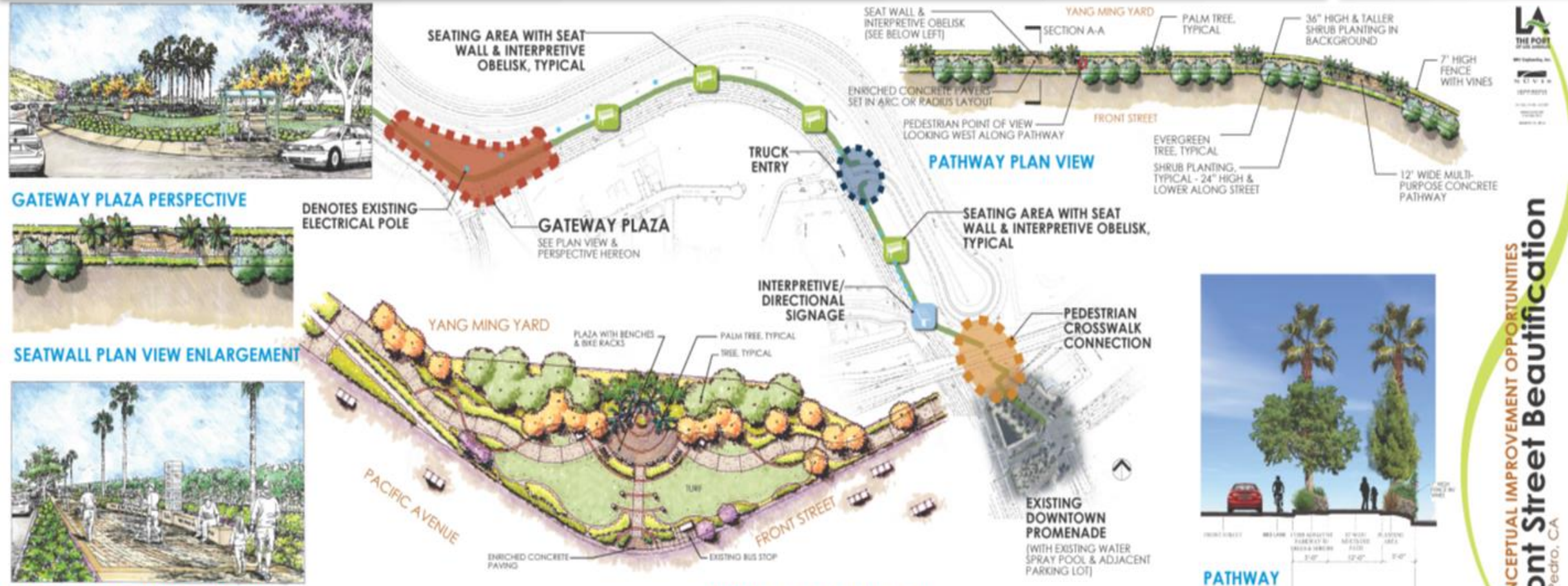
- **Project Cost: \$110.0M**
- **Construction: Dec. 2023 – Oct. 2026**
- **Grant Funding: \$70.2M**
- **\$19.0M in FY 23/24 CIP**

Navy Way and Seaside Ave. Interchange Improvements

- **Project Cost: \$65.7M**
- **Construction: Jan. 2026 - June 2028**
- **Grant Funding: TBD**
- **\$1.1M in FY 23/24 CIP**



Front Street Beautification Project



GATEWAY PLAZA PERSPECTIVE



SEATWALL PLAN VIEW ENLARGEMENT



PATHWAY SEATWALL PERSPECTIVE

GATEWAY PLAZA PLAN VIEW

- Project Cost: \$10.3M
- Construction: Feb. 2023 – Mar. 2024
- \$4.0M in FY 23/24 CIP

CONCEPTUAL IMPROVEMENT OPPORTUNITIES
Front Street Beautification
 San Pedro, CA

Berths 177-182 Marine Improvements

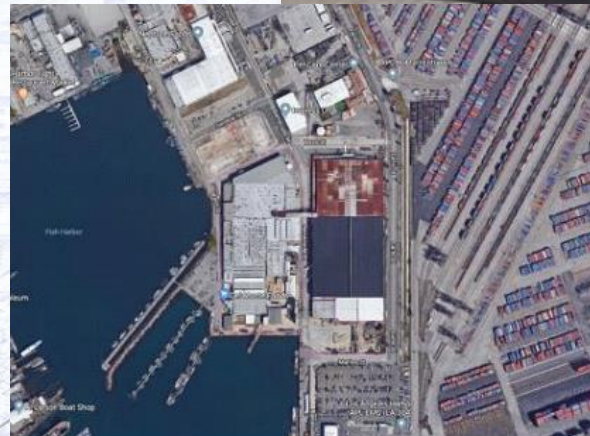


- **Project Cost: \$14.4M**
- **Construction:
July 2023 - June 2024**
- **\$10.8M in FY 23/24 CIP**

Terminal Island Demolition Projects

Projects:

- Southwest Marine Administration Building Demolition
 - StarKist Demolition
 - South Seaside Avenue Storm Drain
 - 1025 Seaside Avenue Demolition
-
- **Project Cost: \$18.2 M**
 - **Construction: *Sept. 2023 – Aug. 2024***
 - **\$11.3M in FY 23/24 CIP**



