



THE PORT
OF LOS ANGELES **LA**

A M E R I C A ' S P O R T ®

Proposed Annual Budget

Fiscal Year 2025/2026

Financial Overview Presented by:

Jeffrey Strafford
Chief Financial Officer

Presented to:

Board of Harbor Commissioners
April 10, 2025

Today's Focus

- **Goals for the FY 2025/26 Budget**
- **Operating Revenues**
- **Operating Expenses**
- **Budget Cash Flow**
- **Next Steps for Approval of Budget**
- **Bureau Budgets**
- **Capital Improvement Program (CIP) Budget**





Goals for FY 2025/26 Budget

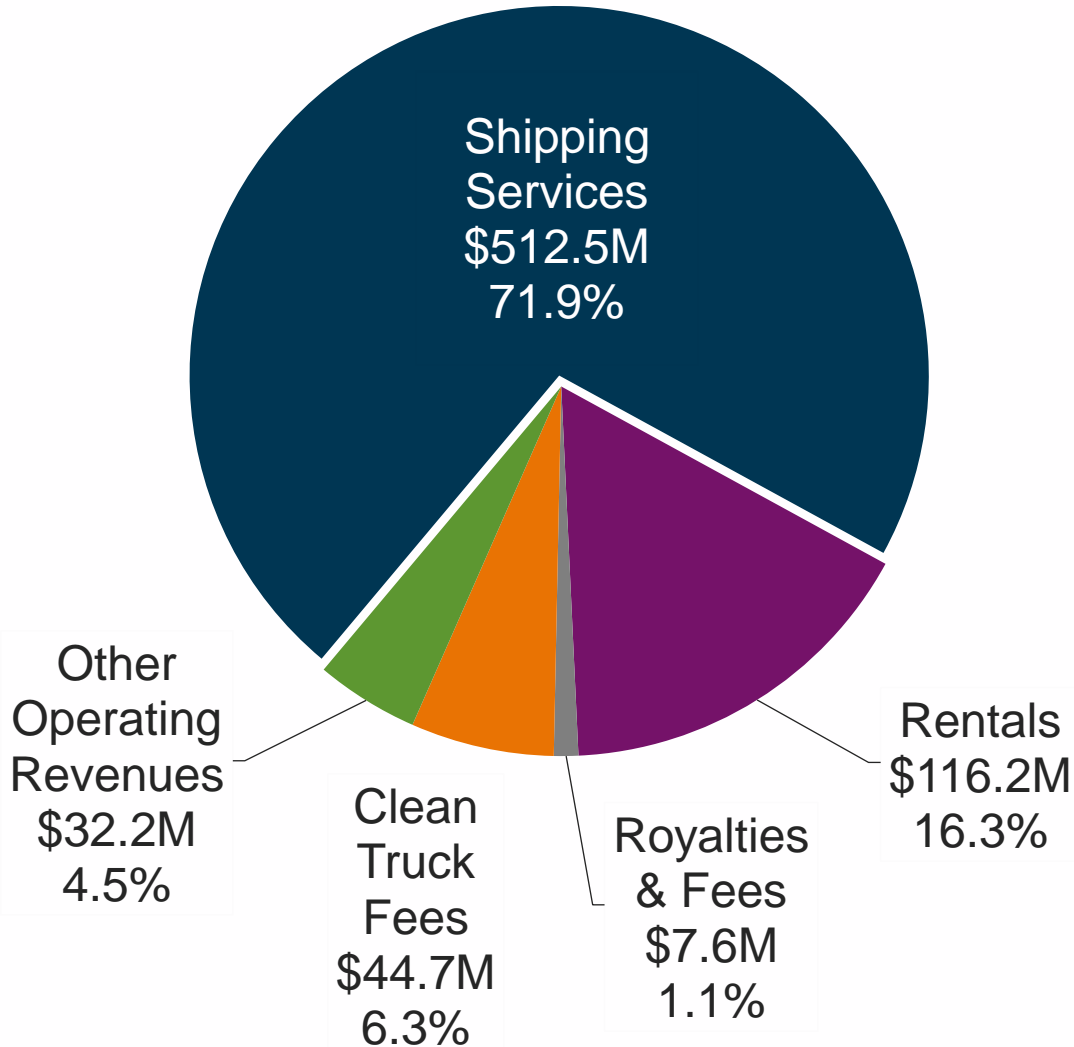
- Allocate resources to support objectives of the Strategic Plan
- Manage expense growth relative to revenue growth
- Continue prudent financial management

FY 2025/26 Proposed Budget at-a-Glance

Components (\$ in millions)	FY 24/25 Adopted Budget	FY 24/25 Forecast	FY 25/26 Proposed Budget	Δ% Prop. Budget to Adopted	Δ% Prop. Budget to Forecast
Cargo Volumes (TEUs in thousands)	9,103	9,922	9,224	▲ 1.3%	▼ -7.0%
Operating Revenues	\$684.7	\$776.2	\$713.2	▲ 4.2%	▼ -8.1%
Operating Expenses	\$416.6	\$399.6	\$416.6	▼ 0.0%	▲ 4.3%
Operating Income	\$268.1	\$376.6	\$296.6	▲ 10.6%	▼ -21.3%
Capital Improvement Program	\$249.4	\$199.2	\$231.3	▼ -7.2%	▲ 16.1%
Operating Margin	39.2%	48.5%	41.6%	▲ 2.4% points	▼ -6.9% points
Debt Service	\$66.3	\$166.9	\$50.0	▼ -24.6%	▼ -70.0%

*FY 24/25 Forecast (Estimate) is the current forecast, as of March 2025, for estimated revenue and expenditures for FY 24/25. Variances between the FY 24/25 Adopted Budget and FY 24/25 Forecast represent changes in the overall revenue and expenditure forecast, which develop as financial information is received throughout the fiscal year.

FY 2025/26 Operating Revenues: \$713.2M



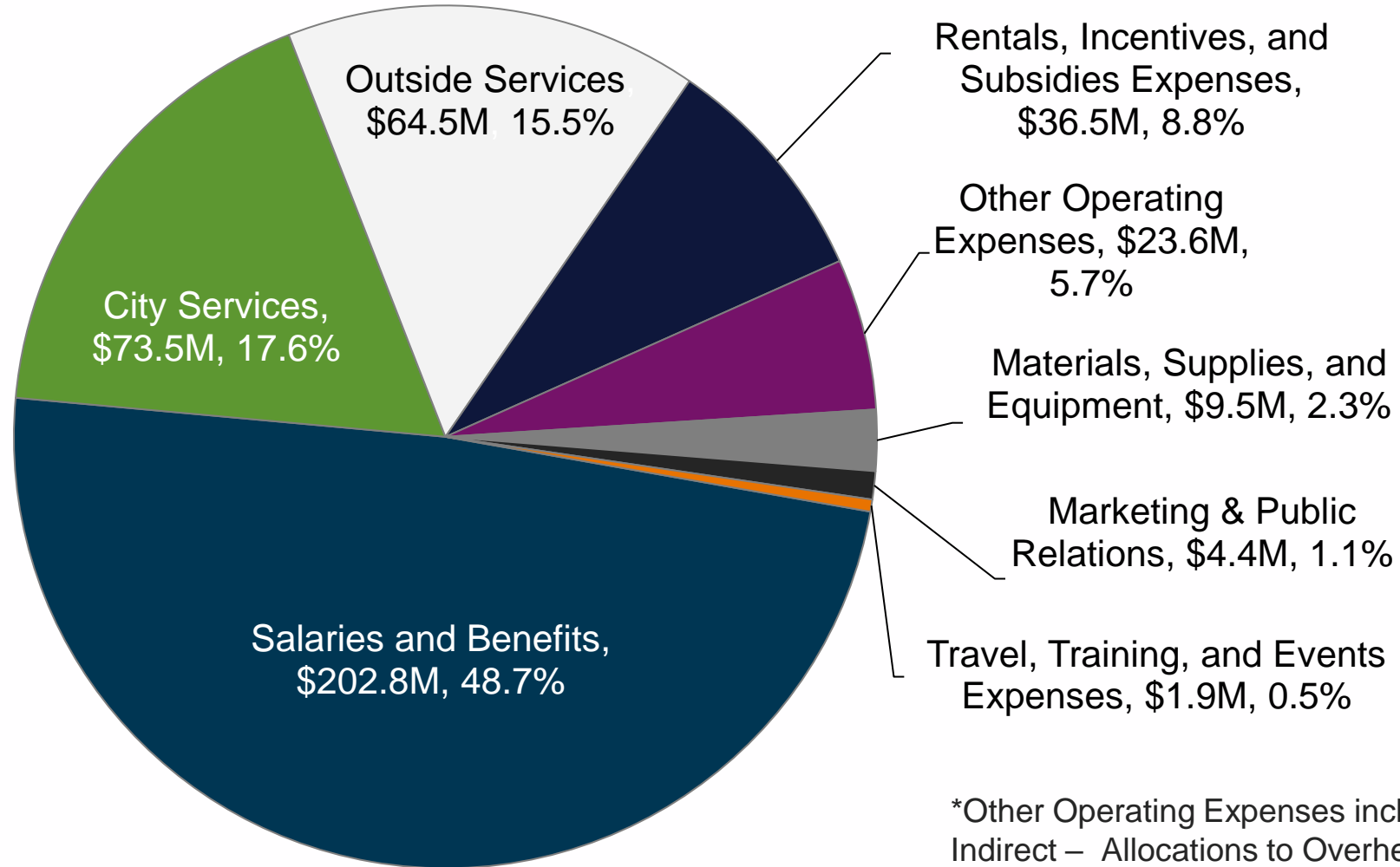
	Proposed FY 2025/26
Shipping Services	
Cargo Volumes (in TEUs)	9,223,848
Container Wharfage	\$ 422,909,753
Other Wharfage	\$ 62,928,396
Pilotage	\$ 13,746,176
Space Assignments	\$ 9,275,521
Dockage	\$ 3,542,210
Other Shipping Services	\$ 121,367
Total Shipping Services	\$ 512,523,423
<i>Container Wharfage / TEU</i>	<i>\$ 45.85</i>

FY 2025/26 Revenues & Cargo Volume: \$713.2M & 9.2M TEUs

(\$ in millions)	Adopted FY 24/25	Forecast FY 24/25	Proposed FY 25/26	% Difference Proposed vs. Adopted	% Difference Proposed vs. Forecast
Cargo Volumes (TEUs)	9.10	9.92	9.22	1.3%	(7.0%)

(\$ in millions)	Adopted FY 24/25	Forecast FY 24/25	Proposed FY 25/26	\$ Difference Proposed vs. Adopted	% Difference Proposed vs. Adopted	\$ Difference Proposed vs. Forecast	% Difference Proposed vs. Forecast
Shipping Services	503.0	532.0	512.5	9.5	1.9%	(19.5)	(3.7%)
Rentals	107.6	113.0	116.2	8.6	8.0%	3.2	2.8%
Royalties & Fees	6.8	7.0	7.6	0.8	11.3%	0.6	8.6%
Clean Truck Program	36.4	42.9	44.7	8.3	22.9%	1.8	4.2%
Other Operating Revenue	30.9	81.3	32.1	1.2	3.9%	(49.1)	(60.5%)
Total Operating Revenue	684.7	776.2	713.2	28.5	4.2%	(63.0)	(8.1%)

FY 2025/26 Operating Expense Categories \$416.6M



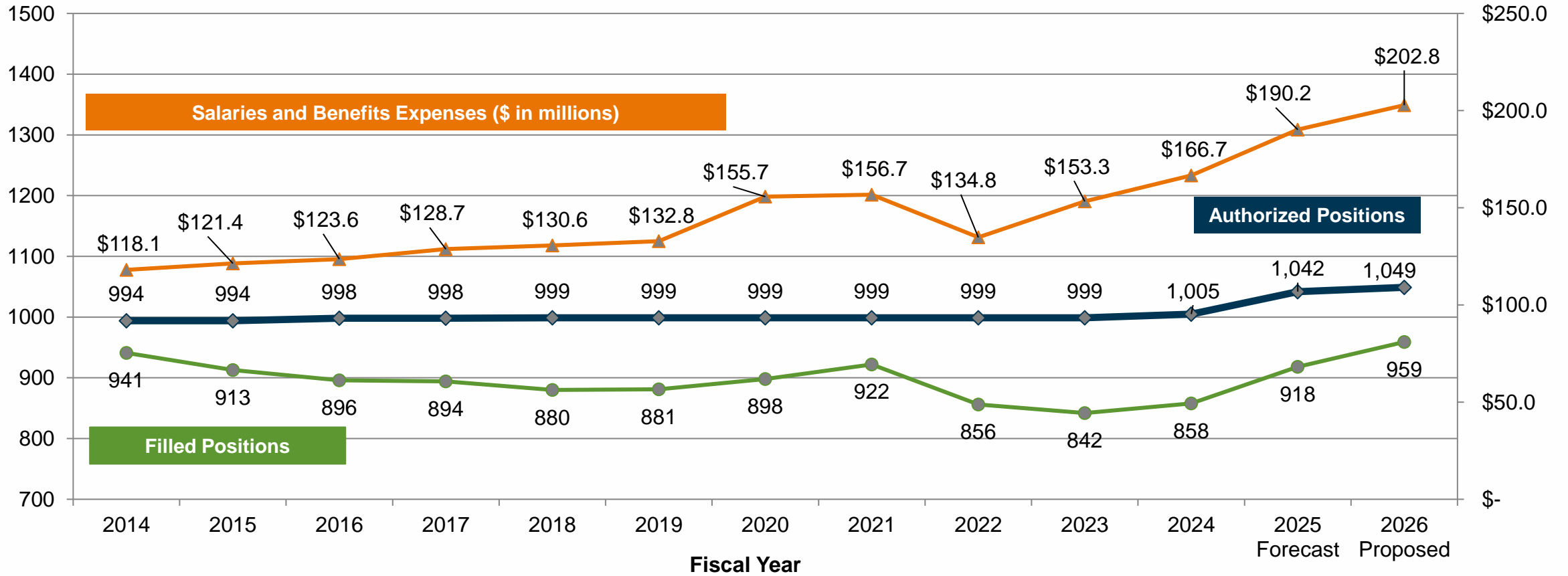
*Other Operating Expenses include **(\$24.6M)** in Indirect – Allocations to Overhead. Without Allocations, Other Operating Expenses are **\$48.2M**.



