

Final FY 2027 Budget Presentation

Budget Update #2

Budget Update #1



**PORT OF
OAKLAND**

FY 2027 Operating and Capital Budgets

Board of Port Commissioners
June 25, 2026

The information contained in this presentation is disclosed publicly for general information relating to the Port only. The information and figures herein include projections and forecasts that are based upon certain assumptions and involve known and unknown risks, uncertainties, and other factors that may cause actual results, performance or achievements to differ materially from those expressed or implied by such projections and forecasts. The information and figures herein are subject to change without notice after the date thereof, and may differ from the information and figures contained in the Port's final adopted budget. The overall cost of the Port's capital projects is subject to change, and the variance from the cost estimates reflected herein could be material. The Port is not obligated to and does not plan to issue any updates or revisions to this presentation.

Key Budget Objectives

- **Cash/Liquidity:** Remain focused on maintaining strong cash/liquidity reserves to manage unanticipated operational, financial and economic disruptions and establish working capital, self-insurance, security deposit, capital investment and debt service funds to ensure the Port maintains adequate cash balances to meet long-term obligations.
- **Debt:** Maintain discipline of paying down portion of outstanding commercial paper notes, in addition to required bond payments. Set the stage to issue debt in the future to fund portions of the Port's 5-Year CIP.
- **Operating:** Demonstrate smart, prudent and thoughtful budgeting considering near-term economic uncertainties to support long-term financial strength, resiliency, and sustainability.
- **Capital Investments:** Strategically identify, prioritize and appropriately plan major capital projects with a focus on health, safety, regulatory compliance, on-going or imminent revenue generating projects, asset management, infrastructure investments and where availability of external funding (e.g., grants) is contingent on timely expenditure.
- **Financial Metrics:**
 - Improve operating margin for all four revenue divisions
 - Control Airport Cost per Enplanement (CPE)
 - Maintain minimum Bond Debt Service Coverage Ratio of 1.40x at year end per Port Debt Policy
 - Review each Port revenue division CIP under more onerous internal financial metric affordability tests
 - Achieve minimum projected cash balance on June 30* of no less than 365** days-cash-on-hand (DCOH)
 - Maintain Board Reserves, consistent with policy, of approximately \$81.6*** million

* June 30 cash balance is used to pay upcoming November 1 debt payment of \$30.8 million, construction contracts already executed, 5-Year Capital Improvement Plan, day-to-day operating expenses and unfunded liabilities; balance also includes contractor retention not held in escrow and security deposits. Excludes restricted cash reserve balances.

** Minimum 365 DCOH for Aviation, Maritime, and Port Utility Divisions, 400 DCOH Port wide and 500 DCOH for CRE Division.

***This figure reflects FY 2027 Board Reserve requirement.

Proposed FY 2027 Budget

Uses of Funds	(\$000s)
Operating Expenses (Cash Basis) ¹	\$290,921
Debt Service ²	84,618
Capital Expenses	316,358
Other Expenses ³	192,536
Total Uses of Funds	\$884,433

Sources of Funds	(\$000s)
Cash from Operations	\$429,789
Grants/Other ⁴	354,540
Passenger Facility Charges (PFCs) ⁵	13,755
Interest Income	17,927
Cash Reserves	60,223
Commercial Paper/Bonds	8,200
Total Sources of Funds	\$884,433

¹ Excludes depreciation and Pension/OPEB GASB expenses.

² Includes \$3.323 million repayment of CP notes and associated interest. Of the total debt service amount, approximately \$0.091 million of CP interest is anticipated to be repaid with PFCs. The interest rate on the CP notes is assumed to be 3.9% in FY 2027.

³ Includes but not limited to CP Notes and bond related fees, General Services and Lake Merritt payments to the City, pass-through non-operating grant expenses, adjustment of Operating Reserve, and restricted cash transfers.

⁴ The Port has not yet obtained grant funding for all capital projects included in the budget. Includes pass-through non-operating grant revenues.

⁵ The use of PFCs to fund certain capital projects requires FAA approval of new PFC application.

Proposed FY 2027 Budget vs FY 2026 Budget

Highlights:

The Port is projected to incur an operating loss of \$15.4 million in FY 2027, primarily due to lower gross revenues, increased GASB 87 revenue adjustments, and higher depreciation expenses.

The Port’s proposed Capital Budget for FY 2027 is 30% larger compared to FY 2026.

The key Port wide financial metrics around cash reserves and DSCR remain within Port targets for FY 2027.

No change to fully staffed headcount of 534 FTEs.

(\$ millions)	FY 2027 Proposed Budget	FY 2026 Budget	Difference	% Change
Operating Revenues	\$405.4	\$417.3	(\$11.9)	-2.9%
Operating Expenses (excl. Depreciation)	292.5	299.7	(7.2)	-2.4%
Operating Income before Depreciation	112.8	117.6	(4.8)	-4.1%
Depreciation	128.2	123.5	4.7	3.8%
Operating Income	(\$15.4)	(\$5.9)	(\$9.5)	161.0%
Bond Debt Service	\$81.3	\$77.6	\$3.7	4.8%
Intermediate Lien Debt Service Coverage Ratio	1.94x	2.00x	-0.06x	n/a
Capital Budget	\$316.4	\$243.3	\$73.1	30.0%
Board Established Reserves	\$81.6	\$82.5	(\$0.9)	-1.1%
Projected Cash Balance 6/30*	\$545.9	\$476.5	\$69.4	14.6%
Full Time Equivalentents (FTEs)**	534	534	0	0.0%

* Excludes Board Reserves.