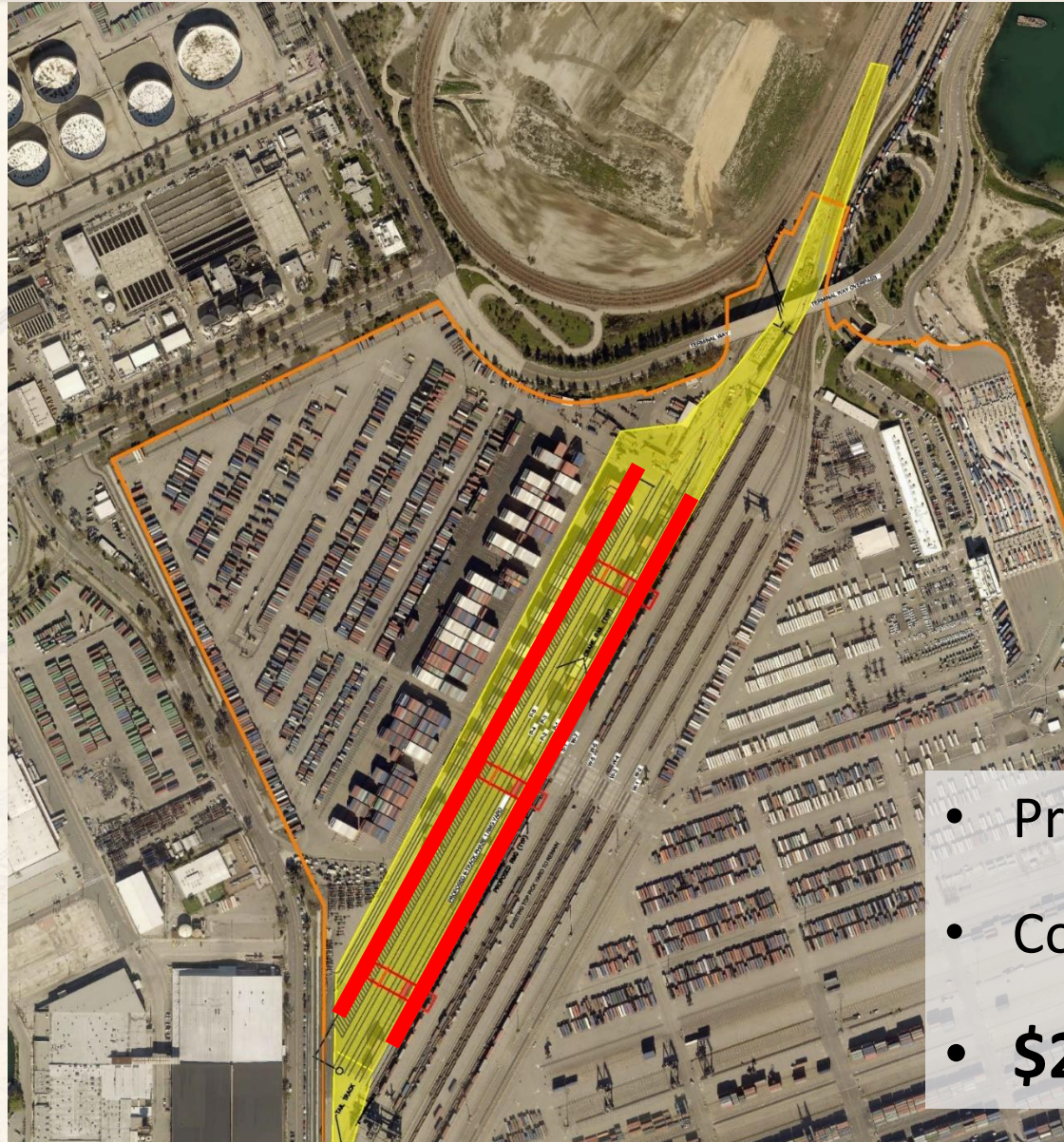
Berths 302-305 On-Dock Rail Expansion



- **17,500 New Track Feet**
5 New tracks, reuse 3 existing tracks, new tail track
- **Expanded Throat**
3 track throat, 13 new turnouts
- **Rail Signal Improvements**
Train in Motion system, power derails, blue flag protection, track bumpers

- Project Cost: \$52.4M
- Construction: Mar. 2024 – Feb. 2026
- Grant Funding: \$37.4M
- **\$11.4M in FY 23/24 CIP**

Berths 302-305 RMG Crane Rail and Foundation



- **2,300 LF 145' Gage New Crane Rail**
- **5,000 LF continuous grade beam foundation**
- **Electrical Infrastructure** *to operate 5 – 145ft widespan RMG cranes, including substation modification, new power distribution, and communication conduit*
- **Civil Improvements** *safety fencing, protection barriers, removals, drainage, grading and paving*

- **Project Cost: \$38.7M**
- **Construction: Jan. 2024 – Dec. 2025**
- **\$2.9M in FY 23/24 CIP**