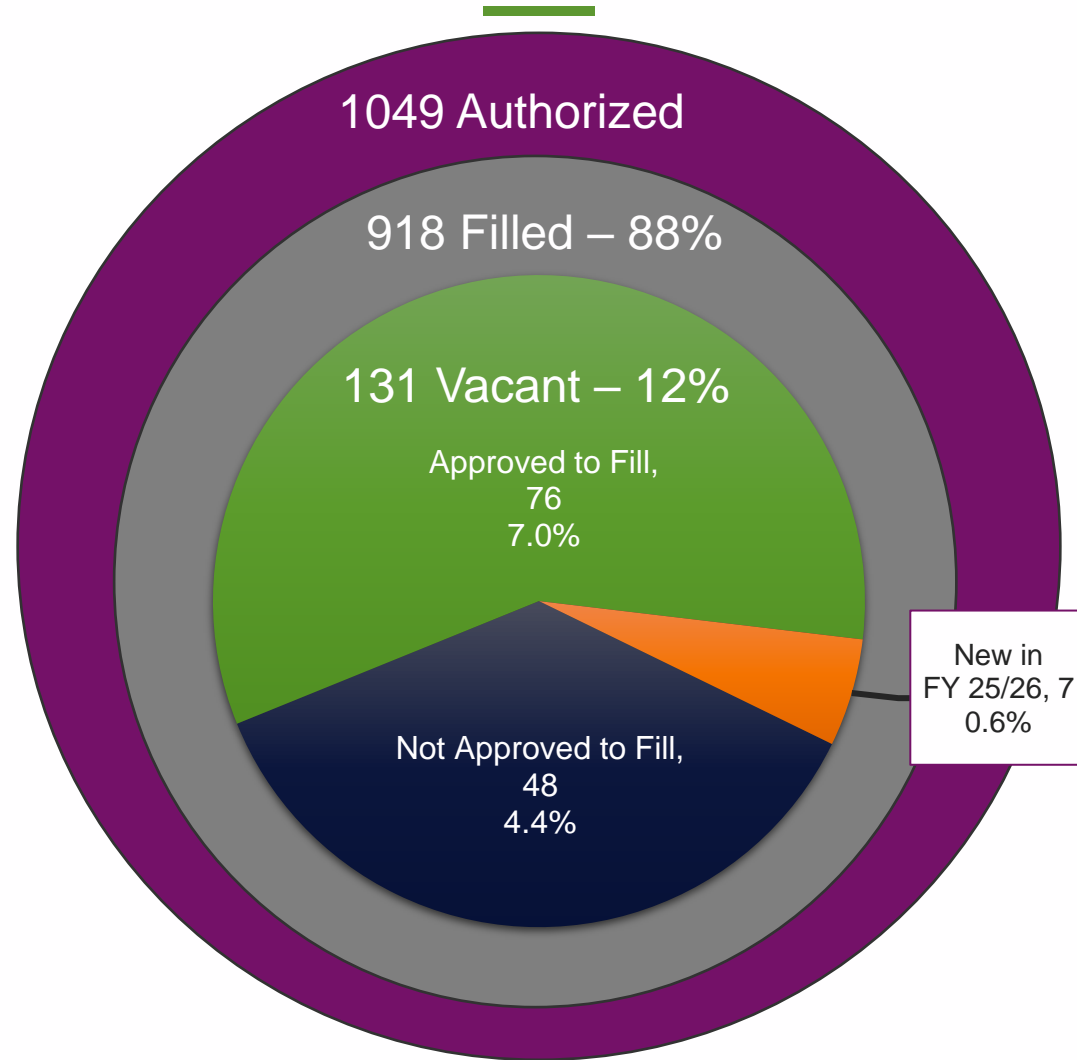
FY 2025/26 Operating Expense Categories \$416.6M

Operating Budget Category	Adopted FY 24/25	Year-to-Year Variance	Proposed FY 25/26	Primary Drivers of Increases/(Reductions)
Salaries & Benefits	\$199,382,719	\$3,384,553	\$202,767,272	7 new positions and COLA's across the board
Marketing & Public Relations	\$4,382,361	\$(222)	\$4,382,139	
Travel	\$1,404,291	\$484,835	\$1,889,126	Pilots, Executive Office, Police, Engineering
Outside Services	\$63,018,768	\$1,487,874	\$64,506,642	Cyber Resilience Center \$1.1M, Industrial, Economic, and Admin. Survey \$0.6M, Port Optimizer \$0.5M; with some offsets in other areas.
Materials & Supplies	\$9,394,087	\$125,302	\$9,519,389	
Rentals, Incentives, & Subsidies	\$39,499,102	\$(3,031,758)	\$36,467,344	Clean Truck Fund Rate Subsidies \$(7.1M) and MIP \$(0.6M); offset by Container/Cruise Incentives \$3.6
City Services	\$68,496,624	\$5,007,148	\$73,503,772	Rec & Parks \$2.7M, Fire Services \$1.1M, HRP \$0.4M, City Attorney \$0.4M, Others \$0.4M
Other Operating Expenses	\$51,346,082	\$(3,174,784)	\$48,171,298	Claims & Settlements \$(2.8M), Utilities \$(0.5M), Workers Comp. \$(0.5M); offset by Insurance \$0.5M
Allocations	\$(20,301,308)	\$(4,261,018)	\$(24,562,326)	
TOTAL	\$416,622,728	\$21,928	\$416,644,656	

Authorized Positions and Salaries & Benefits Expenses



FY 2025/26 Full Time Authorized Positions



*Filled/Vacant rate as of 3/21/25 Vacancy Report.

Staffing Levels – April 2024 vs. April 2025

Bureau	April 2024	April 2025	Variance	Variance %
Development	388	404	16	4%
Executive	16	15	-1	-6%
Finance & Administration	85	88	3	4%
Marketing & Customer Relations	74	84	10	14%
Public Safety & Emergency Management	268	292	24	9%
Stakeholder Engagement	33	35	2	6%
TOTAL	864	918	54	6%

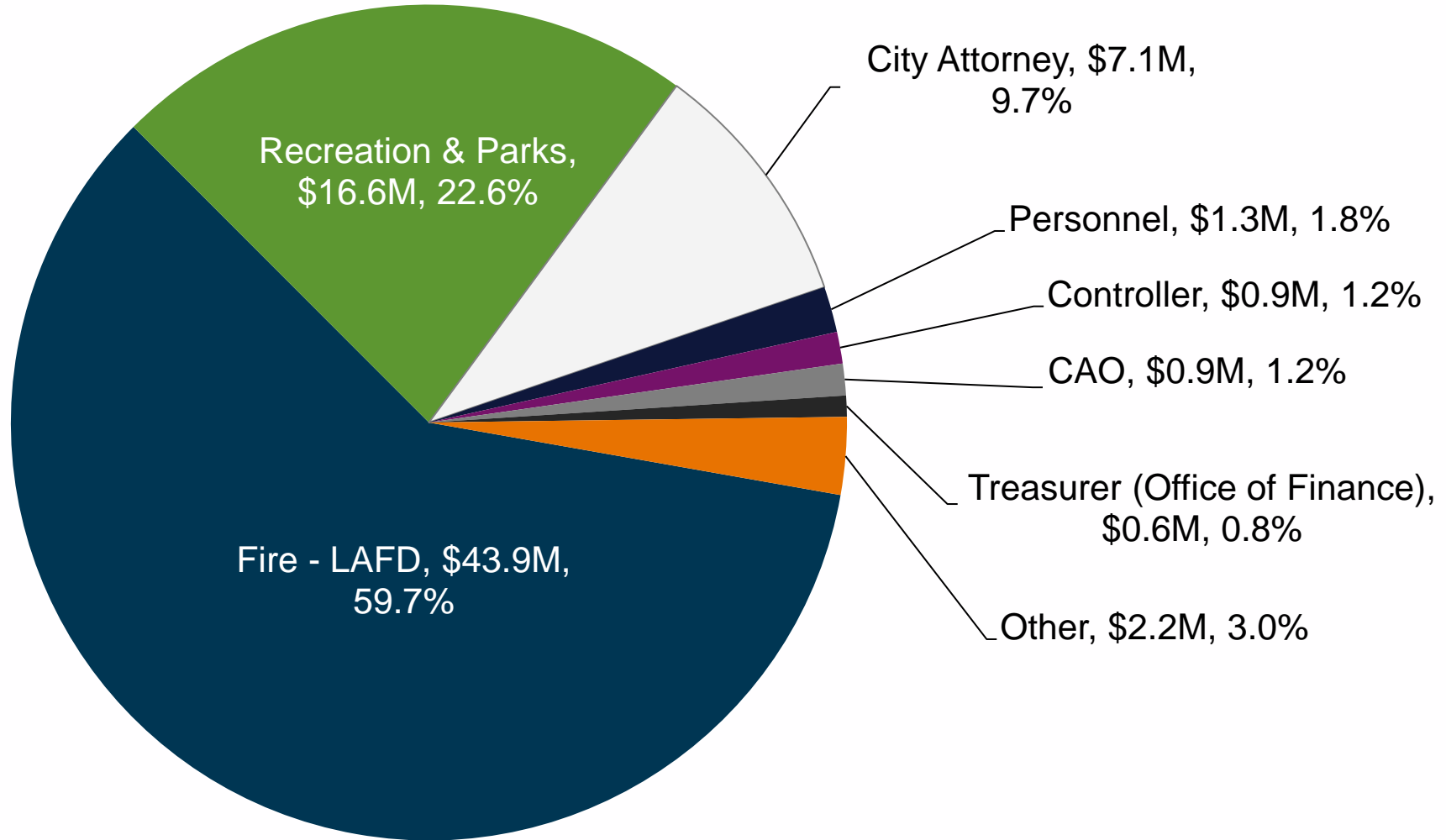


FY 2025/26 Proposed Outside Services

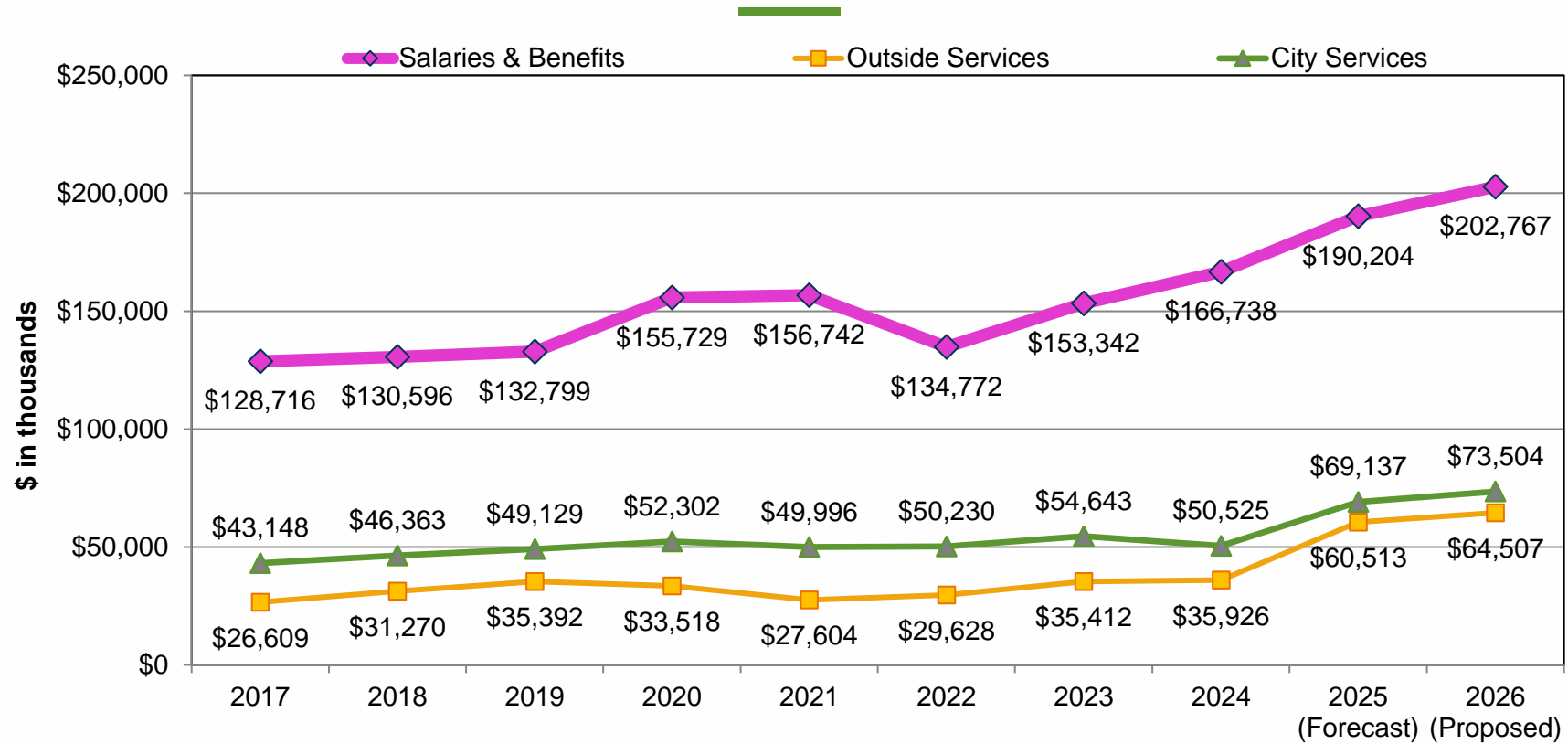
Top Drivers (\$45.3M of \$64.5M)

Driver	\$	%
Port Optimizer	\$10.7M	16.7%
Construction and Maintenance Division (C&M) Maintenance Services	\$7.2M	11.2%
Environmental Assessment Services	\$7.0M	10.8%
Software Subscriptions & Software Maintenance	\$5.5M	8.6%
Maintenance Improvement Program (MIP)	\$3.5M	5.4%
Hiring Hall (C&M and MIP)	\$3.4M	5.3%
Security System & Camera Maintenance	\$3.1M	4.8%
Cruise Center Operations & Overflow Facilities	\$3.0M	4.7%
Legal Services	\$1.9M	2.9%
TOTAL:	\$45.3M	70.4%

FY 2025/26 City Services \$73.5M



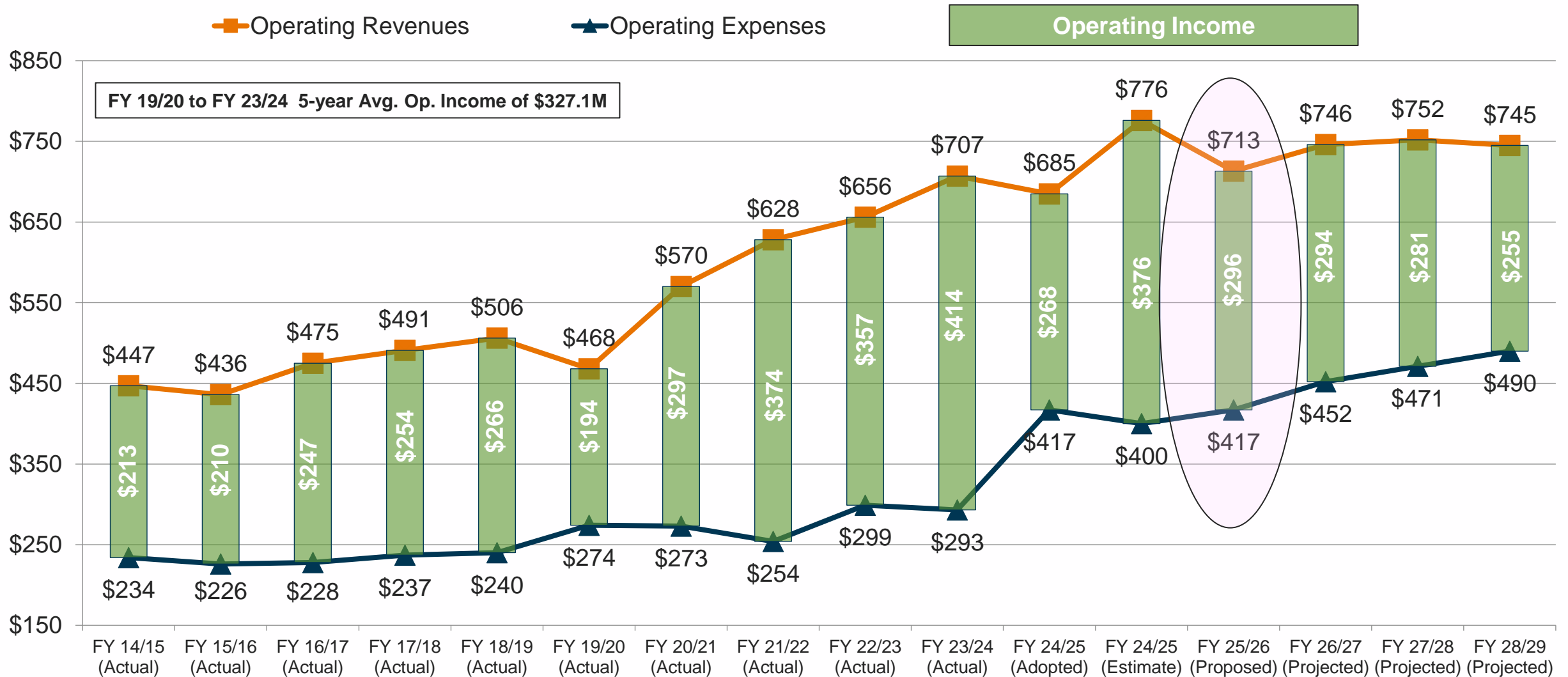
Historical Expenditures FY 2017 to FY 2026