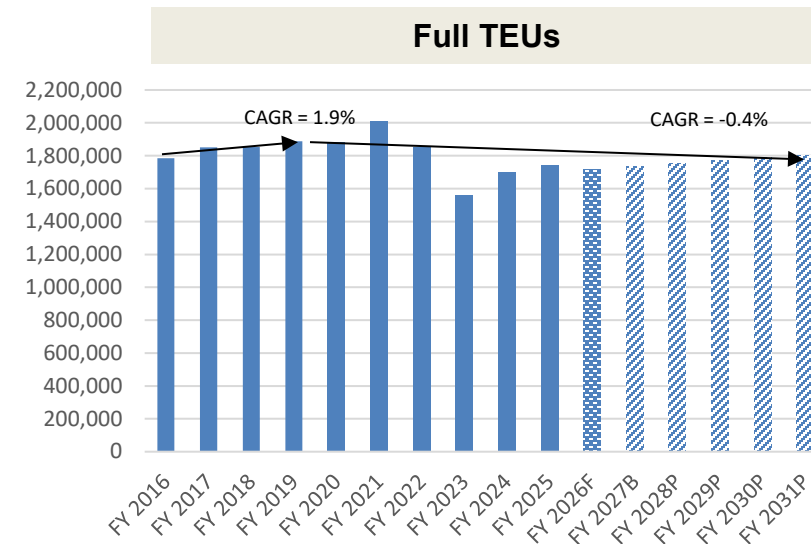
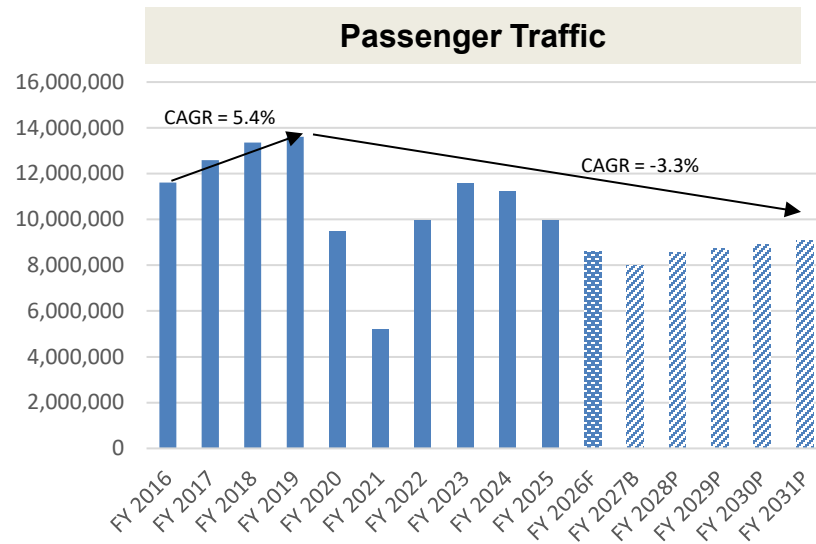
** Includes 47.5 FTEs that have been fully or partially frozen for costing purposes for the FY 2027 budget and 29.5 FTE's for the FY 2026 budget

Projected Revenues* and Traffic Forecast

(\$ millions)

Division	FY 2025 Actual	FY 2026 Budget	FY 2026 Anticipated	FY 2027 Proposed Budget	Change Compared to FY 2026 Budget	Change Compared to FY 2026 Anticipated
Aviation	\$216.7	\$211.2	\$212.8	\$204.6	-3.1%	-3.8%
Maritime	169.2	163.2	165.1	154.3	-5.5%	-6.6%
CRE	15.2	15.3	15.0	15.7	2.8%	4.7%
Port Utility	27.6	27.6	28.0	30.7	11.2%	9.9%
Total	\$428.8	\$417.3	\$420.9	\$405.4	-2.9%	-3.7%

* Net of GASB 87 and Intercompany Adjustments.



FY 2027 Operating Expenses are Preliminarily Budgeted at \$292.5 Million which Represents an -2.4% Decrease from FY 2026 Budget

Highlights:

Over the last five fiscal years, Actual OPEX have come in 12% below budget on average.

FY 2027 Operating Expenses (before Depreciation) represent 68% of Operating Revenues (excl GASB 87 and Intercompany Revenue).

Largest year-over-year dollar growth is in Personnel Costs.

Major expense declines in Parking, Ground Transportation & Truck Parking and Police, Fire & Other Security.

(\$ millions)

Operating Expenses Categories	FY 2027 Proposed Budget	% FY 2027B	FY 2026 Budget	% FY 2026B	Change from FY 2026B \$ millions	% Change from FY 2026B
Personnel Services*	\$157.1	53.7%	\$153.9	51.4%	\$3.2	2.1%
Police, Fire & Other Security*	37.8	12.9%	40.1	13.4%	(2.3)	-5.8%
Administrative & Support*	31.8	10.9%	33.2	11.1%	(1.4)	-4.2%
Repairs & Maintenance*	27.9	9.5%	29.1	9.7%	(1.2)	-4.2%
Utilities Cost of Sales*	22.9	7.8%	23.9	8.0%	(1.0)	-4.2%
Insurance, Environmental & Utilities*	21.7	7.4%	21.5	7.2%	0.2	1.0%
Parking, Ground Transportation & Truck Parking	13.9	4.8%	16.6	5.6%	(2.7)	-16.3%
Departmental Credits*	(14.3)	-4.9%	(12.4)	-4.1%	(1.9)	15.4%
Intercompany Adjustment	(6.3)	-2.2%	(6.3)	-2.1%	0.0	0.0%
Total	\$292.5		\$299.7		(\$7.2)	-2.4%

* Portions of the expenses are included in FY 2027 Airline rates and charges.

Highlights:

Personnel costs increase due to higher medical premiums and total salaries Port wide.

Dredging program costs increase due to additional \$1.1 million in maintenance dredging costs, and \$0.2 million in dredging professional services.

Engineering consulting expense costs lower due to shift of \$2.5 million of EP MO costs to Capital Budget.

Truck Parking operations costs reduced due to trucking parking land removed from operations.

Biggest Drivers of Changes in Operating Expenses

(\$ millions)

Operating Expenses	FY 2027 Proposed Budget	Change from FY 2026B	% Change from FY 2026B
Personnel Services*	\$157.1	\$3.2	2.1%
Dredging Program	5.1	1.3	35.1%
Oakland Fire Dept*	5.7	(1.0)	-14.9%
Utilities Cost of Sales – Electricity*	22.1	(1.0)	-4.4%
Major Maintenance – Maritime	1.3	(1.1)	-44.6%
Contractual Services With Tenants	0.5	(1.3)	-73.0%
Engineering Consulting*	2.2	(1.4)	-38.2%
Departmental Credits*	(14.4)	(1.6)	12.6%
Alameda County Sheriff Office*	23.9	(1.9)	-7.5%
Truck Parking – Maritime	1.9	(2.7)	-58.0%
All Other Expenses*	86.8	0.3	0.3%
Total	\$292.5	(\$7.2)	-2.4%

* Portions of the expenses are included in FY 2027 Airline rates and charges.