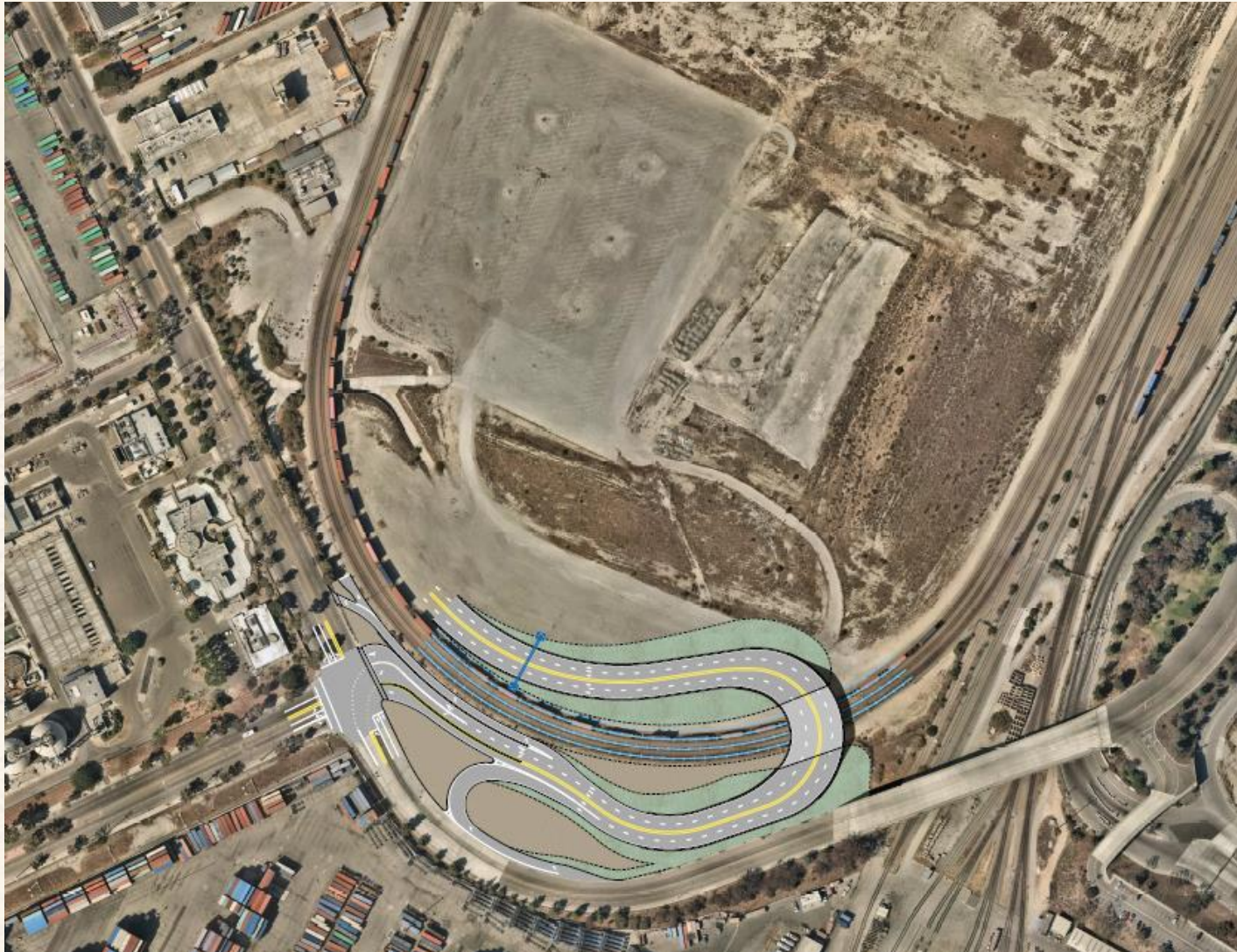
Berth 306 Container Wharf



- **1,250 LF New Container Wharf Berth 306**
- **300 LF Upgrade at Berth 305**
- **2.2 Acre Backland** *safety fencing, protection barriers, removals, drainage, grading and paving*
- **Electrical Infrastructure**
AMP, New Substation, Upgrade STS Cranes to 12.47KV power

- Project Cost: \$256.0M
- Construction: Mar. 2024 – Aug. 2025
- Grant Funding: TBD
- **\$9.2M in FY 23/24 CIP**

Maritime Support Facility Access/TI Rail System Grade Separation



- **Four-lane Grade Separated Roadway** *over POLA mainline rail tracks connecting Terminal Island, Ferry St, and P300 to the TI Maritime Support Facility*
- **Structure** *2,000ft roadway structure, foundation and retaining wall*
- **Intersection Modifications** *traffic signal re-signalizations*

- Project Cost: \$39.2M
- Const: Oct. 2024 – June 2026
- Grant Funding: \$19.3M
- **\$915K in FY 23/24 CIP**

Terminal Island Maritime Support Facility



- **Develop approximately 80 acres** for cargo support facility
- **Improvements** include removals, drainage, utilities, paving, fire protection, water, electrical, site lighting, roadability canopy, restrooms, guard booths, and 1,000' access roadway

- Project Cost: \$194.6M
- Construction: Sept. 2025 – Aug. 2027
- **\$4.0M in FY 23/24 CIP**

Harbor Administration Building HVAC Replacement



- City Council Motion (CF 21-1039)
- Building De-carbonization Work Plan



- **Project Cost: \$14.0M**
- **Const: Sept. 2024 – Sept. 2025**
- **\$400K in FY 23/24 CIP**

POLA-POLB Goods Movement Workforce Training Facility

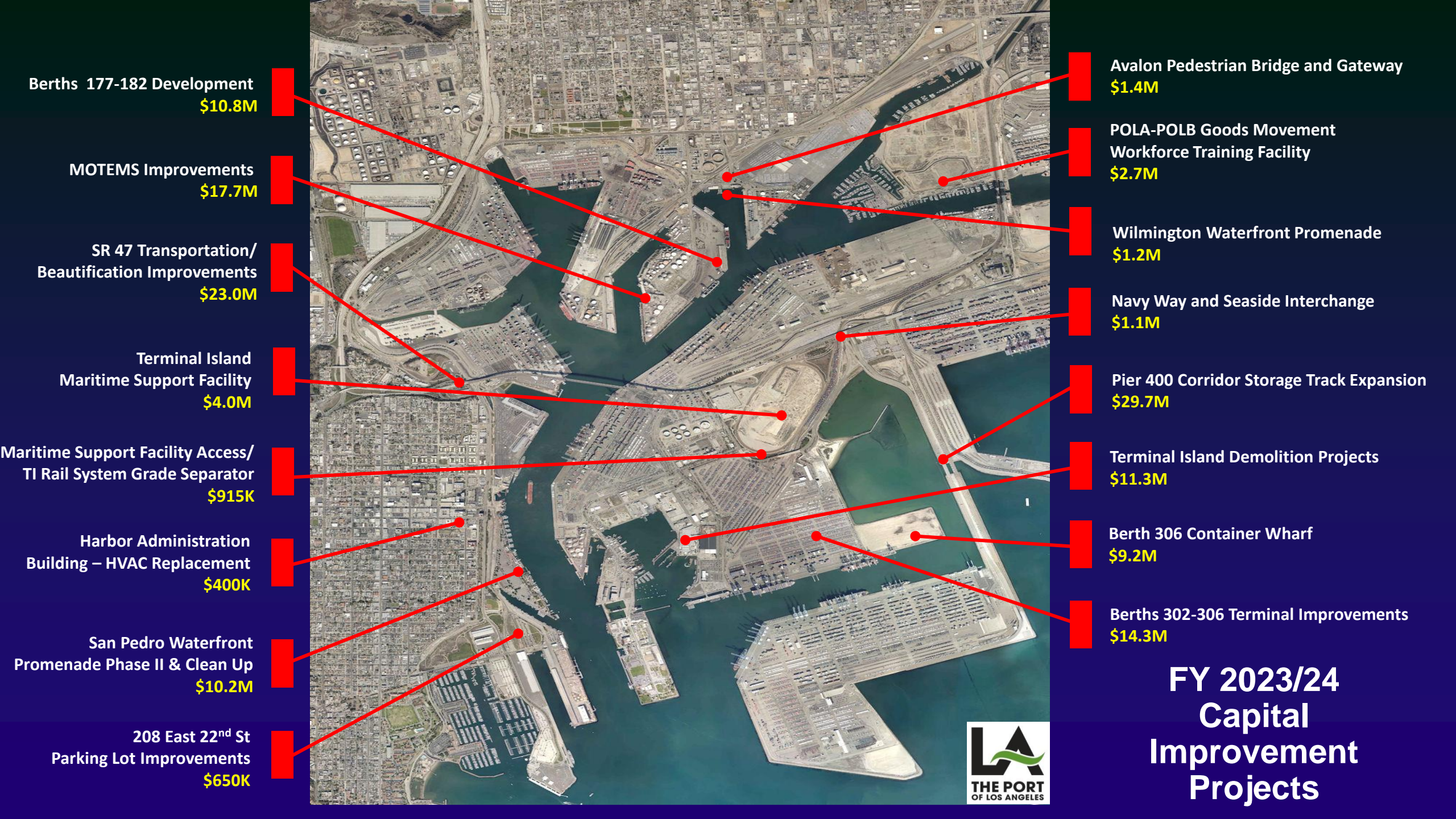


- Total Project Cost: \$150.0M
- Const: Feb. 2027 – Feb. 2029
- State Funding: \$110.0M
- **\$2.8M in FY 23/24 CIP**