(CAGR) Compound Annual Growth Rate FY 2019 to FY 2026	Year-to-Year % Difference	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26
6.2%	Salaries & Benefits	0.7%	-14.0%	13.8%	8.7%	14.1%	6.6%
5.9%	City Services	-4.4%	0.5%	8.8%	-7.5%	36.8%	6.3%
9.0%	Outside Services	-17.6%	7.3%	19.5%	1.5%	68.4%	6.6%

Operating Revenues and Expenses

Past, Present, Proposed, Projected



Cash from Operations & Investments

(\$ in millions)	Actual FY 23/24	Forecast FY 24/25	Proposed FY 25/26	Variance Prop. Vs. Forecast Fav. (Unfav.)
Operating Revenues	\$707.0	\$776.2	\$713.2	↓ (\$63.0)
Less: Operating Expenses	(\$293.1)	(\$399.6)	(\$416.6)	↑ (\$17.0)
Operating Income	\$413.9	\$376.6	\$296.6	↓ (\$80.0)
Less: Debt service	(\$68.4)	(\$166.9)	(\$50.0)	↓ \$116.9
Sub Total	\$345.5	\$209.7	\$246.6	↑ \$36.9
Less: Capital Improvement Plan	(\$138.2)	(\$199.2)	(\$231.3)	↑ (\$32.1)
Less: Capital Equipment & Allocations	(\$32.0)	(\$31.9)	(\$46.8)	↑ (\$14.9)
Cash Earned (Needs), before Grants & Other	\$175.3	(\$21.4)	(\$31.5)	↓ (\$10.1)
Plus: Capital Grant Receipts	\$54.3	\$15.4	\$74.7	↑ \$59.3
Plus: Other Items, Net*	\$67.4	\$51.8	\$113.1	↑ \$61.3
Cash from Operations and Investments**	\$297.0	\$45.8	\$156.3	↑ 110.5

* FY 24 & FY 25 Other Items, Net primarily consists of interest income earned from Harbor Revenue Fund.

** Increase in FY 26 cash from operations is expected to occur primarily due to the non-recurrence of a \$103.35 million debt defeasance which occurred in FY 25, higher grant receipts and proceeds from an anticipated land sale which will be only partially offset by lower operating income and higher capital spending.



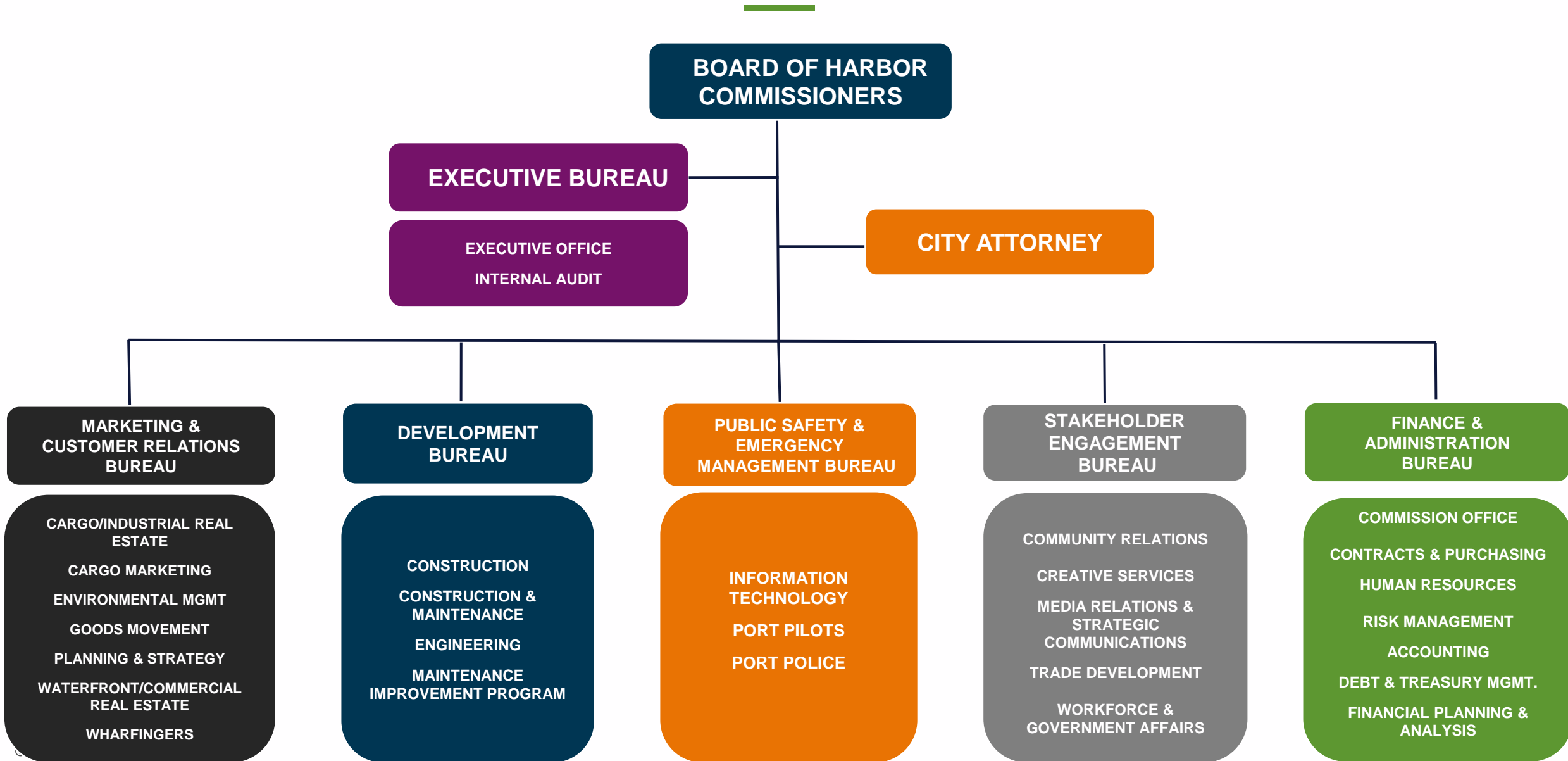
Scheduled Next Steps

- **April/May 2025:** Re-evaluate Operating Revenue and Expense Budgets to modify as needed
- **April/May 2025:** Budget & Finance Committee Budget Hearings
- **June 12, 2025:** Board Budget Adoption



Bureau Budgets

Port of Los Angeles





DEVELOPMENT BUREAU

Dina Aryan-Zahlan, P.E.

CONSTRUCTION

CONSTRUCTION & MAINTENANCE

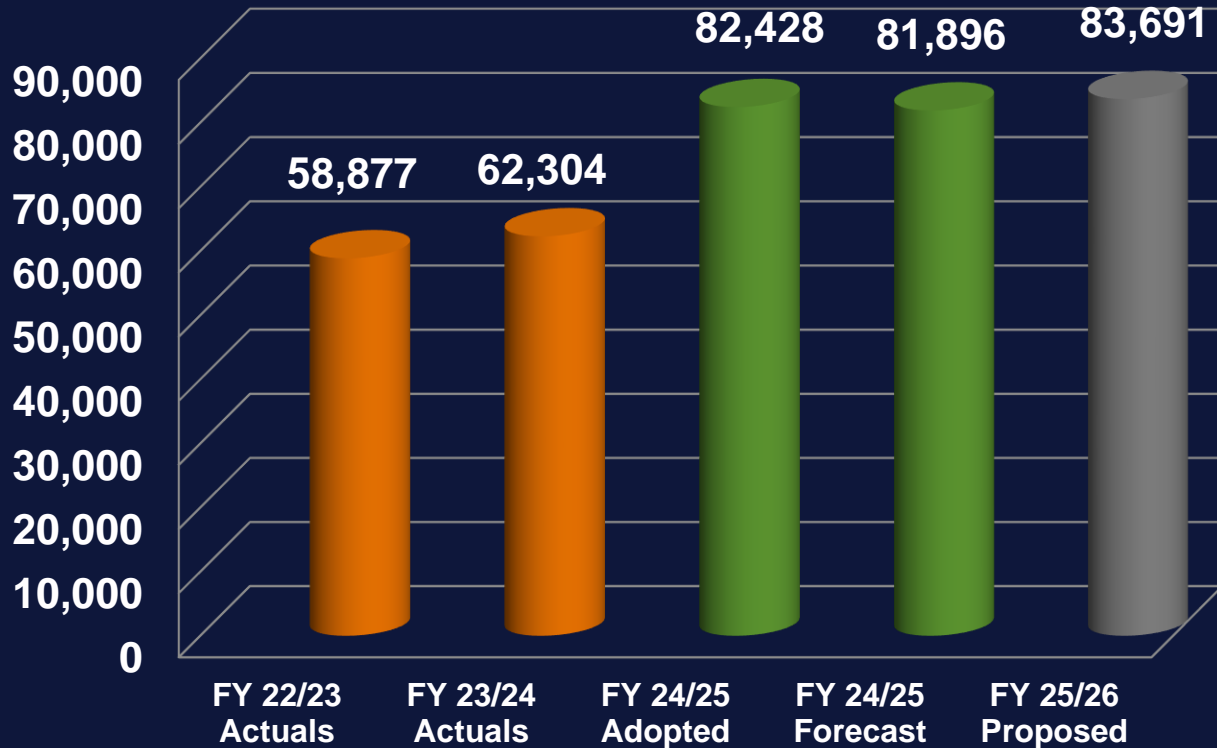
ENGINEERING

MAINTENANCE IMPROVEMENT PROGRAM

DEVELOPMENT BUREAU

Operating Budget-at-a-Glance

Net Operating Expenses

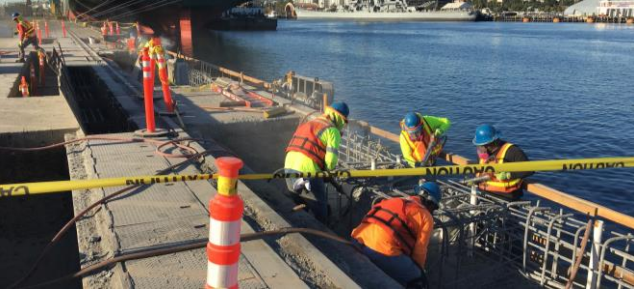


Budget Highlights

- FY 25/26 Proposed Net Operating Expenses: \$83.7M
 - \$1.8M or 2.2% increase relative to FY 24/25 Forecast
- Drivers of changes to FY 25/26 Proposed:
 - Outside Services
 - Increases to Maintenance Services for Wharves and Dredging*
 - ✓ +\$3.2M vs. Forecast
 - Salaries & Benefits
 - ✓ -\$379K vs. Forecast
 - Other Operating Expenses
 - Increase to Indirect Allocated Overhead, and Parts and Materials; offset by decrease to computer equipment and fuel for equipment*
 - ✓ -\$1.1M vs. Forecast

DEVELOPMENT BUREAU

FY 2025/26 Goals & Initiatives



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 2025/26 Proposed CIP includes \$231.3M for terminal, transportation, security, public access, and maritime services projects
 - Refer to subsequent slides for further details

- Implement a Maintenance Improvement Program (MIP) to enhance and sustain world-class infrastructure
 - The FY 2025/26 Proposed MIP includes \$6.4M for maintenance dredging, terminal facility maintenance and deferred maintenance services projects

DEVELOPMENT BUREAU

FY 2025/26 Goals & Initiatives

Objective 4: Strong Relationships with Stakeholders

- Deliver key LA Waterfront development projects on time and on budget
 - The FY 2025/26 Proposed CIP includes \$9.9M for LA Waterfront projects
 - Refer to subsequent slides for further details



DEVELOPMENT BUREAU

FY 2025/26 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	70	\$ 16,843,160	\$ 167,172	\$ 231,765	\$ 17,242,097	\$ (7,965,357)	\$ 9,276,740
Construction and Maintenance	303	45,433,758	9,713,936	7,131,567	62,279,261	(6,716,908)	55,562,353
Engineering	95	20,550,985	220,478	437,722	21,209,185	(8,801,734)	12,407,450
Maintenance Improvement Program	0	-	5,283,278	1,161,495	6,444,773	-	6,444,773
TOTAL	468	\$ 82,827,903	\$ 15,384,864	\$ 8,962,549	\$107,175,316	\$ (23,483,999)	\$ 83,691,317

***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.

DEVELOPMENT BUREAU

Operating Expenses - Top Drivers

Driver	\$	%
Salaries & Benefits for 468 Full-Time Employees	\$67.0M	80.0%
Maintenance Improvement Program	\$6.4M	7.7%
C&M – Parts and Materials	\$4.6M	5.5%
TOTAL:	\$78.0M	93.2%

DEVELOPMENT BUREAU

New Items

New Item	\$
5 New MIP Projects <i>Berth 161 Exterior Yard Buildings Painting (\$526K)</i> <i>South Fries Ave. Asphalt Resurfacing (\$221K)</i> <i>Berths 212-217 Roof Coating (\$160K)</i> <i>Berths 401-406 Roof Coating (\$160K)</i> <i>Berths 401-406 Painting of Bollards, Guard Posts, Safety Posts, and Red Stripes (\$153K)</i>	\$1.2M
4 New Positions (3 Civil Engr Associate II's and 1 Programmer Analyst II)	\$823K
Berth Emissions Control System Service	\$500K
New Training & Travel	\$35K
New Software	\$15K
Other Misc. Items	\$7K
TOTAL:	\$2.6M

DEVELOPMENT BUREAU

Dina Aryan-Zahlan, P.E.