Highlights:

Total salaries and wages cost increase due to COLA, step increases, partially offset by increased vacancy factor.

Increase in healthcare costs due to increase in insurance premiums.

FY 2027 Personnel Expense Budget assumes 534 FTEs with average 47.5 vacancies for the full year (vacancy factor).

Vacancy factor does not prevent hiring but reduces budgeted costs to account for the time it takes to fill positions.

Full employment (no vacancies) will add \$6.8 million to personnel costs.

FY 2027 Proposed Personnel Expense Breakdown

(\$ millions)

Operating Expenses	FY 2027 Proposed Budget	Change from FY 2026B	% Change from FY 2026B
Salaries and Wages	\$84.3	\$1.1	1.3%
Pension	30.1	0.8	2.8%
Healthcare Retirement	13.5	(0.5)	-3.6%
Healthcare Active Employees	16.7	2.1	14.2%
Overtime	4.4	0.3	7.6%
Workers Compensation	2.0	(0.9)	-31.8%
Vacation Sick Leave	2.4	0	0.0%
Medicare	1.2	0	1.3%
Life, Disability, Accident Insurance	1.4	0.2	15.0%
Training & Education	0.7	0	-5.7%
Other*	0.4	0.1	59.3%
Total	\$157.1	\$3.2	2.1%

* Includes temporary help, wellness program, continuing education, professional development, training, professional licenses, unemployment insurance, Section 125 Plan admin fees, college/high school intern program, college tuition program, deferred comp, meal allowance and physicals.

City Payments, Including Parking and Utility Taxes are Anticipated to Total \$21.4 Million in FY 2027*

(\$ millions)

City Payments	FY 2027 Proposed Budget
Aircraft Rescue and Fire Fighting Services	\$5.7
Lake Merritt Maintenance	2.0
General Services	1.3
Maritime and JLS Police Service	1.1
Landscape Lighting Assessment District	0.7
Community Facility District Payment	0.6
Personnel, City Clerk, KTOP Services	0.3
Treasury Services	0.3
Jack London Improvement District	0.3
Edgewater Median Maintenance**	0.05
Fireboat Boat Maintenance	0.05
Total	12.4
Parking and Utility Taxes	9.0
Total Including Parking and Utility Taxes	\$21.4

Highlights:

* Does not include business fees and taxes paid by Port tenants or sales taxes generated by Port and tenant operations.

** A payment to the City is not made. Instead, the Port incurs this cost on behalf of City-owned property.

Non-Operating Expenses are Also Part of the Port’s Budget

Highlights:

Non-Operating Expenses includes certain payments to the City of Oakland, reimbursements to tenants for costs of non-Port owned capital assets or expenses.

Non-Operating Expenses impact our cash flow and require funding to be identified.

(\$ millions)

Non-Operating Expenses*	FY 2027 Proposed Budget
Demolition or Disposal of Capital Assets	\$6.6
Lake Merritt Maintenance	2.0
City General Services	1.3
Port Grant Match – Clean Ports Grant	1.3
Debt Related Fees – Rating Agency, Letter of Credit, Trustee	1.0
Loss on Early Extinguishment of Debt	0.3
Abandoned Assets	0.3
Tenant Reimbursements for Zero Emissions Upgrades	0.2
Total	\$13.0

* Table above excludes pass-through non-operating expenses paid with pass-through non-operating revenues, debt interest expenses (accrual basis) and bond premium amortization.

Operating Losses Projected Across Key Revenue Divisions

(\$ millions)

FY 2027	Aviation	Maritime	Port Utility	CRE	Port Wide ¹
Oper. Revenues before GASB 87	\$209.1	\$172.0	\$37.1	\$18.0	\$436.1
GASB 87	(4.5)	(17.7)	--	(2.3)	(24.4)
Intercompany Adjustment (IA)	--	--	--	--	(6.3)
Oper. Revenues	204.6	154.3	37.1	15.7	405.4
Oper. Expenses Before D&A	(179.7)	(76.0)	(28.8)	(14.4)	(292.5)
Oper. Income Before D&A	24.9	78.3	8.3	1.3	112.8
Depreciation and Amortization (D&A)	(72.1)	(53.3)	(0.4)	(2.4)	(128.2)
Operating Income/(Loss)	(\$47.2)	\$24.9	\$7.9	(\$1.0)	(\$15.4)

¹ Port Wide shown net of Intercompany Adjustments.

Highlights:

Before depreciation and amortization, all four revenue divisions generate positive income from operations.

Taking depreciation and amortization into account, the Port is projected to operate at a net operating loss of \$15.4 million in FY 2027.

Debt Service Payments in FY 2027 Total \$84.6 Million, Including Anticipated CP Notes Repayment of \$2.7 Million and New Issuance of \$8.2 Million

(\$ millions)

Debt	Principal Outstanding as of June 30, 2026	FY 2027 Principal Payment	FY 2027 Interest Payment	Debt Service = Principal + Interest Payments	FY 2027 Anticipated New Bond/CP Principal	Anticipated Principal Outstanding as of June 30, 2027	Anticipated Final FY Repayment Date
Bonds	\$395.4	\$69.0	\$12.3	\$81.3	\$--	\$326.3	2033
Commercial Paper (CP)* – Existing (PFC + Non-PFC)	\$10.2	\$2.7	\$0.3	\$3.0	\$--	\$7.5	2028
Commercial Paper* – New (Non-PFC)	\$--	\$--	\$0.3	\$0.3	\$8.2	\$8.2	2057
Total	\$405.6	\$71.7	\$12.9	\$84.6	\$8.2	\$342.1	

FY 2027 Projected Intermediate Lien Debt Service Coverage Ratio: 1.94x

* The Commercial Paper Notes are assumed to have an average interest rate of 3.90% in FY 2027.

FY 2027 Proposed Capital Budget

Highlights:

Proposed FY 2027 Capital Budget is 93.5% larger than FY 2026 capital spending forecast of \$163.5 million.