Unallocated Capital Improvement Program Fund and Deferred Maintenance



Category	Proposed Budget FY 23/24
Consultants	\$6.2M
Unanticipated Construction	6.0M
Other	1.2M
Parts and Materials	1.0M
In-House Salaries	635K
Unallocated Subtotal	\$15.0M
Deferred Maintenance	9.4M
Total	\$24.4M



Berths 177-182 Development
\$10.8M

MOTEMS Improvements
\$17.7M

SR 47 Transportation/
Beautification Improvements
\$23.0M

Terminal Island
Maritime Support Facility
\$4.0M

Maritime Support Facility Access/
TI Rail System Grade Separator
\$915K

Harbor Administration
Building – HVAC Replacement
\$400K

San Pedro Waterfront
Promenade Phase II & Clean Up
\$10.2M

208 East 22nd St
Parking Lot Improvements
\$650K

Avalon Pedestrian Bridge and Gateway
\$1.4M

POLA-POLB Goods Movement
Workforce Training Facility
\$2.7M

Wilmington Waterfront Promenade
\$1.2M

Navy Way and Seaside Interchange
\$1.1M

Pier 400 Corridor Storage Track Expansion
\$29.7M

Terminal Island Demolition Projects
\$11.3M

Berth 306 Container Wharf
\$9.2M

Berths 302-306 Terminal Improvements
\$14.3M

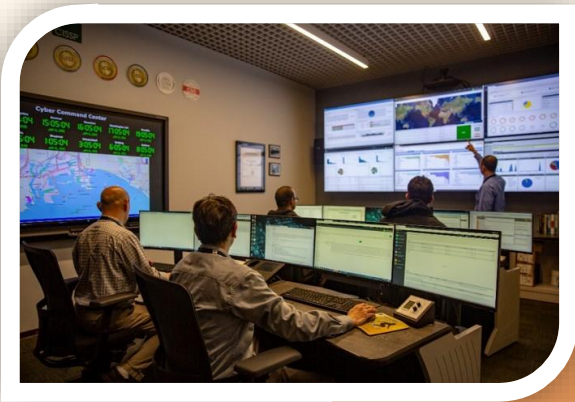


FY 2023/24 Capital Improvement Projects

PORT OF LOS ANGELES



PUBLIC SAFETY & EMERGENCY MANAGEMENT BUREAU
Chief Thomas E. Gazsi

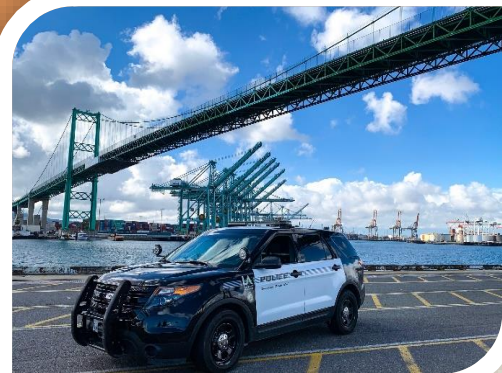


INFORMATION TECHNOLOGY

PORT PILOTS



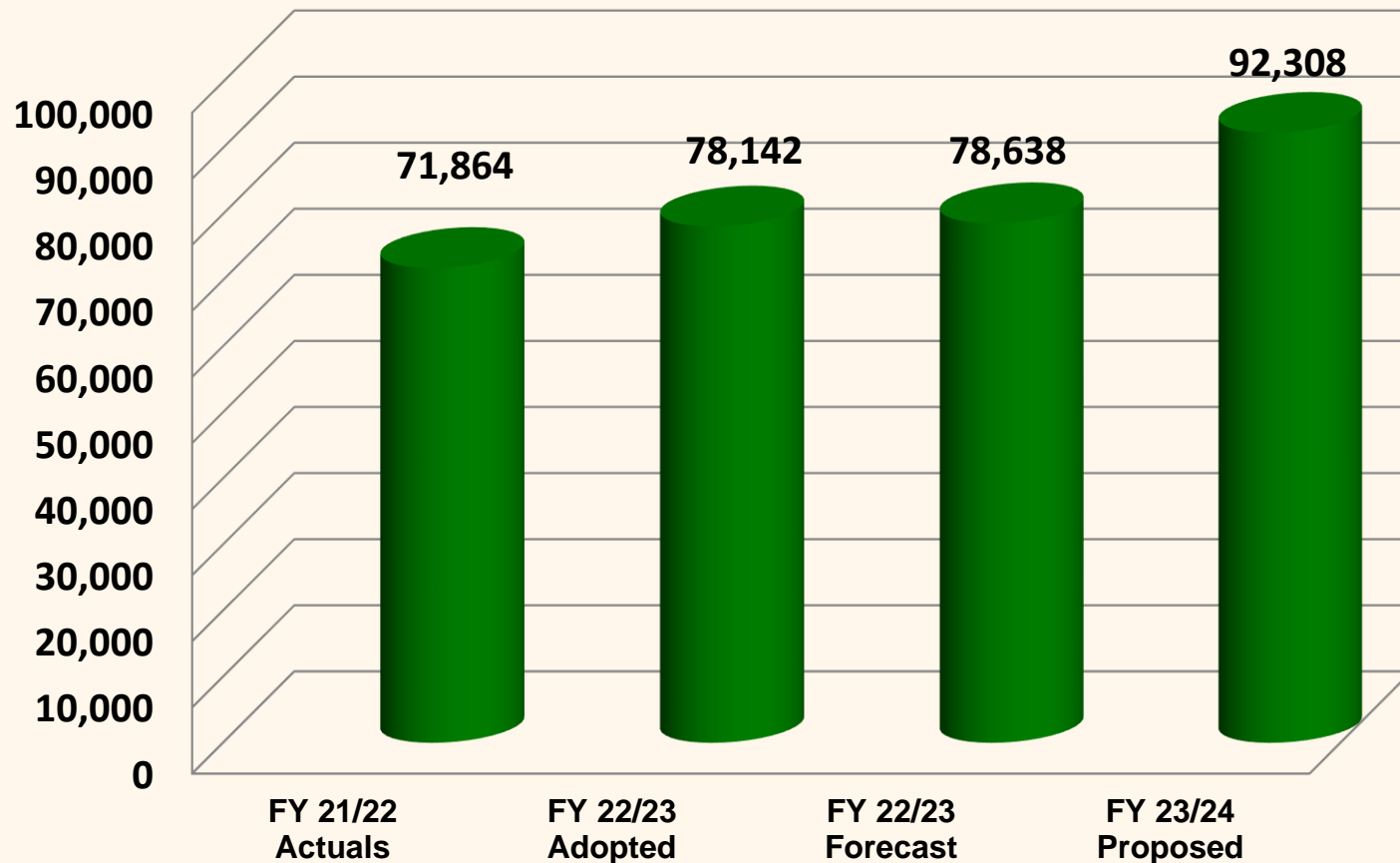
PORT POLICE



Public Safety & Emergency Management Bureau Operating Budget-at-a-Glance



Net Operating Expenses



Budget Highlights

- FY 23/24 Proposed Net Operating Expenses: \$92.3M
 - \$13.7M or 17.4% increase relative to FY 22/23 Forecast
- Drivers of changes to FY 23/24 Proposed:
 - Outside Services
 - Increase in funding for Port Optimizer development and funding for new items (ERP Cloud Augmentation and Motorola Radio Project Equipment Maint. & Support)*
 - ✓ +\$8.4M vs. Forecast
 - Salaries & Benefits
 - ✓ +\$5.1M vs. Forecast
 - Other Operating Expenses
 - Increase in Port Police Parts & Materials, Operating Materials & Supplies, and LAPD City Services offset by decrease in Port Police Tools & Equipment as well as Port Pilot Office Equipment*
 - ✓ +\$118K vs. Forecast

Public Safety & Emergency Management Bureau FY 2023/24 Goals & Initiatives

Objective 2: A Secure, Efficient, and Environmentally Sustainable Supply Chain



Lead the digital transformation, and provide secure critical cyber and telecommunication services that support the Port's objectives and business continuity



Maintain world-class navigational safety, and operational standards for quick and positive response to customer needs 24/7



Implement security and public safety strategies that secure our Port Complex, ensure business continuity, and engage our stakeholders and the community

Public Safety & Emergency Management Bureau

FY 2023/24 Proposed Division Budgets



Division	Budgeted Positions	Gross Expenses				Capital Expenses (CAPEX)*	Operating Exp (Gross Exp without CAPEX)
		Salaries & Benefits	Outside Services	Other Operating Exp	Total Gross Exp	Allocations to Capital Budget	Net Operating Expense