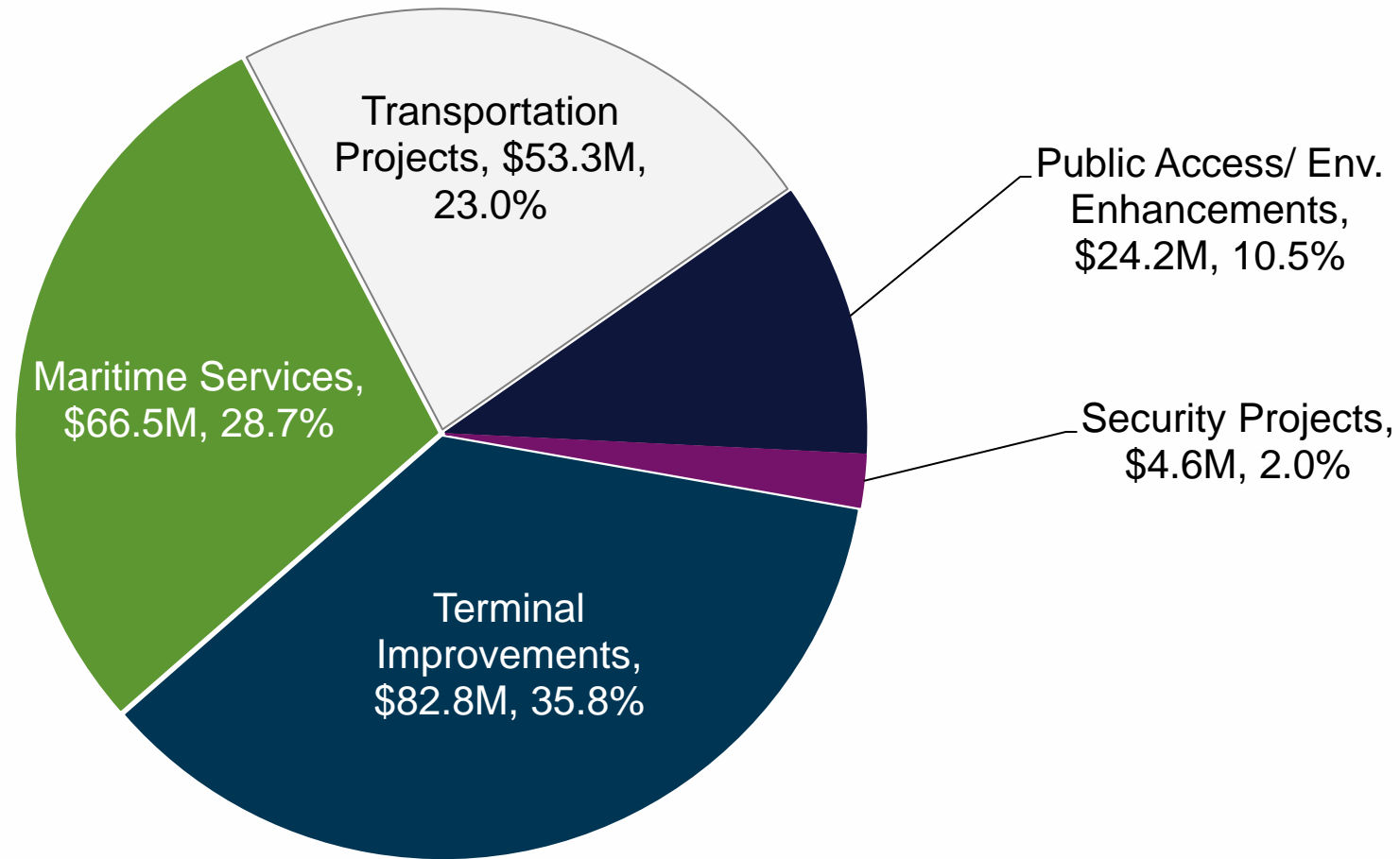


CAPITAL IMPROVEMENT PROGRAM



PROPOSED FY 2025/26 CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET

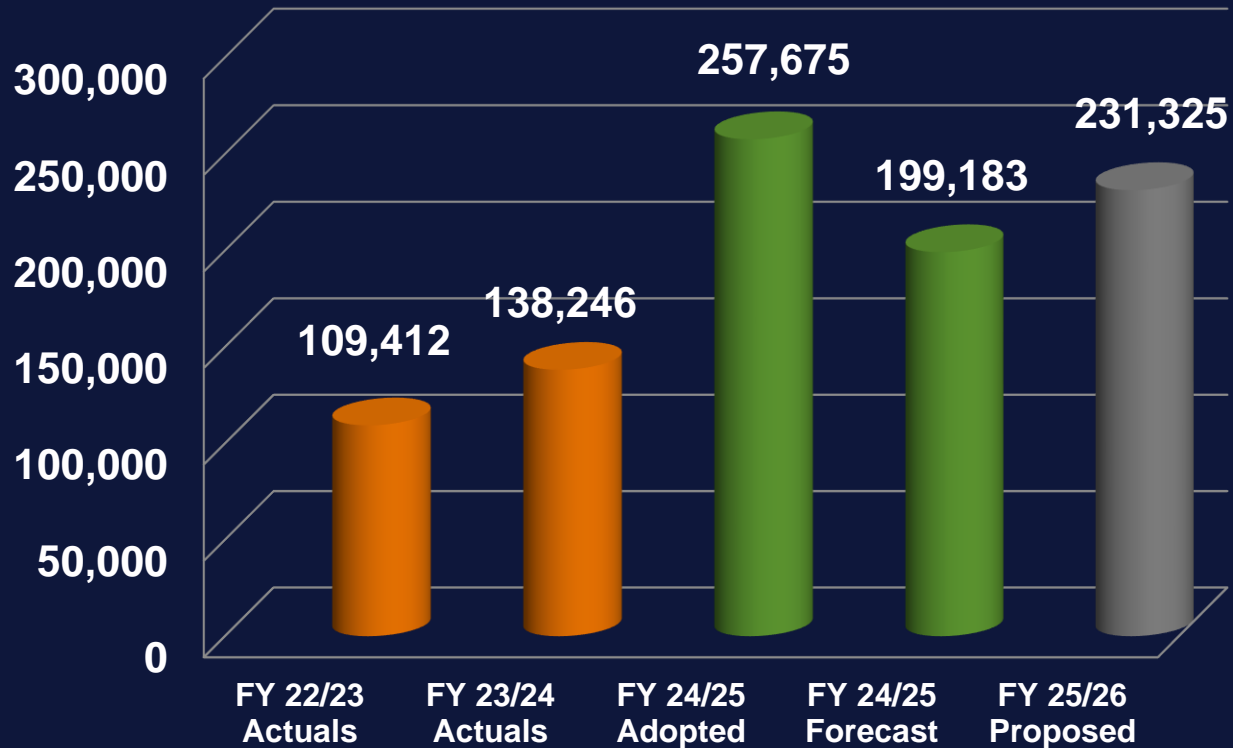
Budget \$231.3M



CAPITAL IMPROVEMENT PROGRAM

Budget-at-a-Glance

Net Operating Expenses



Budget Highlights

- FY 25/26 Proposed CIP: \$231.3M
 - \$32.1M or 16.1% increase relative to FY 24/25 Forecast
- Key Expenditures:
 - State Route 47/Vincent Thomas Bridge & Front St./Harbor Blvd. Interchange Reconfiguration: \$47.3M
 - Berths 302-305 On-Dock Rail Expansion: \$26.2M
 - MOTEMS – Berths 238-239 (PBF): \$18.5M
 - Terminal Island Facilities Demolition Improvements Projects: \$12.1M
 - Zero Emissions Port Electrification & Operations: \$10.4M
 - Harbor Administration Building HVAC Replacement: \$8.6M
 - MOTEMS – Berths 167-169 (Shell): \$6.1M
 - Berths 49-51 Outer Harbor Cruise Development: \$4.1M
 - Terminal Island Maritime Support Facility: \$4.0M
 - Berths 126-129 Wharf Redevelopment: \$3.6M
 - Wilmington Waterfront Avalon Pedestrian Bridge and Promenade Gateway: \$3.0M
 - Navy Way and Seaside Ave. Interchange Improvements: \$2.2M
 - POLA-POLB Goods Movement Workforce Training Facility: \$2.1M
 - Maritime Support Facility Access/TI Rail System Grade Separation: \$1.5M

Public Access Investment Plan Active LA Waterfront Projects

Project Elements (\$ in millions)	PREVIOUS YEARS	FY 25/26 Year 11	FY 26/27 Year 12	FY 27/28 Year 13	FY 28/29 Year 14	FY 29/30 Year 15	Total CIP (millions)
Harbor Boulevard from SP Slip to 22 nd St. Roadway Improv.	\$2.2	\$0.8	\$5.9	\$11.6	\$1.5		\$22.0
Cabrillo Marine Aquarium Life Support System	\$0.5	\$0.6	\$0.1				\$1.2
208 East 22 nd Street Parking Lot Improvements	\$0.9	\$0.8	\$27.5	\$2.6			\$31.8
Total San Pedro Waterfront:							\$55.0
Avalon Pedestrian Bridge and Promenade Gateway	\$8.9	\$3.0	\$23.6	\$38.3	\$4.0		\$77.8
Site Characterization	\$0.2	\$0.1	\$2.7	\$3.5	\$0.5		\$7.0
DWP Marine Tank Farm Coordination							
Wilmington Youth Aquatic Center	\$0.9	\$0.1	\$0.1	\$0.3	\$2.0	\$1.2	\$4.6
Wilmington Waterfront Park West End Restroom and Site Restoration	\$0.2	\$0.3	\$5.6	\$0.8			\$6.9
Total Wilmington Waterfront:							\$96.3
TOTAL:	\$13.7	\$5.7	\$65.5	\$57.1	\$8.0	\$1.2	\$151.3



PUBLIC ACCESS INVESTMENT PLAN (PAIP)

Annual CIP Spending and 10% Allocation

\$ in millions	Year 1 FY 16	Year 2 FY 17	Year 3 FY 18	Year 4 FY 19	Year 5 FY 20	Year 6 FY 21	Year 7 FY 22	Year 8 FY 23	Year 9 FY 24	Year 10 FY 25 (Forecast)	10-Year Total
PAIP – Allocation (10%)	21.3	21.5	24.4	25.0	25.3	18.8	29.1	35.8	30.4	36.7	268.3
PAIP – CIP Spend	3.6	6.8	12.1	9.5	9.3	44.7	29.8	20.7	35.0	25.8	197.3

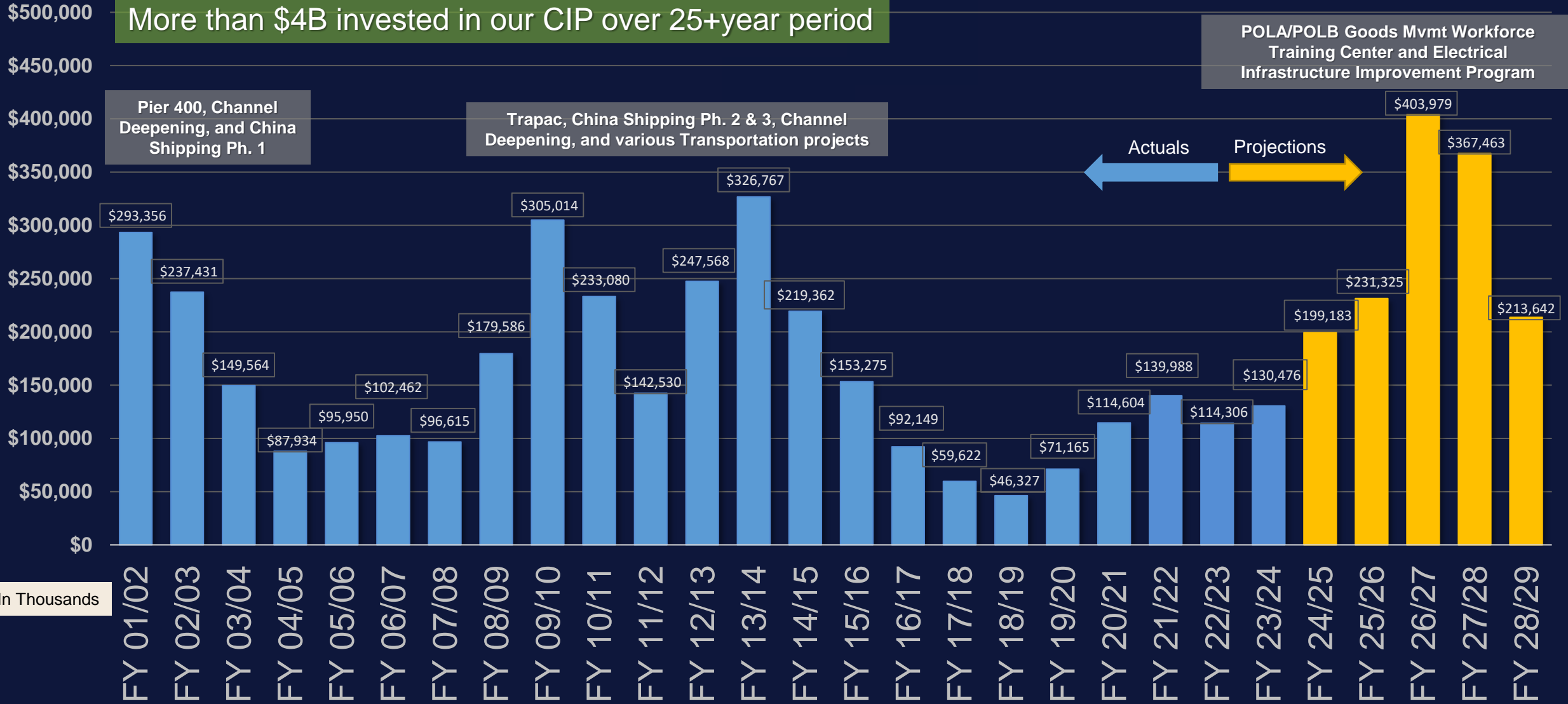
Percentage of Total PAIP Allocation Spent after 10 years: 74%

Annual Average PAIP Allocation: \$26.8 million

Annual Average PAIP CIP Spend: \$19.7 million



Capital Improvement Program 2002 - 2029





Wilmington Waterfront Avalon Pedestrian Bridge and Promenade Gateway

- Project Cost: \$84.8M*
- Grant Funding: \$57.3M
- Const.: March 2026 – August 2028
- \$3.0M* in FY 25/26 CIP

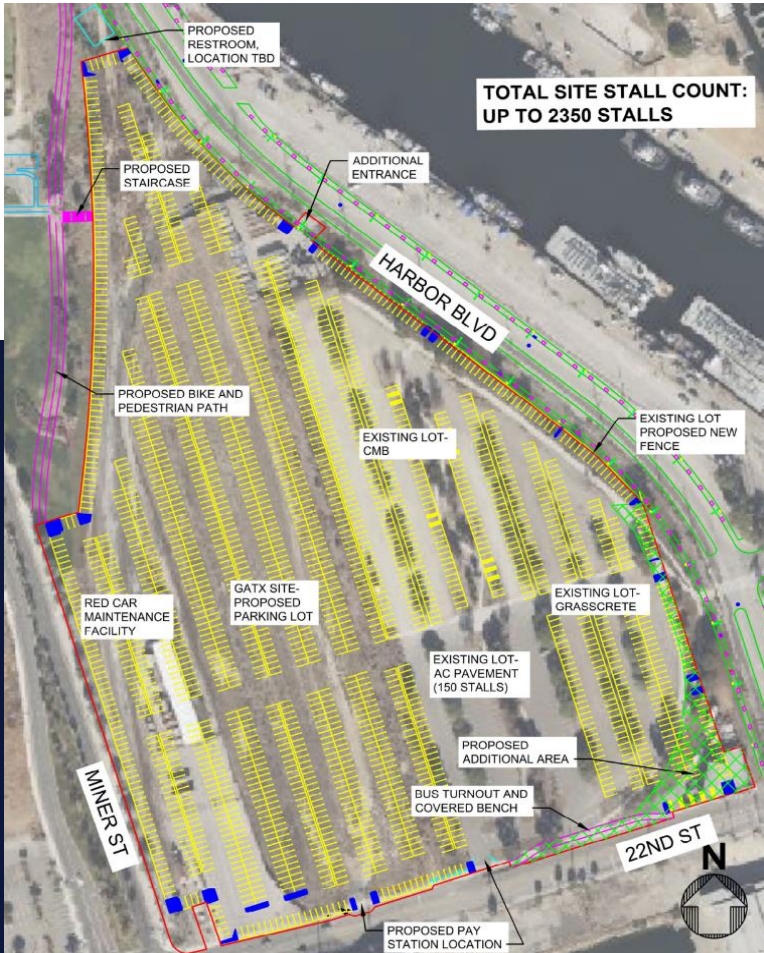
*including \$7.0M (project cost) and \$0.1M (FY 25/26) for DWP Marine Tank Farm Coordination