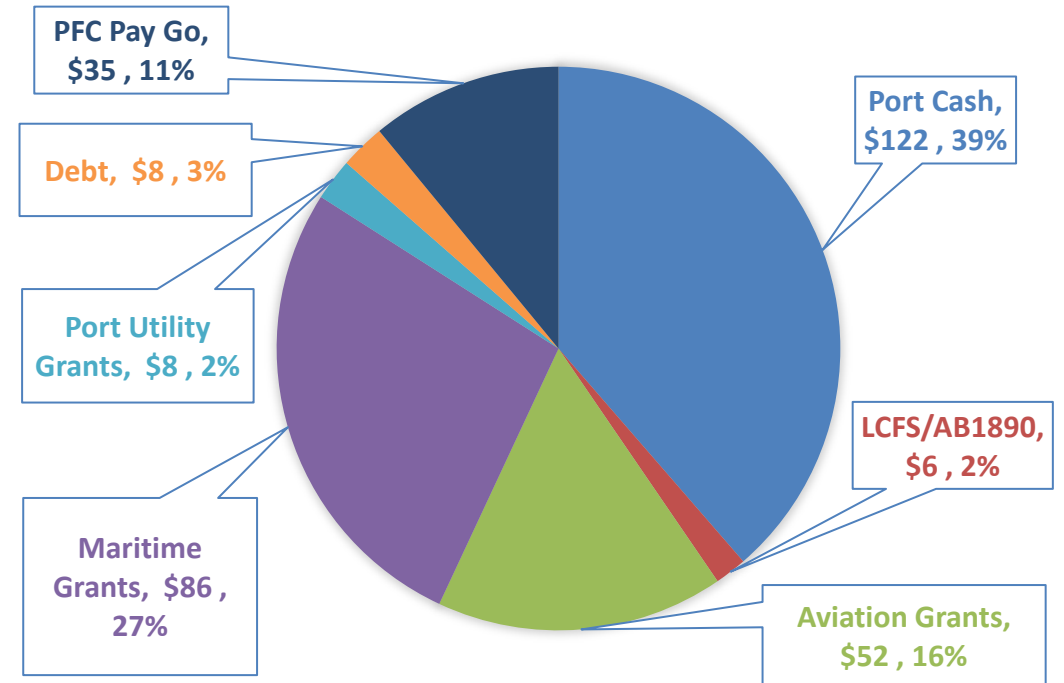
Cash and Debt funding percentages set at levels to achieve or maintain reasonable liquidity (cash balance) levels.

Ability to use PFCs to fund certain FY 2027 Aviation CAPEX is contingent on FAA approval of new PFC application.

Proposed FY 2027 Capital Budget (\$ millions)

Aviation	\$146.8	46.4%
Maritime	\$138.8	43.9%
Port Utility	\$14.1	4.5%
CRE	\$13.3	4.2%
Support	\$3.4	1.1%
Total	\$316.4	100.0%

Proposed Funding Sources¹ FY 2027 (\$ millions)



- ❑ Projects in the proposed FY 2027 Capital Budget are at various stages; some are underway and others are in the planning or conceptual phase.

¹ Aviation Grants category includes entitlement and discretionary AIP, AIG and ATP grants, and miscellaneous third-party funding sources. Port Utility Grants category includes grants, direct assignment and capacity charges. Not all Aviation Grants have been awarded.

The Port's 5-Year Capital Improvement Plan is Updated Annually

Highlights:

5-Year CIP funding plan assumes 0.6% of Aviation and 35.1% Maritime's 5-Year CIP are debt funded, respectively.

Maritime Grants assumed as funding sources represent awarded amounts.

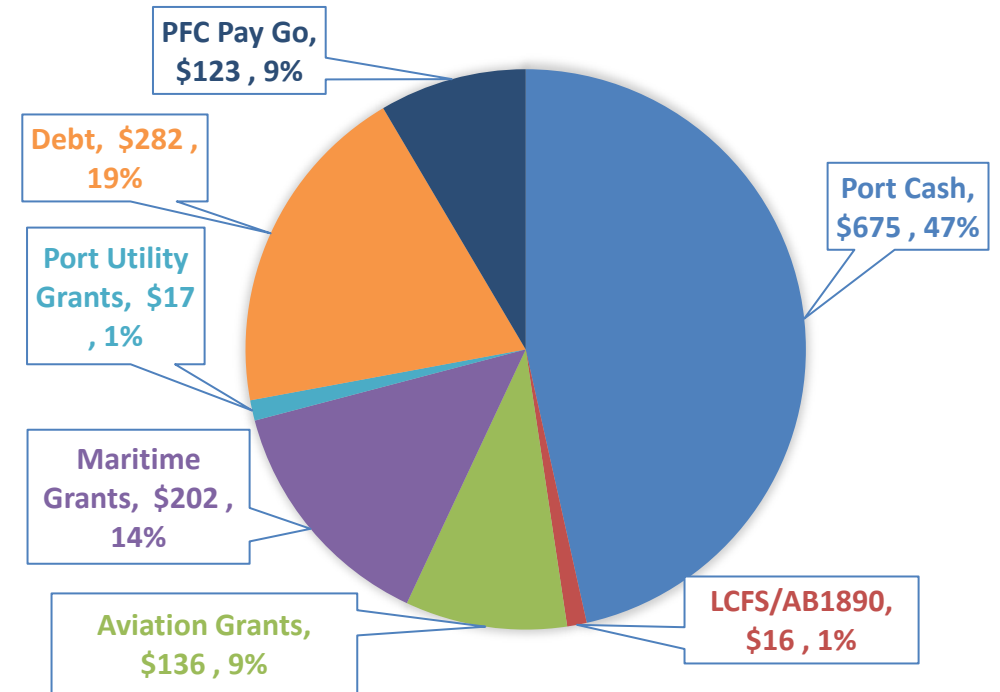
Aviation Grants category includes entitlement and discretionary AIP, AIG and ATP grants, and other miscellaneous third-party funding sources.

Port Utility Grants category includes grants, direct assignment and capacity charges.