Information Technology	45	\$ 9,415,793	\$18,723,569	\$ 1,879,464	\$ 30,018,826	\$ (2,031,741)	\$ 27,987,085
Port Pilots	33	13,053,363	160,360	249,460	13,463,183	-	13,463,183
Port Police	226	43,601,469	5,447,135	1,880,590	50,929,194	(71,487)	50,857,707
TOTAL	304	\$ 66,070,625	\$24,331,064	\$ 4,009,514	\$ 94,411,203	\$ (2,103,228)	\$ 92,307,975

Totals may differ due to rounding

***Capital Expenses (CAPEX)/Allocations to Capital Budget** include salary and benefit expenses for staff time spent directly working on capital projects, and a portion of other divisional operating expenses that are allocated as overhead in support of work performed on capital projects.

Top Drivers

- **Salaries & Benefits: \$65.9M, net of capital allocations (\$133K)**

- **Outside Services: \$24.3M**
 - ✓ Port Optimizer™: \$8.2M
 - ✓ Software: \$3.3M
 - Enterprise Systems: \$2.7M
 - Port Police Software: \$306K
 - ITD Software: \$206K
 - Port Pilots Software: \$77K
 - ✓ Port of Los Angeles Security System Maintenance (grant reimbursable): \$3.1M
 - ✓ ERP Cloud Project – Staff Augmentation & Managed Support Services: \$2.2M
 - ✓ Port Police IT, Data, Video, and Radio Systems Maintenance & Support: \$1.9M
 - ✓ Port Police Motorola Radio Project Equipment Maintenance & Support: \$1.3M
 - ✓ Cyber Resilience Center (CRC) Operations & Maintenance: \$1.2M
 - ✓ IT Hardware Maintenance: \$1.2M
 - ✓ Information Systems Consulting for ITD: \$858K
 - ✓ Port Police Vehicle & Equipment Maintenance: \$464K
 - ✓ Information Systems Consulting for Enterprise Systems: \$270K
 - ✓ Port Police Miscellaneous Professional Services: \$97K
 - ✓ Port Pilot Exam: \$54K
 - ✓ Port Pilots Equipment Maintenance: \$27K

Public Safety & Emergency Management Bureau

Top Drivers



Top Drivers (continued)

- **Other Operating Expenses: \$2.0M, net of capital allocations (\$2.0M)**

- ✓ Telephone Service/Cabling, Internet & Cable TV: \$1.6M
- ✓ Port Police Operating Tools, Equipment, & Supplies: \$1M
 - Training Ammunition: \$295K
 - Uniforms and Law Enforcement/Public Safety Equipment & Supplies: \$295K
 - Automated External Defibrillator (AED) Units and Replacement Parts: \$141K
 - Miscellaneous Port Police Operating Tools, Equipment, & Supplies: \$114K
 - Office/General Equipment & Supplies: \$101K
 - Fleet Parts & Materials: \$75K
 - Dive Operations Materials & Supplies: \$59K
 - Patrol Services Equipment & Supplies: \$33K
 - Range/Armory Replacement Equipment & Supplies: \$33K
 - POLA Credentialing Cards & Equipment and Transportation Worker ID Cards: \$33K
- ✓ Site and Equipment Rentals: \$250K
- ✓ Travel Expenses: \$196K
 - Training & Professional Development: \$114K
 - Meetings & Conferences: \$75K
 - Local Travel: \$7K

- **Other Operating Expenses (continued)**

- ✓ Los Angeles Police Department Services: \$155K
- ✓ Subscriptions: \$135K
- ✓ ITD City of LA Enterprise License Agreements: \$125K
- ✓ Port Pilots Operating Equipment & Supplies: \$67K
- ✓ ITD Operating Equipment & Supplies: \$75K
- ✓ Memberships: \$27K
- ✓ Port Police Promotional: \$23K