Wilmington Waterfront West End Restroom and Site Restoration

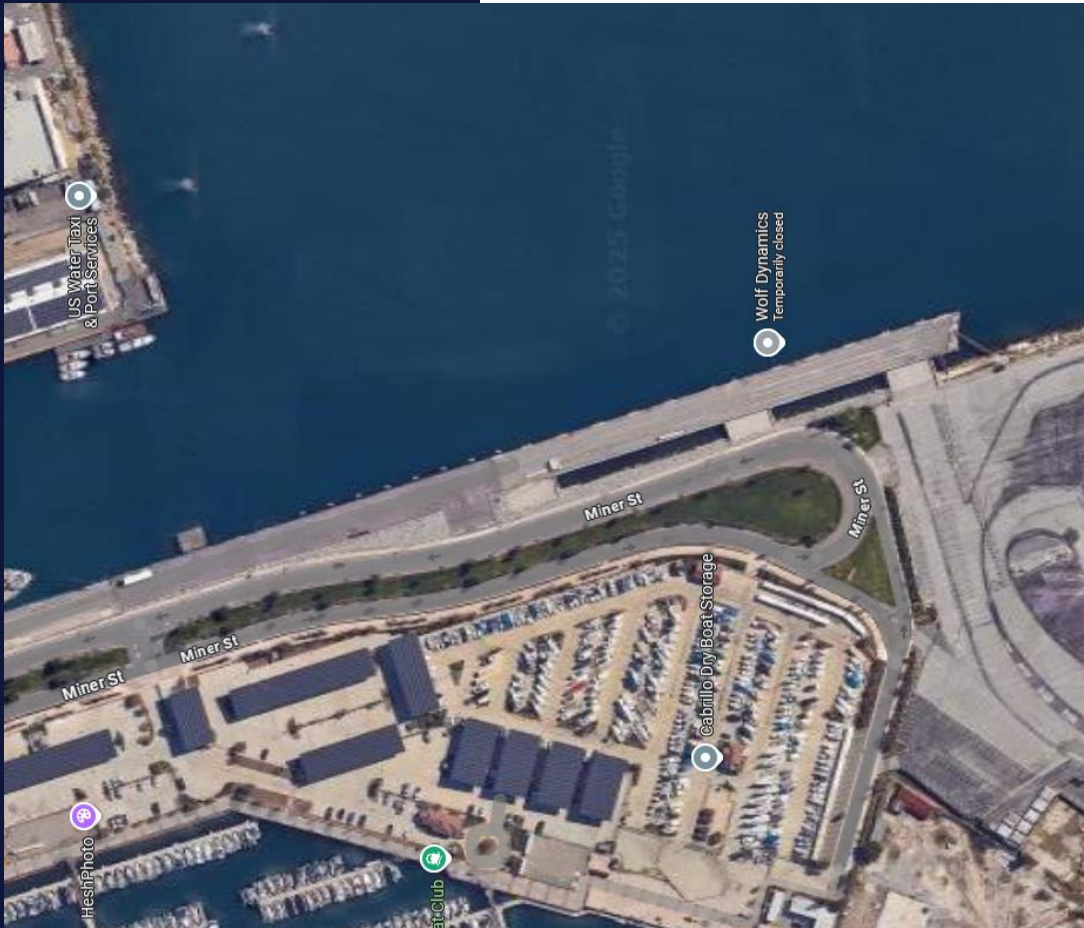
- Project Cost: \$6.9M
- Const.: April 2026 – June 2027
- \$0.3M in FY 25/26 CIP

208 East 22nd St. Parking Lot Improvements



- Develop and Redevelop approx. 21 acres for public parking for up to 2,350 parking stalls
- Improvements include demolition, removals, drainage, AC paving, striping, driveway modifications, site lighting, site security, fencing, security cameras, and parking kiosks
- Building Demolition of RS Marine Building
- Restroom Building
- Pedestrian Pathway

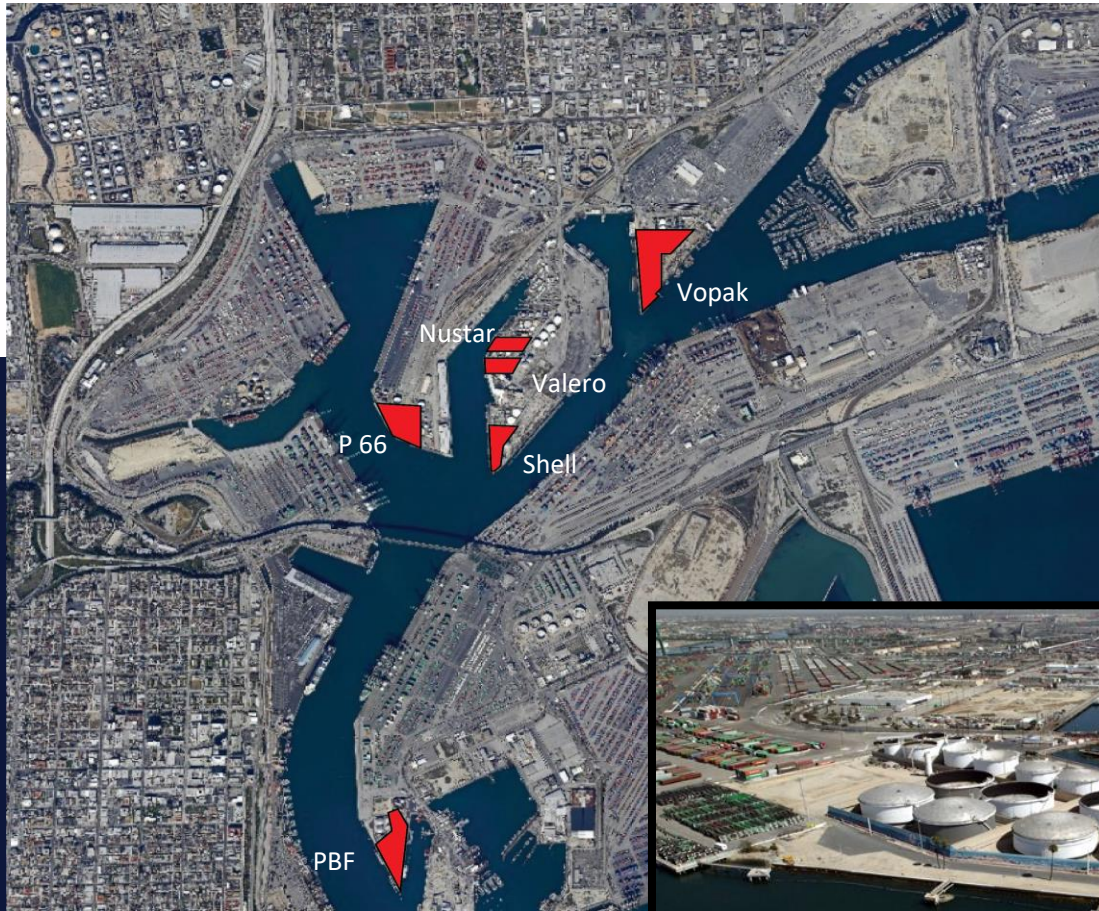
- Project Cost: \$31.8M
- Const.: June 2026 – May 2027
- \$824K in FY 25/26 CIP



Berths 49-51 Outer Harbor Cruise Development

- Project Cost: \$57.3M
- Const.: January 2026 – March 2028
- \$4.1M in FY 25/26 CIP

MOTEMS Program (Ongoing)



Berths 167-169 (Shell)

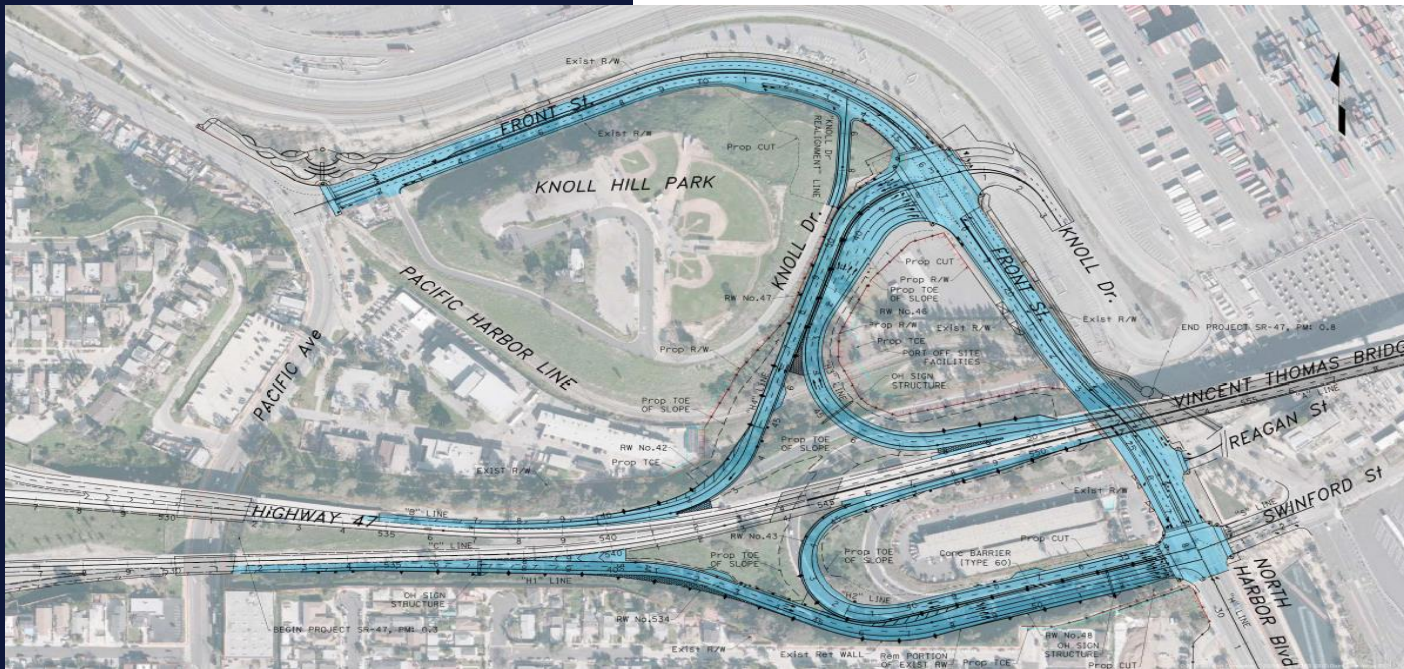
- Project Cost: \$44.8M
- Const.:
 - Phase I (Complete): July 2021 – May 2023
 - Phase II: October 2025 – July 2026
- \$6.1M in FY 25/26 CIP



Berths 238-239 (PBF)

- Project Cost: \$35.0M
- Const.: July 2025 – November 2026
- \$18.5M in FY 25/26 CIP

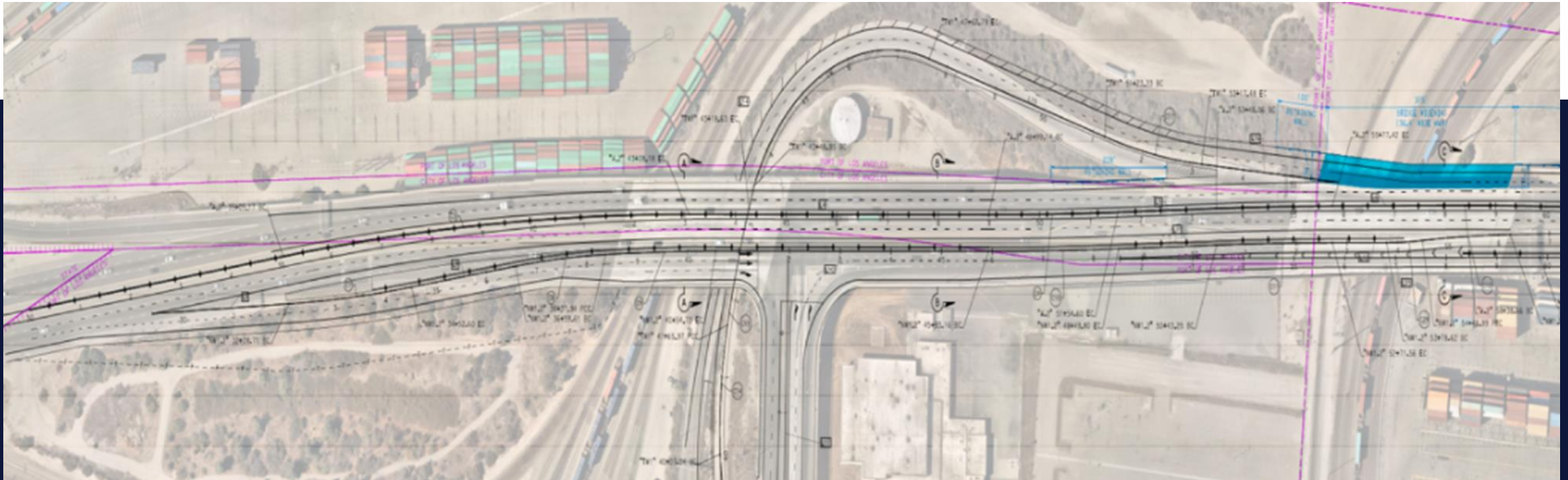
State Route 47/ Vincent Thomas Bridge & Front St./Harbor Blvd. Interchange Reconfiguration



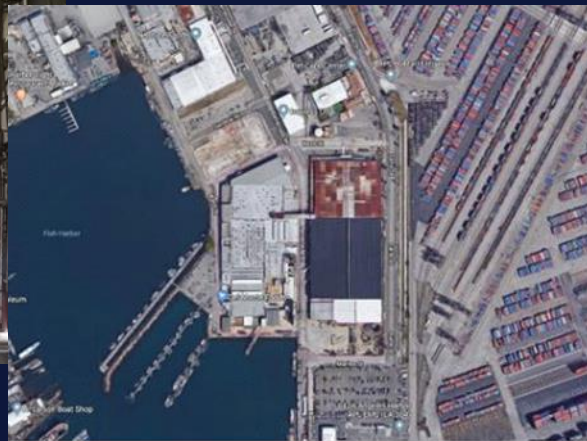
- Project Cost: \$130.0M
- Grant Funding: \$73.0M
- Const.: March 2024 – November 2026
- \$47.3M in FY 25/26 CIP

Navy Way and Seaside Ave. Interchange Improvements

- Project Cost: \$65.7M
- Grant Funding: \$41.8M
- Const.: September 2027 – February 2030
- \$2.2M in FY 25/26 CIP



Terminal Island Facilities Demolition Improvements (TIFDI) Projects



Projects:

- Southwest Marine Administration Building Demolition
- Starkist Demolition
- South Seaside Avenue Storm Drain
- 1025 Seaside Avenue Demolition
- B. 208-209 CFS Building Demolition

- Project Cost: \$26.5M
- Const.: November 2025 – December 2026
- \$12.1M in FY 25/26 CIP

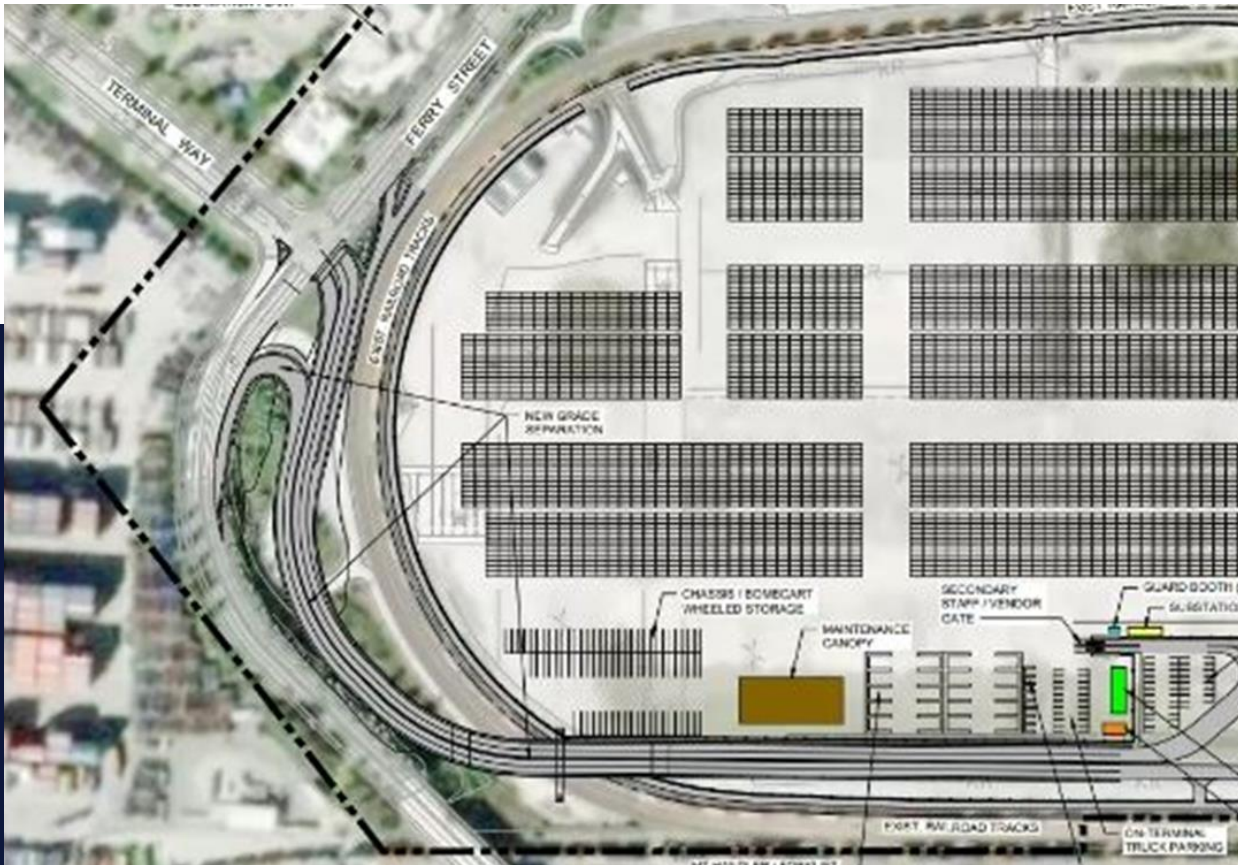
Berths 302-305 On-Dock Rail Expansion



- **17,000 New Track Feet**
5 New tracks, Reuse 3 existing tracks, New trail track, 12 New turnouts
- **Expanded Throat**
3-Track throat
- **Rail Signal Improvements**
Remote and wireless rail signal, Train-in-motion system, Derails, Track bumpers

- **Project Cost: \$73.8M**
- **Grant Funding: \$37.4M**
- **Const.: April 2025 – March 2027**
- **\$26.2M in FY 25/26 CIP**

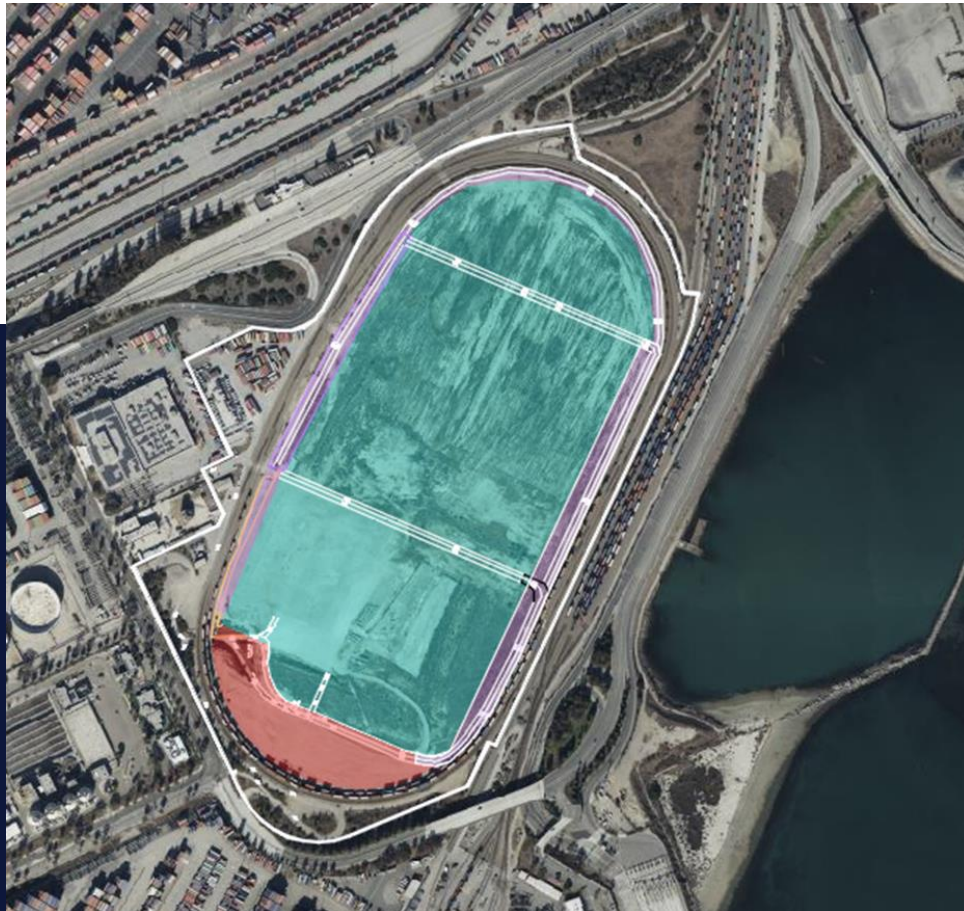
Maritime Support Facility Access/TI Rail System Grade Separation



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

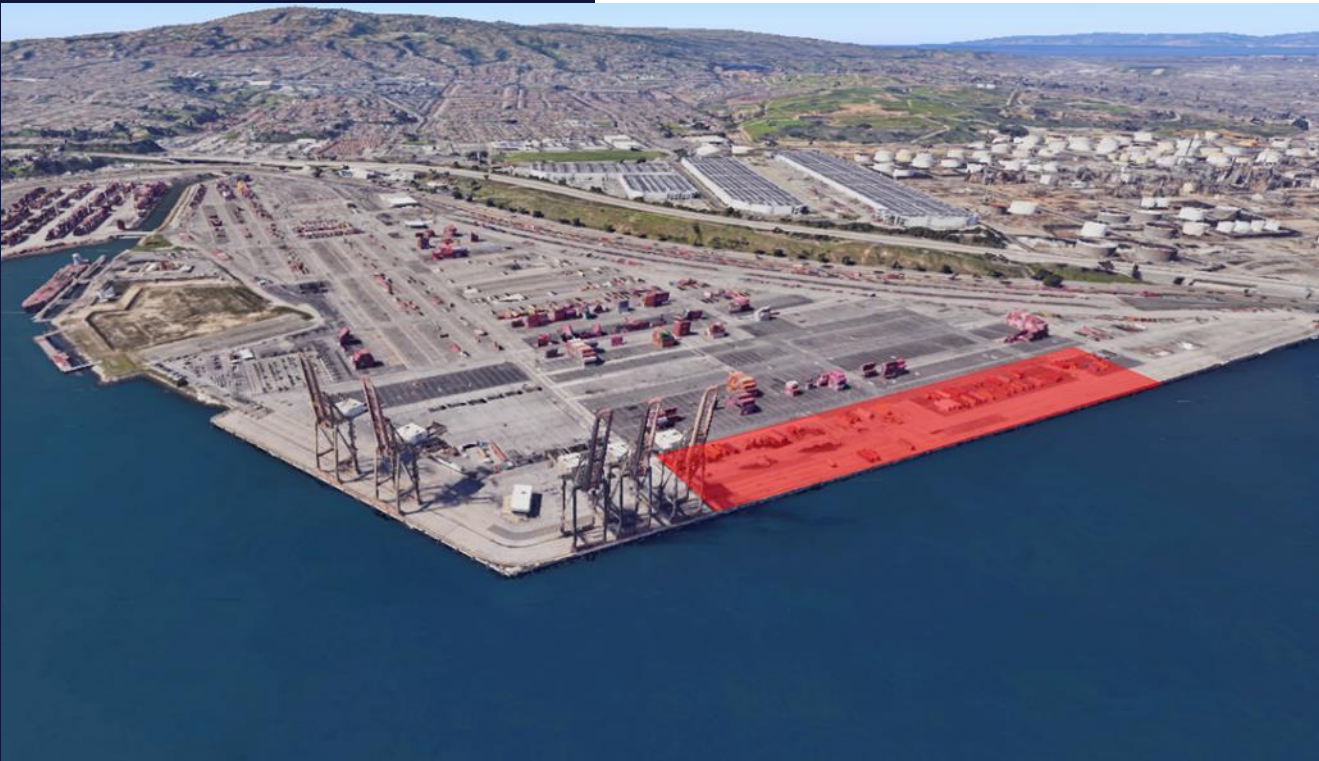
- **Project Cost: \$39.2M**
- **Grant Funding: \$35.0M**
- **Const.: January 2026 – August 2027**
- **\$1.5M in FY 25/26 CIP**

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**
- **Grant Funding: \$149.3M**
- **Const.: June 2026 – May 2028**
- **\$4.0M in FY 25/26 CIP**



Berths 126-129 Wharf Redevelopment

- **Improvements**

include demo of 50ft crane gauge, new 1,260 linear feet pile supported 100ft crane gauge concrete wharf, dredging, AMP, and backland improvements

- Project Cost: \$13.5M
- Const.: January 2027 – December 2028
- \$3.6M in FY 25/26 CIP

Harbor Administration Building HVAC Replacement

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



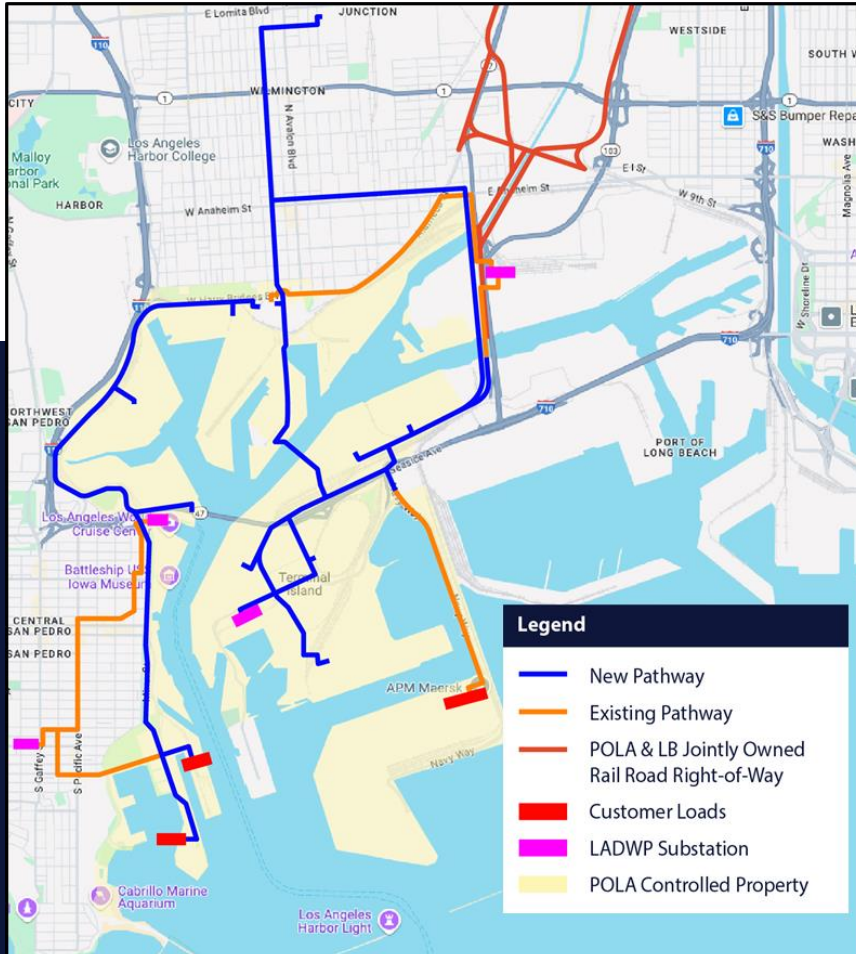
- Project Cost: \$19.5M
- Const.: November 2025 – December 2026
- \$8.6M in FY 25/26 CIP

POLA-POLB Goods Movement Workforce Training Facility

- Project Cost: \$150.0M
- State Funding: \$110.0M
- Const.: February 2027 – February 2029
- \$2.1M in FY 25/26 CIP



Zero Emissions Port Electrification & Operations (ZEPEO)



- **Expand LADWP's RS-C and RS-Q Receiving Stations**
 - Adds at least 200 MW for POLA
 - Increases Power Reliability and Redundancy
- **New Switching Station in Wilmington**
 - Increases Power Reliability and Redundancy
- **New 34.5kV Distribution Lines**
 - Distributes Power to each Marine Terminal
- **New Network Stations at each Marine Terminal**
 - Adds at least 20 MW Power at each Terminal
 - Receive 34.5kV Distribution Lines

- **Project Cost: \$501.0M**
- **Const.: 2027-2030 (DWP)**
- **\$10.4M in FY 25/26 CIP**



UNALLOCATED CAPITAL IMPROVEMENT PROGRAM FUND AND DEFERRED MAINTENANCE

Category	Proposed Budget FY 25/26
Consultants	\$6.0M
Unanticipated Construction	\$5.0M
Other	\$2.0M
Parts and Materials	\$1.0M
In-House Salaries	\$0.0M
Unallocated Subtotal	\$14.0M
Deferred Maintenance	\$6.7M
TOTAL:	\$20.7M



