

REPORT ITEM 3

ACTA Budget Process

Operating Budget Preparation

- Annual Operating Budget is prepared by Accounting Dept
- Revenues are projected using ACTA Revenue Model
- Expenses are broken down into categories

- Salaries
- Benefits
- Office Expenses
- Other Administrative Expenses
- Information Technologies
- Bank & Investment

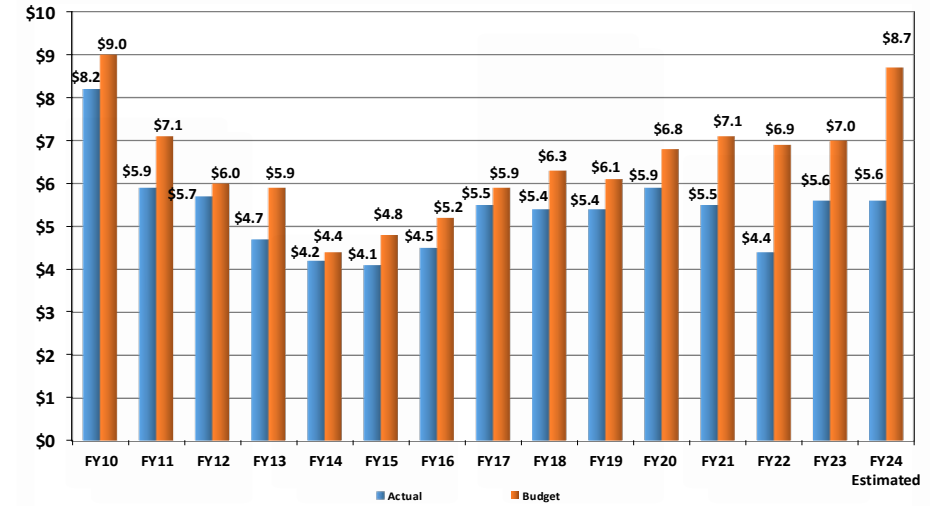
- ACET
- Audit
- Legal
- Public Affairs
- Professional Services
- Pass Through Expenses

Budget vs. Actual Admin Expenses (FY 2024)

- Salaries & Benefits – Actual \$600k lower than budget due to:
 - ✓ Elimination of AP Supervisor position
 - ✓ Delay in hiring COO and Executive Assistant
- ACET – Actual \$450k lower than budget due to:
 - ✓ Higher than expected pass-through activities and PTO
- Legal – Actual \$300k lower than budget due to contingency
- Professional Services – Actual \$1.6M lower than budget due to:
 - ✓ Delay in contracting process with ACET replacement firms
 - ✓ No overlap with ACET during transition

Budget vs. Actual Trend

- COVID Average Surplus = **\$1.5M**
 - ✓ Operating with vacant staff positions (\$0.6M)
 - ✓ Contingency in professional services (\$0.6M)
 - ✓ Contingency in legal services (\$0.3M)



- Contingencies advised due to flow of fund obligations
- 2024 Budget was high due to planned ACET transition/overlap
- 2025 Budget includes CalPERS Unfunded Accrued Liability
 - ✓ With full complement of staff, expect actuals to be within \$1M of budget

FY 2025 Budget

- Salaries & Benefits –\$1.8M increase due to:
 - ✓ \$1.7M CalPERS Unfunded Accrued Liability
 - ✓ \$120k for new staff & COLA/Merit on existing salaries
- Remainder of Administrative Expenses decreased
- Total Admin, EPA and SR-47 Expenses decreased by \$1.2M from \$12.9M in 2024 to \$11.7M in 2025