New Items

- **Outside Services: \$3.8M**
 - ✓ ERP Cloud Project - Staff Augmentation & Managed Support Services: \$2.2M
 - ✓ Motorola Radio Project Equipment Maintenance and Support: \$1.3M
 - ✓ Port Police Technology Systems Support - Staff Augmentation: \$180K
 - ✓ IT Hardware: \$54K
 - Network Packet Analytics: \$51K
 - Reverse Proxy: \$3K
 - ✓ Port Police Computer Software: \$34K
 - GrayKey Cell Phone Forensic Tool: \$31K
 - Antivirus Software for Computer Aided Dispatch/Records Management System (CAD/RMS) Computers: \$3K
 - ✓ Racial & Identity Profiling Act (RIPA) Reimbursement Claim Preparation and Submittal Services: \$5K
 - ✓ Generator Maintenance: \$2K

- **Other Operating Expenses: \$86K**
 - ✓ Social Media Documenting Equipment: \$19K
 - ✓ Port Police Field Officer Cellular Phones: \$13K
 - ✓ Maritime Law Enforcement Training Center (MLETC) Classroom Carpet Replacement: \$11K
 - ✓ Hazmat Van Command Center Vehicle Command Box and Storage Build Out: \$10K
 - ✓ Radio Programming Device: \$8K
 - ✓ Metal Carport for Kennel Facility: \$7K

New Items (continued)

- **Other Operating Expenses (continued)**
 - ✓ California Peace Officers Memorial Foundation: \$5K
 - ✓ Maritime Tactical Team Materials and Supplies: \$5K
 - ✓ Handheld Forward Looking Infrared (FLIR) Optics: \$4K
 - ✓ Law Enforcement Social Media Conference - Travel: \$3K

- **Salaries & Benefits: \$32K**
 - ✓ Patrol and Detection Instructor Training: \$28K
 - ✓ Photography Workshop: \$2K
 - ✓ Social Media Unit Job Proficiency: \$2K



STAKEHOLDER ENGAGEMENT BUREAU

David Libatique



COMMUNICATIONS

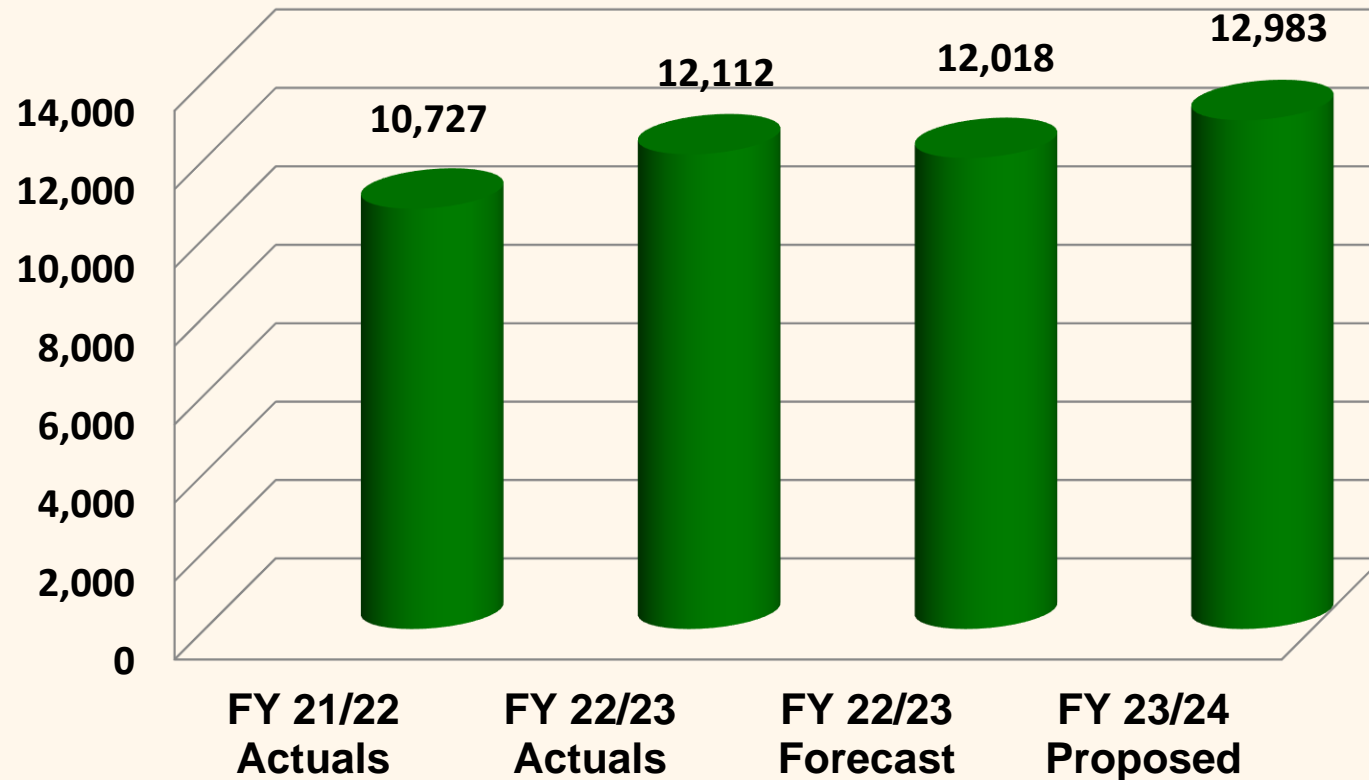
LABOR RELATIONS &
GOVERNMENT AFFAIRS

TRADE DEVELOPMENT

Stakeholder Engagement Bureau Operating Budget-at-a-Glance



Net Operating Expenses



Budget Highlights

- FY 23/24 Proposed Net Operating Expenses: \$12.9M
 - \$965K or 8.0% increase relative to FY 22/23 Forecast
- Drivers of changes to FY 23/24 Proposed:
 - Salaries & Benefits
 - ✓ +\$549K vs. Forecast
 - Other Operating Expenses
 - Higher expenditure for government, community, & business promotional; sponsorship; city services; travel; memberships; and subscriptions*
 - ✓ +\$354K vs. Forecast
 - Outside Services
 - Increased need for writers, video production, speech writing, and presentation coaching.*
 - ✓ +\$62K vs. Forecast

Stakeholder Engagement Bureau FY 2023/24 Goals & Initiatives

Objective 4: Strong Relationships with Stakeholders

- Engage a broad spectrum of stakeholders in support of the Port's Strategic Objectives
 - Place compelling Port of Los Angeles news and key messaging across a range of traditional and digital media platforms. Continue to build those respective audiences.
 - Advocate to support Port policy and funding priorities. Continue to build our reputation of expertise and leadership on port-related policy issues.
 - Maintain open and productive dialogue with key stakeholder communities including labor, business, community groups, and international stakeholders.
 - Expand stakeholder engagement to new audiences, with specific messaging to support the key areas of Jobs & Economic Opportunity, CAAP/Decarbonization and Supply Chain Leadership.
 - Engage the international diplomatic community, trade organizations and U.S. businesses to increase exports utilizing the Trade Connect Program.