Wilmington Waterfront West End Restroom and Site Restoration **\$300K**

Wilmington Waterfront Avalon Pedestrian Bridge and Promenade Gateway **\$3.1M**

Zero Emissions Port Electrification & Operation (ZEPEO) **\$10.4M**

POLA-POLB Goods Movement Workforce Training Facility **\$2.1M**

Berth 126-129 Wharf Redevelopment **\$3.6M**

Navy Way and Seaside Ave. Interchange Improvements **\$2.2M**

MOTEMS Program (Ongoing) **\$24.6M**

Terminal Island Maritime Support Facility **\$4.0M**

SR 47/Vincent Thomas Bridge & Front St./Harbor Blvd. Interchange Reconfiguration **\$47.3M**

Maritime Support Facility Access/TI Rail System Grade Separation **\$1.5M**

Harbor Administration Bldg – HVAC Replacement **\$8.6M**

Berths 302- 305 On Dock Rail Expansion **\$26.2M**

208 East 22nd St Parking Lot Improvements **\$824K**

Terminal Island Facilities Demolition & Improvement (TIFDI) Projects **\$12.1M**

Berths 49-51 Outer Harbor Cruise Development **\$4.1M**

FY 2025/26 Capital Improvement Projects

PUBLIC SAFETY & EMERGENCY MGMT BUREAU

Chief Thomas Gazsi



INFORMATION TECHNOLOGY

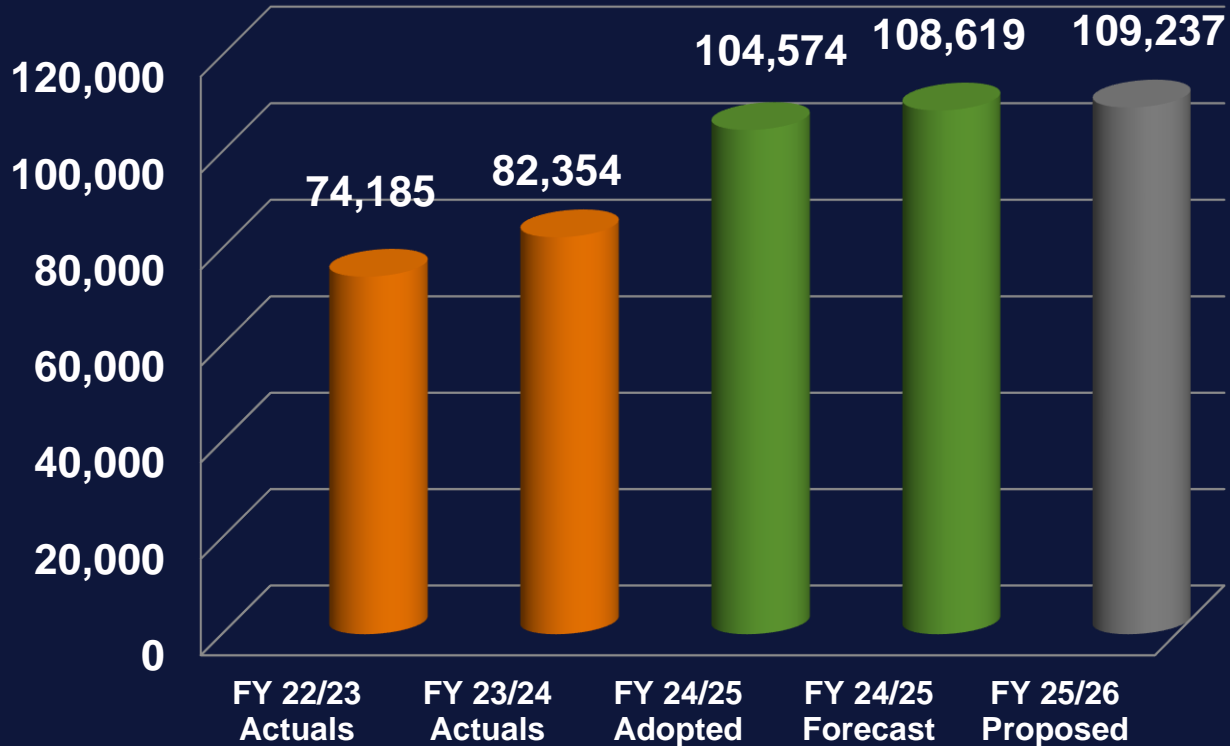
PORT PILOTS

PORT POLICE

PUBLIC SAFETY & EMERGENCY MANAGEMENT BUREAU

Operating Budget-at-a-Glance

Net Operating Expenses



Budget Highlights

- FY 25/26 Proposed Net Operating Expenses: \$109.2M
 - \$618K or 0.6% increase relative to FY 24/25 Forecast
- Drivers of changes to FY 25/26 Proposed:
 - Salaries & Benefits
 - ✓ +\$893K vs. Forecast
 - Outside Services
 - Increase in Cyber Resilience Center (CRC) Software offset by elimination of one-time funding for IT Strategic Plan Development and decrease in funding for Cyber Security for Critical Port Police Systems*
 - ✓ -\$26K vs. Forecast
 - Other Operating Expenses
 - Increase in funding for Equitable Sharing Agreement offset by an increase to the Indirect – Allocated Overhead*
 - ✓ -\$249K vs. Forecast

PUBLIC SAFETY & EMERGENCY MANAGEMENT BUREAU

FY 2025/26 Goals & Initiatives



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

- Lead the digital transformation and maintain secure and efficient computing solutions, telecommunications infrastructure and critical cybersecurity services that support the Port's objectives and business continuity.
- Uphold exceptional navigational and operational standards to promptly and effectively respond to all customer inquiries.
- Implement security and public safety strategies that secure our Port Complex, ensure business continuity, and engage our stakeholders and the community, while addressing the expanding environment.





PUBLIC SAFETY & EMERGENCY MANAGEMENT BUREAU

FY 2025/26 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	47	\$ 10,874,500	\$ 22,767,195	\$ 1,918,692	\$ 35,560,387	\$ (2,454,789)	\$ 33,105,598
Port Pilots	35	15,000,837	459,405	405,168	15,865,410	-	15,865,410
Port Police	242	52,047,297	5,934,814	2,283,925	60,266,036	-	60,266,036
TOTAL	324	\$ 77,922,634	\$ 29,161,414	\$ 4,607,785	\$111,691,833	\$ (2,454,789)	\$ 109,237,044

***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.



PUBLIC SAFETY & EMERGENCY MANAGEMENT BUREAU

Top Drivers

Driver	\$	%
Salaries & Benefits for 324 Full-Time Employees	\$77.9M	71.3%
Port Optimizer	\$10.7M	9.8%
Software Subscriptions & Maintenance Services	\$4.8M	4.4%
Enterprise IT Systems Support	\$4.4M	4.1%
POLA and CBP Camera Security System Maintenance	\$3.1M	2.8%
Telecommunication Services	\$1.8M	1.7%
TOTAL:	\$102.8M	94.1%



PUBLIC SAFETY & EMERGENCY MANAGEMENT BUREAU

New Items

New Item	\$
Virtual Private Network (VPN) Zero Trust Solution	\$100K
Cybersecurity Artificial Intelligence (AI) Solution	\$95K
Customized Ballistic Panels for C&M Yard Security Booth	\$89K
Port Pilots Motorola Radio Service Agreement	\$50K
New Travel & Training	\$24K
Various New Software	\$9K
Underwater Communication Station for Port Police Dive Boat	\$8K
Seal Stops (Marine Mammal Deterrent for Use on Docks)	\$8K
Other Misc. Items	\$8K
TOTAL:	\$390K

STAKEHOLDER ENGAGEMENT BUREAU

David Libatique



COMMUNITY RELATIONS

CREATIVE SERVICES

MEDIA RELATIONS &
STRATEGIC COMMUNICATIONS

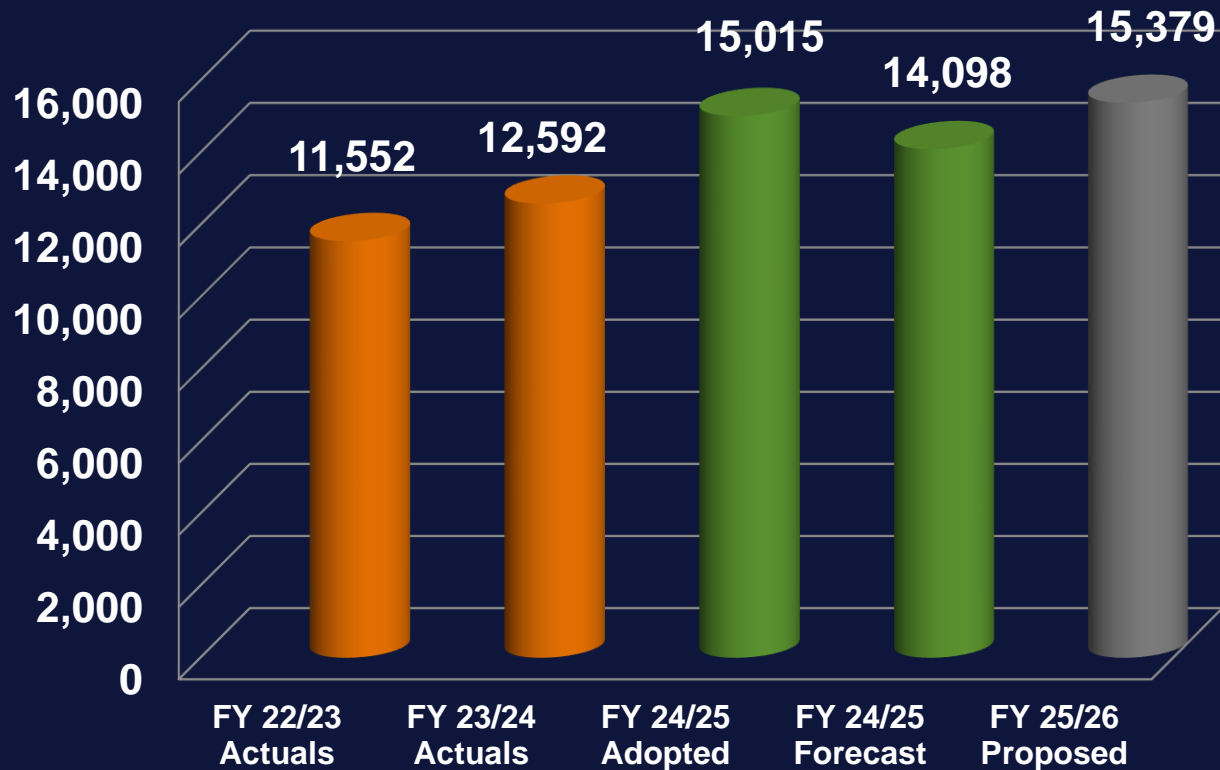
TRADE DEVELOPMENT

WORKFORCE & GOVERNMENT
AFFAIRS

STAKEHOLDER ENGAGEMENT BUREAU

Operating Budget-at-a-Glance

Net Operating Expenses



Budget Highlights

- FY 25/26 Proposed Net Operating Expenses: \$15.4M
 - \$1.3M or 9.1% increase relative to FY 24/25 Forecast
- Drivers of changes to FY 25/26 Proposed:
 - Salaries & Benefits
 - ✓ +\$783K vs. Forecast
 - Outside Services
 - New funding for Grants Coordinator Consultant and increased spending for Writers, offset by removal of one-time funding for Grant Management Software*
 - ✓ +\$374K vs. Forecast
 - Other Operating Expenses
 - Increase in spending for the broadcasting of Board meetings, Advertising, Domestic & Foreign Travel, Memberships, and Sponsorships.*
 - ✓ +\$125K vs. Forecast

STAKEHOLDER ENGAGEMENT BUREAU

FY 2025/26 Goals & Initiatives



Objective 4: Strong Relationships with Stakeholders

- Engage a broad spectrum of stakeholders in support of the Port's Strategic Objectives
 - Serve as the voice and communications hub of the Port.
 - Advance and protect Port policy and funding priorities. Continue to build our reputation of expertise and leadership on port and supply chain issues.
 - Maintain open and productive dialogue with key stakeholder communities including labor, business, community groups, and international stakeholders.
 - Foster relationship building and coordinated relationship management to inform and influence positive outcomes for the Port and its stakeholders.
 - Cultivate strong positive relationships with local and regional community organizations, businesses, and civic leaders.



STAKEHOLDER ENGAGEMENT BUREAU

FY 2025/26 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	\$ 2,132,930	\$ 358,090	\$ 4,276,253	\$ 6,767,273	\$ -	\$ 6,767,273
Creative Services	10	1,649,830	56,204	420,211	2,126,245	-	2,126,245
Media Relations & Strategic Com.	6	1,255,888	361,256	215,097	1,832,241	-	1,832,241
Trade Development	4	882,171	265	204,806	1,087,242	-	1,087,242
Workforce & Government Affairs	10	2,376,689	972,727	217,061	3,566,477	-	3,566,477
TOTAL	41	\$ 8,297,508	\$ 1,748,542	\$ 5,333,428	\$ 15,379,478	\$ -	\$ 15,379,478

***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.

STAKEHOLDER ENGAGEMENT BUREAU

Top Drivers

Driver	\$	%
Salaries & Benefits for 41 Full-Time Employees	\$8.3M	53.9%
Community Sponsorship Program	\$2.0M	13.2%
Memberships	\$586.4K	3.8%
Advocacy Services	\$507.0K	3.3%
Waterfront Events	\$493.1K	3.2%
Advertising	\$475.0K	3.1%
Sponsorships	\$443.8K	2.9%
Grants Coordinator Consultant	\$355.7K	2.3%
TOTAL:	\$13.2M	85.7%



STAKEHOLDER ENGAGEMENT BUREAU

New Items

New Item	\$
Grants Coordinator Consultant	\$355.7K
New Sponsorships	\$266.8K
New Memberships	\$88.8K
Other Misc. Items	\$9.0K
TOTAL:	\$720.2K

FINANCE & ADMINISTRATION BUREAU

Erica Calhoun

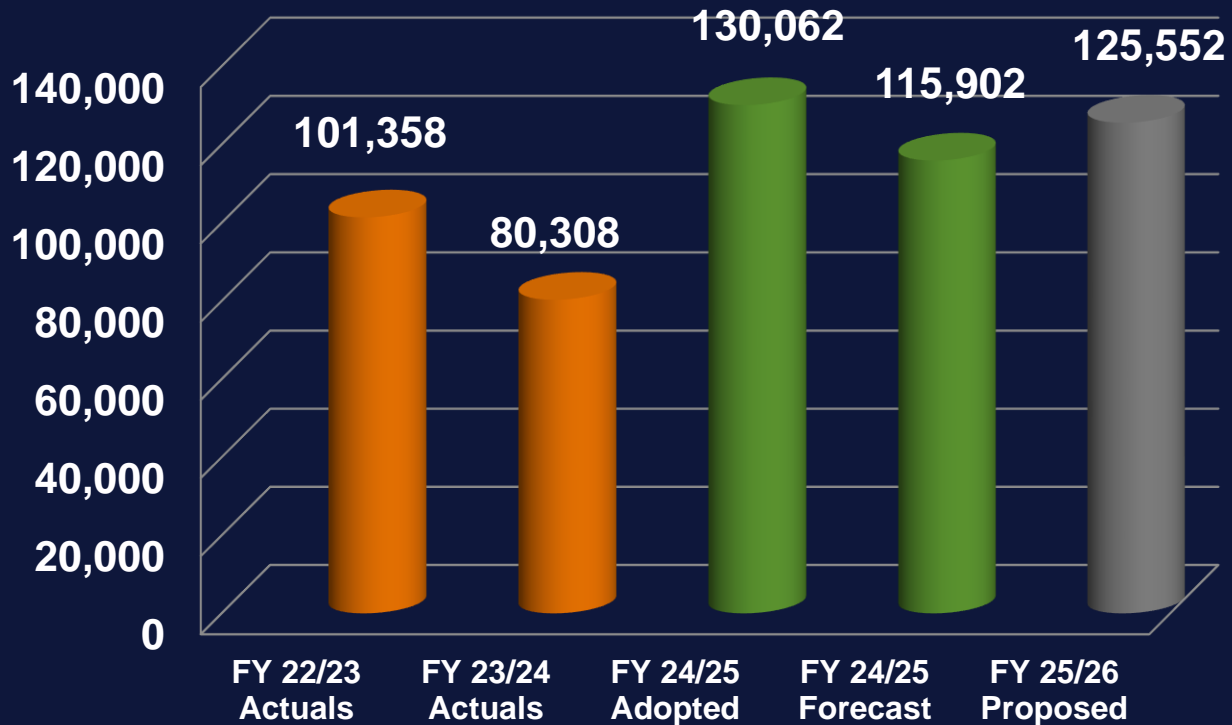


COMMISSION
CONTRACTS & PURCHASING
HUMAN RESOURCES
RISK MANAGEMENT
ACCOUNTING
DEBT & TREASURY MGMT.
FINANCIAL PLANNING & ANALYSIS

FINANCE & ADMINISTRATION BUREAU

Operating Budget-at-a-Glance

Net Operating Expenses



Note: The Harbor Operating Division's FY 25/26 Proposed Budget of \$96.1M contains global expenses such as City Services (\$65.0M), Utilities (\$32.7M), Provision For Worker's Comp (\$1.5M), etc.