Preliminary 5-Year CIP
FY 2027-2031
(\$ millions)

Aviation	\$639.0	44.0%
Maritime	\$642.6	44.3%
Port Utility	\$89.4	6.2%
CRE	\$34.1	2.4%
Support	\$45.5	3.1%
Total	\$1,450.6	100.0%

Preliminary Funding Sources
FY 2027-2031
(\$ millions)



- ❑ Projects in the 5-Year CIP are at various stages; some are underway and others are in the planning or conceptual phase.
- ❑ The 5-Year CIP is updated annually, projects may be added, removed, budget dollars or timeline adjusted.

Proposed FY 2027 Capital Budget Project Detail

CIP Project Portfolio, by Category

Project Category	FY 2027 Budget (\$ millions)	% of Total CIP
Marine (Seaport) Terminals Projects	\$78.9	24.9%
Aviation Terminal Projects	65.9	20.8
Airfield Projects (Primarily Taxiways)	44.2	14.0
Maritime (Seaport) Utility Projects	42.8	13.5
Aviation (Airport) Utility Projects	17.2	5.4
Port Utility Electric Projects	14.1	4.5
CRE: Building & Tenant Improvements	13.3	4.2
Airfield Perimeter Dike Improvements	10.0	3.2
Maritime (Seaport) Capital Equipment	9.0	2.9
Maritime Dredging Projects	6.8	2.1
Aviation Ground Access & Parking Projects	3.6	1.1
Information Technology Equipment & Systems	3.4	1.1
Aviation Capital Equipment	3.3	1.0
Aviation Security Projects	2.2	0.7
Port wide Miscellaneous Facilities Projects	1.3	0.4
Middle Harbor Shoreline Park (MHSP) Improvements	0.5	0.2
Total	\$316.4	100.0%

CIP Largest Projects (\$5 million or greater)

Project Name	Revenue Division	FY 2027 Budget (\$ millions)
Taxiway Whiskey Rehabilitation – Phase 3	Aviation	\$35.5
B24 Backlands Redevelopment (2022 MARAD Grant)	Maritime	30.8
Restrooms Upgrades – Phase 2	Aviation	30.2
B33/34 Leveling Project (CalSTA Grant)	Maritime	24.2
Green Power Microgrid (TCEP Grant) EV Chargers (Terminal)	Maritime	23.0
M103 Roof, Drain Pipe, and Air Handler Replacement	Aviation	22.8
Green Power Microgrid (TCEP Grant) EV Chargers (Harbor)	Maritime	15.0
Airport Perimeter Dike Improvements – Seismic	Aviation	10.0
SS-R-14 Substation Replacement (14 th /Maritime)	Port Utility	7.1
CalSTART Truck Purchase EPA Clean Ports	Maritime	6.2
Runway 10R/28L Mitigation	Aviation	6.0
Berth 22 Shore Power (Eagle Rock Development)	Maritime	5.8
Southfield Airside Sewer Improvements, Phase 2	Aviation	5.6
Sanitary Sewer Rehab – Embarcadero	CRE	5.5
Wharf/Crane Rail/Bollard/Fender Design (CalSTA Grant)	Maritime	5.0
Delamination ETS	Maritime	5.0
Total		\$237.6

Top 16 projects = 75% of FY 2027 Capital Budget

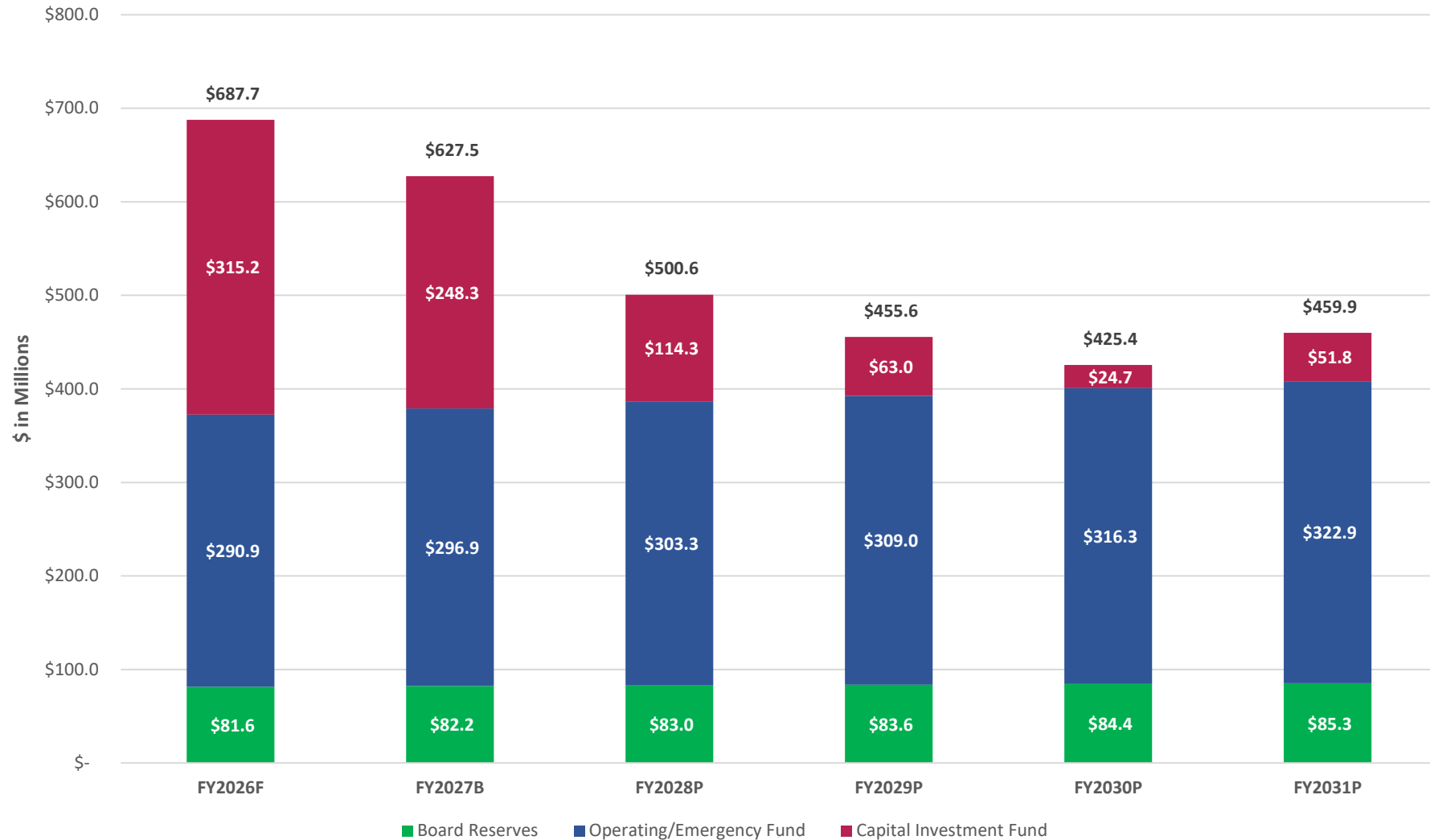
Projected Cash Balances, Consolidated Port Basis