Stakeholder Engagement Bureau FY 2023/24 Proposed Division Budgets



Division	Budgeted Positions	Gross Expenses				Capital Expenses (CAPEX)*	Operating Exp (Gross Exp without CAPEX)
		Salaries & Benefits	Outside Services	Other Operating Exp	Total Gross Exp	Allocations to Capital Budget	Net Operating Expense
Community Relations	11	\$ 2,270,196	\$ 185,762	\$ 3,923,689	\$ 6,379,647	\$ -	\$6,379,647
Graphics Services	9	1,410,929	299,260	119,711	1,829,900	-	\$1,829,900
Media Relations	7	1,460,598	380,172	195,181	2,035,951	-	\$2,035,951
Communications Subtotal	27	\$ 5,141,722	\$ 865,194	\$ 4,238,581	\$ 10,245,497	\$ -	\$ 10,245,497
Labor Relations & Government Affairs	4	1,078,545	736,739	136,551	1,951,835	\$ -	\$1,951,835
Trade Development	4	633,721	3,156	148,920	785,797	-	\$785,797
TOTAL	35	\$ 6,853,987	\$ 1,605,089	\$ 4,524,052	\$ 12,983,128	\$ -	\$ 12,983,128

Totals may differ due to rounding

Stakeholder Engagement Bureau

Top Drivers



Top Drivers

- **Salaries & Benefits: \$6.9M**
- **Other Operating Expenses: \$4.5M**
 - ✓ Sponsorships: \$2.2M
 - Community Investment Program: \$1.6M
 - Business Development Sponsorship: \$273K
 - Divisional Sponsorship: \$264K
 - ✓ Memberships: \$591K
 - ✓ Waterfront Events: \$404K
 - ✓ Advertising: \$350K
 - ✓ Maritime Education: \$160K
 - ✓ Travel: \$155K
- **Outside Services: \$1.6M**
 - ✓ Advocacy Services: \$662K
 - ✓ Department Copier Contract with Canon: \$235K
 - ✓ Web Development: \$180K
 - ✓ Professional Writers: \$175K
 - ✓ Advertising Agency: \$100K

New Items

- **Other Operating Expenses: \$73K**
 - ✓ Foreign Travels: \$37K
 - ✓ Domestic Travels: \$19K
 - ✓ Labor Relations and Government Affairs Community Promotion: \$13K
 - ✓ Memberships: \$2.5K
 - Hong Kong Association of Southern California: \$1.5K
 - Los Angeles Latino Chamber of Commerce: \$950
 - ✓ Office Equipment (Laptop): \$1.4K
- **Outside Services: \$67K**
 - ✓ Port Automation Study: \$35K
 - ✓ Contingency for Specialized Advocacy Services: \$32K
- **Salaries & Benefits: \$325**
 - ✓ CA Workforce Association WORKCON: \$325