Budget Highlights

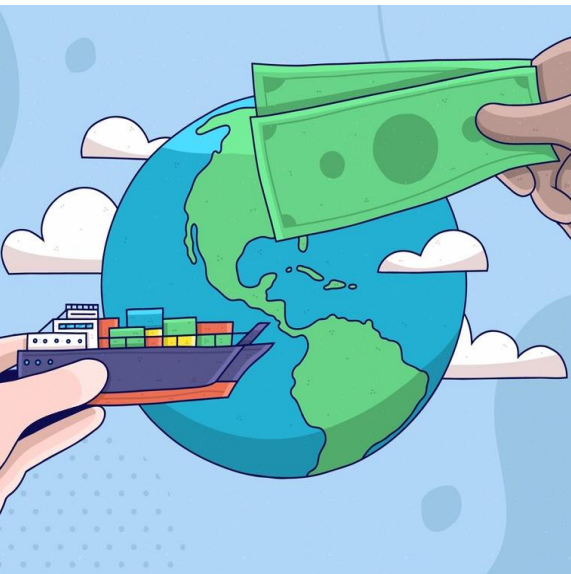
- FY 25/26 Proposed Net Operating Expenses: \$125.6M
 - \$9.7M or 8.3% increase relative to FY 24/25 Forecast
- Drivers of changes to FY 25/26 Proposed:
 - Salaries & Benefits
 - ✓ +\$10.1M vs. Forecast
 - Outside Services
 - Increase in Occupational Health and Safety Services/Training, Safety Professional Contractor, Financial Consulting Services, and Business Intelligence Consulting Services, and new funding for the Records Retention/Management Software; offset by a reduction in Business Systems Analysts for Oracle ERP Project (Support After Go-Live)*
 - ✓ -\$58.6K vs. Forecast
 - Other Operating Expenses
 - Increase in City Services – Fire and Electric Services; offset by a reduction to Claims & Settlements and an increase to Indirect - Allocated Overhead*
 - ✓ -\$416K vs. Forecast

FINANCE & ADMINISTRATION BUREAU

FY 2025/26 Goals & Initiatives

Objective 3: Improved Financial Performance of Port Assets &
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



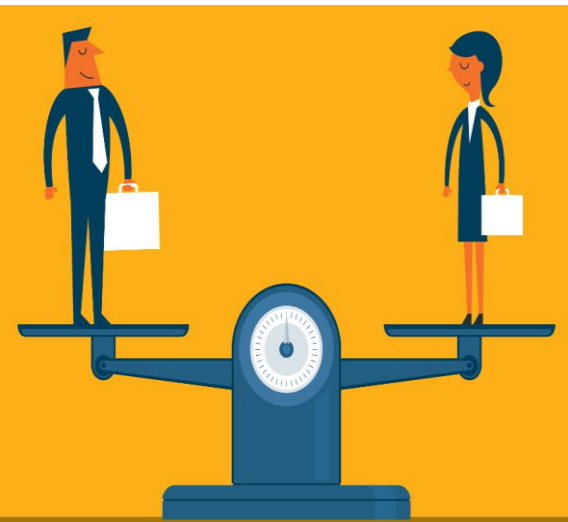
FINANCE & ADMINISTRATION BUREAU

FY 2025/26 Goals & Initiatives

Objective 3: Improved Financial Performance of Port Assets &

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
 - Continue efforts to resolve configuration issues with the HRP System and stabilize the new Fusion ERP system





FINANCE & ADMINISTRATION BUREAU

FY 2025/26 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	\$ 5,469,204	\$ 1,801,664	\$ 464,837	\$ 7,735,705	\$ (681,297)	\$ 7,054,409
Debt & Treasury Management	9	1,987,730	101,500	34,029	2,123,259	(153,884)	1,969,375
Financial Planning & Analysis	9	2,210,911	205,767	8,399	2,425,077	(284,923)	2,140,154
Harbor Operating	0	5,893,862	-	101,150,921	107,044,783	(10,904,705)	96,140,078
Finance Subtotal	51	\$ 15,561,707	\$ 2,108,931	\$101,658,186	\$119,328,824	\$ (12,024,809)	\$ 107,304,015
Commission Office	6	\$ 912,887	\$ 82,334	\$ 46,606	\$ 1,041,827	\$ -	\$ 1,041,827
Contracts & Purchasing	22	3,740,013	11,260	329,155	4,080,428	-	4,080,428
Human Resources	17	3,957,307	211,981	294,530	4,463,818	-	4,463,818
Risk Management	10	1,726,128	473,883	7,225,334	9,425,345	(763,087)	8,662,258
TOTAL	106	\$ 25,898,042	\$ 2,888,388	\$109,553,812	\$138,340,243	\$ (12,787,896)	\$ 125,552,346

*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.



FINANCE & ADMINISTRATION BUREAU

Top Drivers

Driver	\$	%
City Services – LAFD Fire Services	\$43.9M	34.9%
Electric Service <i>(\$24.9M for AMP of which approximately \$23.9M is reimbursable)</i>	\$29.4M	23.4%
Salaries & Benefits for 106 Full-Time Employees	\$25.9M	20.6%
City Services – Recreation & Parks	\$16.6M	13.2%
TOTAL:	\$115.8M	92.2%



FINANCE & ADMINISTRATION BUREAU

New Items

New Item	\$
Zasio Versatile 2023 Records Retention and Records Management Software - Implementation Support, Software Licenses & Scanners	\$46.2K
Contingency for Subscriptions	\$2.6K
Other Misc. Items	\$2.3K
TOTAL:	\$51.0K

MARKETING & CUSTOMER RELATIONS BUREAU

Michael DiBernardo

CARGO/INDUSTRIAL REAL ESTATE

CARGO MARKETING

ENVIRONMENTAL MANAGEMENT

GOODS MOVEMENT

PLANNING & STRATEGY

WATERFRONT/COMMERCIAL REAL ESTATE

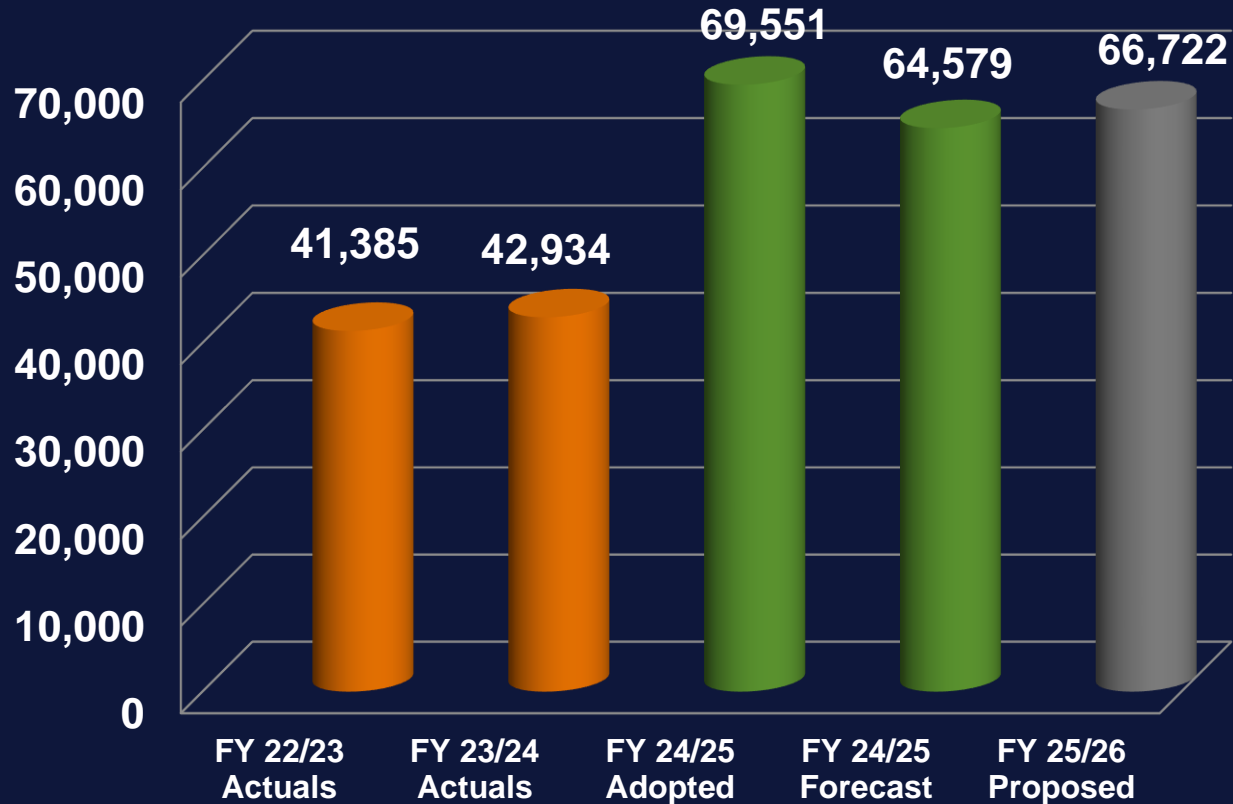
WHARFINGERS



MARKETING & CUSTOMER RELATIONS BUREAU

Operating Budget-at-a-Glance

Net Operating Expenses



Budget Highlights

- FY 25/26 Proposed Net Operating Expenses: \$66.7M
 - \$2.1M or 3.3% increase relative to FY 24/25 Forecast
- Drivers of changes to FY 25/26 Proposed:
 - Other Operating Expenses
 - Increase in Container and Cruise Incentives, and Zero Emission Yard Tractor Lease for YTI; offset with a reduction to the Clean Truck Fund Rate Subsidies*
 - ✓ +\$1.6M vs. Forecast
 - Salaries & Benefits
 - ✓ +\$499K vs. Forecast
 - Outside Services
 - Increase in Real Estate Appraisal and Research Services offset by reduction in Environmental Assessment Services*
 - ✓ +\$36K vs. Forecast

MARKETING & CUSTOMER RELATIONS BUREAU

FY 2025/26 Goals & Initiatives



Objective 1: World Class Infrastructure that Promotes Growth

- Conclude open business opportunities for various container terminals, liquid bulk terminals (MOTEMS), cruise terminal, and dry bulk terminals (CEQA and permits)
- Secure and manage grants for infrastructure and equipment
- Planning of roadway and rail infrastructures to meet future volumes
- Conclude long-term cargo forecast

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

- On-going efforts with tenant and trucking companies to meet 2030 and 2035 environmental goals
- Green Shipping Corridor between Shanghai/Singapore and San Pedro Bay
- Allocate Clean Truck Funds for future years
- Conduct storm water tenant outreach
- Support the use of data to improve supply chain efficiency via the Port Optimizer



MARKETING & CUSTOMER RELATIONS BUREAU

FY 2025/26 Goals & Initiatives



Objective 3: Improved Financial Performance of Port Assets

- Ensure port properties are revenue efficient and reflect current land values and market-based compensation
- Continued economic development for commercial properties along the San Pedro and Wilmington waterfronts
- Increase the utilization of vacant Port facilities
- Timely assessment of shipping fees and compilation of cargo statistics



Objective 4: Strong Relationships with Stakeholders

- Continued focused efforts on regaining cargo market share
- Provide excellent customer service
- Identify new public access projects for the next five years
- Make Harbor Department the employer of choice
- Provide market intelligence to other Port divisions
- Participate in industry speaking events that promote the Port



MARKETING & CUSTOMER RELATIONS BUREAU

Operating Budget-at-a-Glance

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/Industrial Real Estate	14	\$ 2,879,252	\$ 742,850	\$ 26,298	\$ 3,648,400	\$ -	\$ 3,648,400
Cargo Marketing	9	1,872,107	133,025	19,053,727	21,058,859	-	21,058,859
Environmental Management	30	5,903,906	7,028,700	17,673,916	30,606,522	(1,711,269)	28,895,254
Goods Movement	4	1,131,984	283,383	35,781	1,451,148	-	1,451,148
Planning and Strategy	8	1,595,738	86,812	202,623	1,885,173	-	1,885,173
Waterfront/Commercial Real Estate	14	2,942,537	3,500,886	632,676	7,076,099	-	7,076,099
Wharfingers	15	2,175,736	502,325	28,788	2,706,849	-	2,706,849
TOTAL	94	\$ 18,501,260	\$ 12,277,981	\$ 37,653,809	\$ 68,433,050	\$ (1,711,269)	\$ 66,721,781

***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

Driver	\$	%
Salaries & Benefits for 94 Full-Time Employees	\$18.4M	27.5%
Container Incentives	\$15.5M	23.2%
Clean Truck Fund Rate (including collection fee)	\$10.8M	16.2%
Environmental Assessment Services	\$7.0M	10.5%
Environmental Subsidies & Incentives	\$4.2M	6.3%
Cruise Center Operation & Overflow Facilities	\$3.0M	4.6%
Cruise Incentive Program	\$3.0M	4.5%
TOTAL:	\$61.8M	92.7%



MARKETING & CUSTOMER RELATIONS BUREAU

New Items

New Item	\$
New Technology Advancement Program (TAP) Project <i>Port of Long Beach (POLB) Yard Tractor Advanced Charging Demo Project (\$350K)</i>	\$350K
California Air Resources Board (CARB) Grant – LA Marine Emission Reduction Project – Data Collection/Technology Evaluation	\$250K
Environmental Protection Agency (EPA) Grant – Clean Ports Program	\$250K
Alliance for Renewable Clean Hydrogen Energy Systems (ARCHES)	\$150K
Trans-Pacific Maritime (TPM) Conference – Gold Sponsorship	\$130K
Unanticipated Mitigated Negative Declarations (MND/ND)	\$100K
Other Misc. Items	\$25K
TOTAL:	\$1.3M



A M E R I C A ' S P O R T ®

THANK YOU



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