Highlights:

Board Reserves are set-asides available to make debt service payments, fund emergency capital expenditures and extraordinary operating expenses.

The Operating Fund is set at a level equal to at least 365 days of Operating Expenses to cover the Port’s current payment obligations.

The Capital Investment fund balance captures amount of cash accumulated at year end to fund future CIP projects.



- Balances shown as forecasted at End of each Fiscal Year
- All Port’s cash balances are limited by State of California’s Tideland’s Trust and other State and federal regulatory uses.

Summary of Projected Debt/CP Notes Issuances by Fiscal Year

(\$ millions)	2027	2028	2029	2030	2031	Total
Port Revenue Division						
Aviation	\$--	\$--	\$--	\$--	\$3.7	\$3.7
Maritime	\$--	\$21.9	\$84.7	\$75.1	\$43.8	\$225.5
CRE	\$8.2	\$3.6	\$6.5	\$--	\$--	\$18.3
Port Utility – Airport (AIR)	\$--	\$3.3	\$3.3	\$--	\$--	\$6.5
Port Utility – Seaport (SEA)	\$--	\$--	\$--	\$13.0	\$14.6	\$27.6
Total	\$8.2	\$28.8	\$94.5	\$88.1	\$62.1	\$281.7

- ❑ Financing plan is projected based on current assumptions regarding CIP costs and funding sources over the next five fiscal years. Financing needs will change to the extent projects are delayed, contingencies not needed, underspend in operating or capital budgets are realized, and/or availability of additional grant or other miscellaneous funding sources.
- ❑ Future interest rate environment may change proportion of CIP funded with debt.

Highlights:

Pursuant to the Port's Debt Policy, the Port maintains minimum financial metric targets for cash liquidity (DCOH) and debt service coverage ratio (DSCR).

On a Consolidated Basis, the Port is projected, over the next five fiscal years, to maintain a cash balance in excess of its 400-DCOH minimum target.

Additionally, the Port is projected to well exceed its minimum DSCR target of 1.4x over next five fiscal years.

Key Financial Metrics, Part I

Operating Cash Reserves and Debt Service Coverage, Consolidated Port

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Ending Cash Balance (\$millions)	\$627.5	\$500.6	\$455.6	\$425.4	\$459.9
Days Cash on Hand (DCOH >= 400)	769	602	538	492	521
Intermediate Lien DSCR					
Bond Indenture Basis	1.94x	2.02x	2.10x	2.18x	2.62x
Cash Basis	1.83x	2.07x	2.19x	2.26x	2.71x
Debt Policy DSCR¹					
	1.76x	1.89x	2.07x	2.14x	2.58x

¹ Lesser of aggregate DSCR calculations on a cash and indenture basis.

Key Financial Metrics, Part II

Operating Cash Reserves and Debt Service Coverage, by Revenue Division

Highlights:

Aviation, Maritime and Port Utility-SEA Divisions are forecasted to adhere to the min. targets of 365 DCOH and 1.4x DSCR over the next five fiscal years.

CRE and Port Utility - AIR are currently not meeting their DCOH min. targets.

Multiple Port Utility electric rate increases in the future necessary to meet Debt Policy established minimum DSCR and DCOH targets.

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Days Cash on Hand (DCOH >=365 days; CRE DCOH>=500 days)					
Aviation	742	611	495	406	369
Maritime	761	500	539	570	741
Port Utility – AIR	293	291	241	296	370
Port Utility – SEA	2,313	1,979	1,856	1,763	1,767
CRE	186	82	74	94	169
Debt Policy Debt Service Coverage Ratio¹ (DSCR >=1.4x)					
Aviation	3.07x	3.95x	4.57x	4.66x	8.58x
Maritime	1.43x	1.34x	1.48x	1.57x	1.85x
Port Utility – AIR	5.16x	3.10x	2.41x	2.37x	2.81x
Port Utility – SEA	15.11x	17.83x	15.64x	7.65x	4.65x
CRE	2.14x	3.89x	4.03x	3.95x	4.91x

¹ Lesser of aggregate DSCR calculations on a cash and indenture basis.

Key Financial Metrics, Part III

Operating Expense Ratio, by Revenue Division

Highlights:

The Port’s debt policy sets a maximum ceiling of 65% OER for each revenue division to ensure adequate cash generating headroom to finance capital investments and issue and service debt.

Aviation OERs are expected to exceed the Port’s maximum threshold of 65% over the next five years.

CRE OERs approach 65% levels by FY 2031.

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Operating Expense Ratio¹ (<=65.0%)					
Aviation	77.4%	77.4%	75.7%	74.5%	73.4%
Maritime	44.2%	43.6%	41.8%	40.5%	40.0%
Port Utility – AIR ²	n/a	n/a	n/a	n/a	n/a
Port Utility – SEA ²	n/a	n/a	n/a	n/a	n/a
CRE	80.0%	74.9%	67.2%	66.8%	66.4%

¹ Operating Expense Ratio (OER) is a financial metric applied to show how much of a division’s operating revenue is used to pay for its operating expenses. A lower ratio means the division is keeping more of its revenues to fund capital projects on a pay-go basis or pay debt service.

² Not calculated because cost of purchasing electricity account for large majority of utilities operating expense costs.

Proposed FY 2027 Budget and FY 2028-2031 Projections

Highlights:

The Port is projected to operate at an operating loss in FY 2027 through FY 2031.