FINANCE & ADMINISTRATION BUREAU Marla Bleavins



CONTRACTS & PURCHASING

HUMAN RESOURCES

ACCOUNTING

DEBT & TREASURY

FINANCIAL PLANNING & ANALYSIS

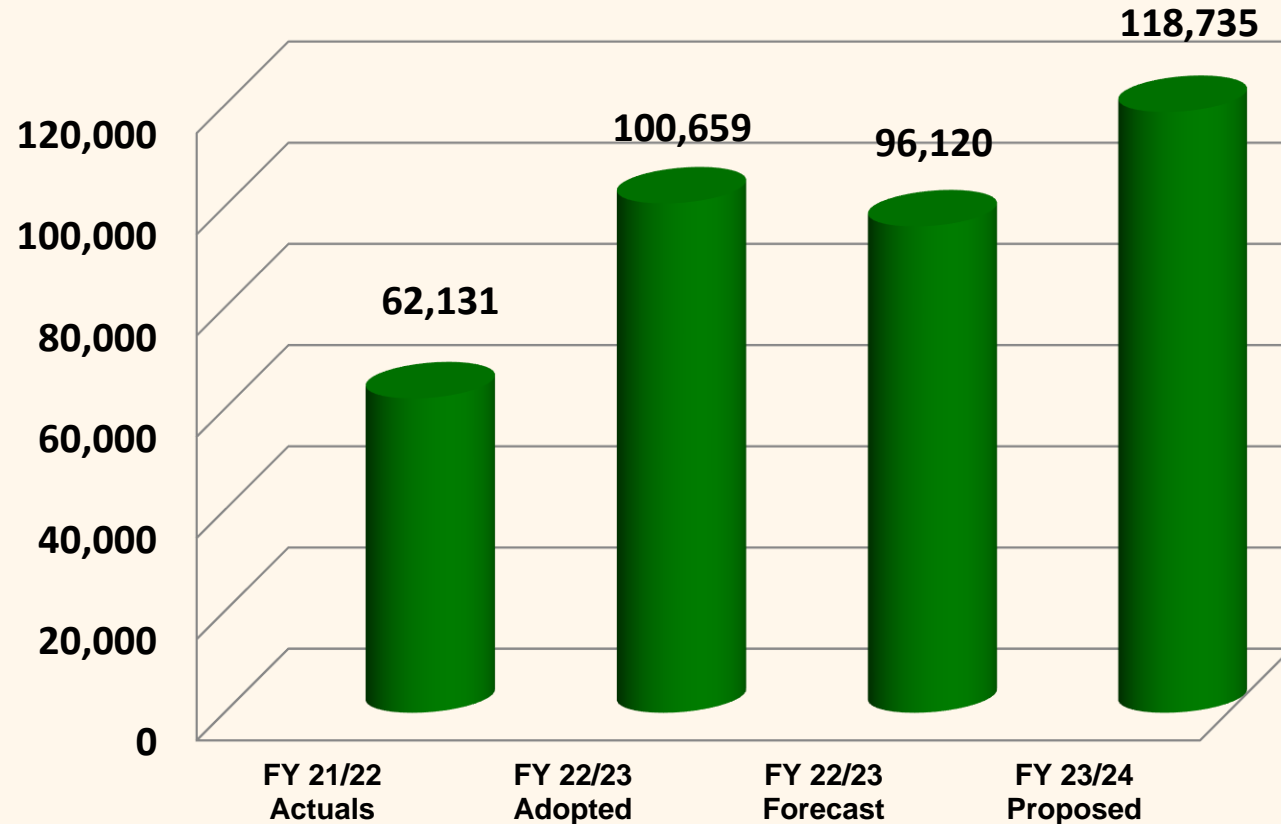
INTERNAL AUDIT

RISK MANAGEMENT

Finance & Administration Bureau Operating Budget-at-a-Glance



Net Operating Expenses



Budget Highlights

- FY 23/24 Proposed Net Operating Expenses: \$118.7M
 - +\$22.6M or 23.5% increase relative to FY 22/23 Forecast
- Drivers of changes to FY 23/24 Proposed:
 - Other Operating Expenses
 - Increase to City Services, Electric Service, Insurance costs, and Provisions for Bad Debts; offset by reductions in Pollution Remediation Expenses*
 - ✓ +\$14.4M vs. Forecast
 - Salaries & Benefits
 - ✓ +\$6.8M vs. Forecast
 - Outside Services
 - New funding for Oracle ERP Cloud – Business Systems Analyst Services, Workplace Investigations, and Executive Recruitment, and Increase in Misc. Professional Services*
 - ✓ +\$1.4M vs. Forecast

Note: The Harbor Operating Division's FY 23/24 Proposed Budget of \$91.0M contains global expenses such as City Services (\$59.0M), Utilities (\$36.7M), Provisions for Workers' Compensation (\$2.0M), etcetera.

Objective 4: Strong Relationships with Stakeholders

- Provide solid financial foundation and attract, develop, and retain talent so department can carry out its mission
 - Operate in a fiscally sound manner
 - Help to evaluate and prioritize business opportunities
 - Provide timely, accurate, and transparent financial reporting to stakeholders
 - Ensure access to the capital markets in an efficient and cost effective manner
 - Leverage technology to improve fiscal operations and gain insights



Objective 4: Strong Relationships with Stakeholders

- Provide solid financial foundation and attract, develop, and retain talent so department can carry out its mission (continued)



- Identify and mitigate risks to reduce claims and protect Port assets
- Provide opportunities for professional development and promote excellence, diversity, equity, and inclusion
- Expand access for Port contracting opportunities
- Execute successful transition to new Human Resources and Payroll System and ERP System Upgrade

Finance & Administration Bureau FY 2023/24 Proposed Division Budgets



Division	Budgeted Positions	Gross Expenses				Capital Expenses (CAPEX)*	Operating Exp (Gross Exp without CAPEX)
		Salaries & Benefits	Outside Services	Other Operating Exp	Total Gross Exp	Allocations to Capital Budget	Net Operating Expense
Accounting	33	\$ 4,678,664	\$ 1,325,224	\$ 26,287	\$ 6,030,175	\$ (546,706)	\$ 5,483,469
Debt & Treasury Management	5	1,078,356	108,000	24,929	1,211,285	(123,484)	1,087,801
Financial Planning & Analysis	11	2,387,347	199,230	15,435	2,602,012	(228,636)	2,373,376
Harbor Operating	0	-	-	99,745,321	99,745,321	(8,750,467)	90,994,854
Internal Audit	2	346,734	178,288	13,145	538,167	(92,581)	445,585
Risk Management	9	1,568,903	402,754	5,227,922	7,199,579	(612,338)	6,587,241
Special Projects**	0	4,013,830	-	-	4,013,830	-	4,013,830
Finance Subtotal	60	\$ 14,073,835	\$ 2,213,496	\$ 105,053,039	\$ 121,340,369	\$ (10,354,213)	\$ 110,986,157
Contracts & Purchasing	20	3,313,498	1,194	355,893	3,670,585	-	3,670,585
Human Resources	17	3,747,027	111,016	220,190	4,078,233	-	4,078,233
TOTAL	97	\$ 21,134,360	\$ 2,325,706	\$ 105,629,122	\$ 129,089,188	\$ (10,354,213)	\$ 118,734,975

Totals may differ due to rounding

***Capital Expenses (CAPEX)/Allocations to Capital Budget** include salary and benefit expenses for staff time spent directly working on capital projects, and a portion of other divisional operating expenses that are allocated as overhead in support of work performed on capital projects.

**Salaries & Benefits listed within the Special Projects division relate to provisional benefits (vacation/sick-time payouts and true-ups/pension adjustments) which may be distributed throughout FY 2023/24.

Top Drivers

- **Other Operating Expenses: \$95.3M, net of capital allocations (\$10.4M)**
 - ✓ City Services: \$59.3M
 - Fire: \$41.1M
 - Recreation & Parks: \$14.0M
 - Other: \$4.2M
 - ✓ Electricity: \$34.3M, offset by AMP Reimbursements of \$23.7M
 - ✓ Insurance: \$5.2M
 - ✓ Water: \$2.2M
 - ✓ Provision for Workers' Compensation: \$2.0M
 - ✓ Uncollectible Debt Expense: \$1.0M
- **Salaries & Benefits: \$21.1M**
 - ✓ Tuition Reimbursement: \$226K
- **Outside Services: \$2.3M**
 - ✓ Oracle ERP Cloud – Business Systems Analyst Services: \$1.2M
 - ✓ Audit Fees and Services: \$318K
 - ✓ Financial Services: \$283K
 - ✓ Temporary Safety Professional Contractor: \$140K
 - ✓ Occupational Health and Safety Services and Training: \$120K
 - ✓ Gartner for Finance Leaders: \$51K

New Items

- **Outside Services: \$1.2M**
 - ✓ Oracle ERP Cloud – Business Systems Analyst Services: \$1.2M
 - ✓ Workplace Investigations (As Needed): \$50K
 - ✓ Consulting Engagements: \$5K
 - ✓ Computer Software: \$1K
- **Other Operating Expenses: \$30.5K**
 - ✓ Domestic Travel: \$12K
 - ✓ Postage, Shipping, and Delivery Services: \$10K
 - ✓ Office Equipment: \$4.2K
 - ✓ Memberships: \$2.4K
 - ✓ Subscriptions: \$1.2K
 - ✓ Cellular Services: \$720
- **Salaries & Benefits: \$202K**
 - ✓ (1) Internal Auditor II for Internal Audit Division: \$180K
 - ✓ (1) Student Professional Worker for Contracts & Purchasing Division: \$21K
 - ✓ Paid Overtime: \$500