\$1.45 billion of CIP expenditures over the next five fiscal years is expected to result in lower Port cash ending balances and require \$281.7 million in new CP Note (debt) issuances.

Port headcount plan of 534 FTEs is the same as prior fiscal year budget.

(\$ millions)	Proposed FY 2027 Budget	FY 2028 Projected	FY 2029 Projected	FY 2030 Projected	FY 2031 Projected
Operating Revenues	\$405.4	\$417.9	\$438.1	\$455.4	\$473.5
Operating Expenses (excl. Depreciation)	\$292.5	\$298.0	\$303.8	\$308.9	\$315.6
Operating Income before Depreciation	\$112.8	\$120.0	\$134.3	\$146.6	\$157.9
Operating Income/(Loss)	-\$15.4	-\$14.3	-\$16.7	-\$21.4	-\$27.8
Capital Budget	\$316.4	\$382.7	\$295.7	\$267.7	\$188.2
Aggregate Debt Service*	\$84.5	\$87.3	\$83.8	\$84.4	\$74.3
Intermediate Lien DSCR	1.94x	2.02x	2.10x	2.18x	2.62x
Board Established Bond Reserve Fund	\$81.6	\$82.2	\$83.0	\$83.6	\$84.4
Projected Cash Balance 6/30**	\$545.9	\$418.4	\$372.7	\$341.8	\$375.5
Full Time Equivalent (FTEs)***	534	534	534	534	534

* Includes existing and future Senior Lien, Intermediate Lien, and commercial paper note debt service. Excludes debt service to be paid with PFCs.

** Excludes Board Reserves.

*** Includes 47.5 FTE's that have been fully or partially frozen for costing purposes for the FY 2027 budget



**PORT OF
OAKLAND**

Development of FY 2027
Operating and Capital Budgets

Board of Port Commissioners
May 14, 2026

The information contained in this presentation is disclosed publicly for general information relating to the Port only. The information and figures herein include projections and forecasts that are based upon certain assumptions and involve known and unknown risks, uncertainties, and other factors that may cause actual results, performance or achievements to differ materially from those expressed or implied by such projections and forecasts. The information and figures herein are subject to change without notice after the date thereof, and may differ from the information and figures contained in the Port's final adopted budget. The overall cost of the Port's capital projects is subject to change, and the variance from the cost estimates reflected herein could be material. The Port is not obligated to and does not plan to issue any updates or revisions to this presentation.

Purpose of Presentation

Today's Presentation:

1. Recap key budget objectives and drivers
2. Present preliminary FY 2027 budget numbers
3. Present preliminary updated 5-year operating forecast and Capital Improvement Plan

Prior Presentation (Attachment B) – March 26, 2026:

- Provided overview of Port budget and budget process*
- Discussed key factors influencing development of FY 2027 Budget*
- Received Board feedback on key budget objectives and assumptions*

Key Budget Objectives

- **Cash/Liquidity:** Remain focused on maintaining strong cash/liquidity reserves to manage unanticipated operational, financial and economic disruptions and establish working capital, self-insurance, security deposit, capital investment and debt service funds to ensure the Port maintains adequate cash balances to meet long-term obligations.
- **Debt:** Maintain discipline of paying down portion of outstanding commercial paper notes, in addition to required bond payments. Set the stage to issue debt in the future to fund portions of the Port's 5-Year CIP.
- **Operating:** Demonstrate smart, prudent and thoughtful budgeting considering near-term economic uncertainties to support long-term financial strength, resiliency, and sustainability.
- **Capital Investments:** Strategically identify, prioritize and appropriately plan major capital projects with a focus on health, safety, regulatory compliance, on-going or imminent revenue generating projects, asset management, infrastructure investments and where availability of external funding (e.g., grants) is contingent on timely expenditure.
- **Financial Metrics:**
 - Improve operating margin for all four revenue divisions
 - Control Airport Cost per Enplanement (CPE)
 - Maintain minimum Bond Debt Service Coverage Ratio of 1.40x at year end per Port Debt Policy
 - Review each Port revenue division CIP under more onerous internal financial metric affordability tests
 - Achieve minimum projected cash balance on June 30* of no less than 365 days-cash-on-hand (DCOH)
 - Maintain Board Reserves, consistent with policy, of approximately \$81.9** million

* June 30 cash balance is used to pay upcoming November 1 debt payment of \$30.8 million, construction contracts already executed, 5-Year Capital Improvement Plan, day-to-day operating expenses and unfunded liabilities; balance also includes contractor retention not held in escrow and security deposits. Excludes restricted cash reserve balances.

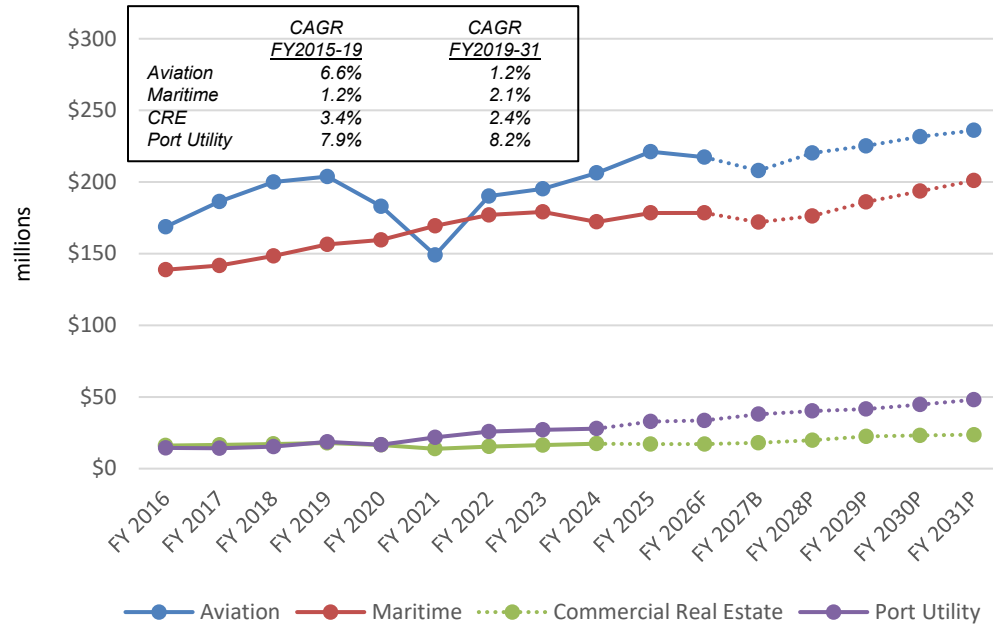
** This figure reflects estimated FY 2027 Board Reserve requirement.

Key Factors Under Consideration in Developing FY 2027 Budget

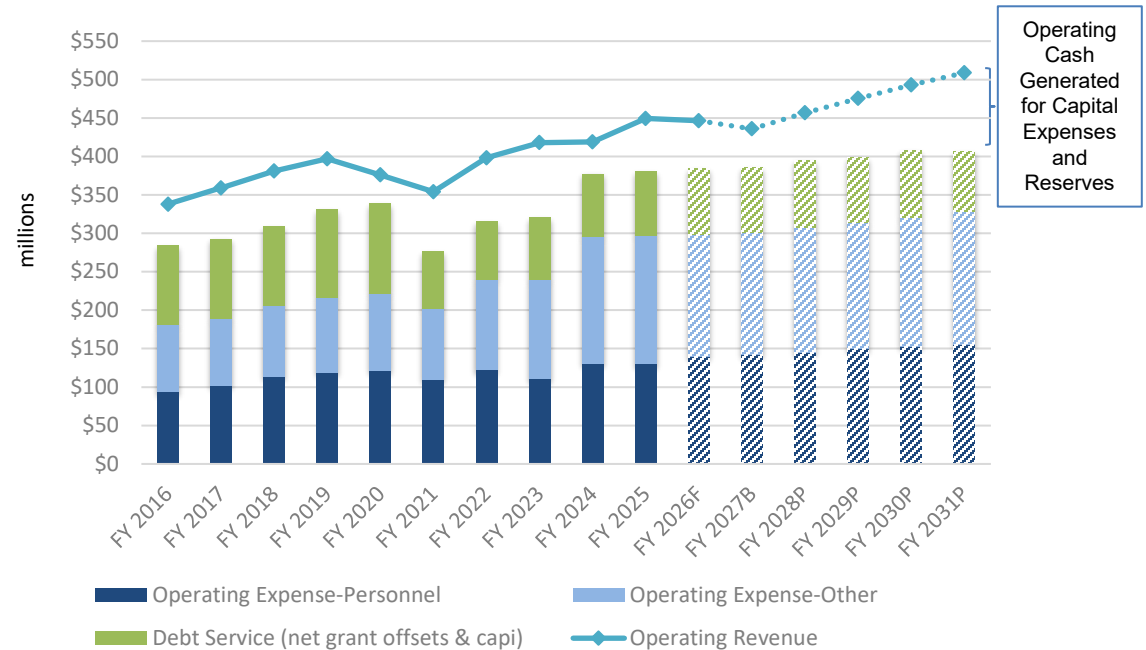
- ❑ Macroeconomic uncertainties (e.g. tariffs, oil prices, inflation, recession, etc.) along with industry specific challenges that adversely impact revenue growth across all four revenue divisions;
- ❑ Draft FY 2027 budget assumes (a) lower than FY 2026 forecasted passenger traffic at the Airport, and (b) TEU annual growth of 1.0% at the Seaport;
- ❑ Maritime division's Operating Revenues are significantly lower over the next five fiscal years (FY 2027-2031) compared to previous projections as facilities are taken out-of-service to allow for substantial redevelopment aimed to modernize existing facilities and enhance the Seaport's long-term competitiveness;
- ❑ Operating Expenses before D&A reduced by 1.5% in FY 2027 after accounting for COLA;
- ❑ The current 5-Year CIP of \$1.51 billion cannot be funded without some amount of debt borrowing;
- ❑ Financial engineering in the form of capitalized interest and/or deferred principal amortization may be required to fund capital projects when debt bonding capacity is limited; and
- ❑ With 76 FTE vacancies, the Port must fill and/or repurpose critical vacancies to support day-to-day operations, advance Port priorities in specific areas and deliver on capital projects.

The Development of the FY 2027 Budget Begins with Forecasting Revenues and Recognizing Fixed Costs

Operating Revenues⁽¹⁾ by Division



Port-wide Operating Revenues⁽¹⁾, Operating Expenses⁽²⁾ and Debt Service



❑ Personnel costs (53% of operating expenses), debt service is fixed and limited discretion exists with other operating expenses.

(1) Excluding GASB 87 Accounting for Leases and Intercompany Port Utility Billing Revenues.

(2) Excluding depreciation and Intercompany Port Utility Billing Revenues.

Balancing Sources and Uses of Funds

(\$ in 000s)	Preliminary FY 2027 Budget
Uses of Funds	
Operating Expenses ¹	\$293,552
Debt Service ²	84,618
Capital Expenses	313,088
Other Expenses ³	189,101
Transfer to Restricted Fund	959
Total Uses	\$881,318
Sources of Funds	
Cash From Operations	\$429,418
Grants/Other ⁴	352,040
Passenger Facility Charges (PFCs) ⁵	13,755
Interest Income	17,800
Cash Reserves	60,105
Commercial Paper/Bonds	8,200
Total Sources	\$881,318

¹ Excludes depreciation and Pension/OPEB GASB expenses.

² Includes \$3.323 million repayment of CP notes and associated interest. Of the total debt service amount, approximately \$0.091 million of CP interest is anticipated to be repaid with PFCs. The interest rate on the CP notes is assumed to be 3.9% in FY 2027.

³ Includes but not limited to CP Notes and bond related fees, General Services and Lake Merritt payments to the City pass-through non-operating expenses, adjustment of Operating Reserve, and restricted cash transfers.

⁴ The Port has not yet obtained grant funding for all capital projects included in the budget. Includes pass-through non-operating revenues.

⁵ The use of PFCs to fund certain capital projects requires FAA approval of new PFC application.

FY 2027 Operating Revenues (Excluding GASB 87 Adjustments and Net of Intercompany Revenues) are Preliminarily Budgeted at \$429.4 Million

Highlights:

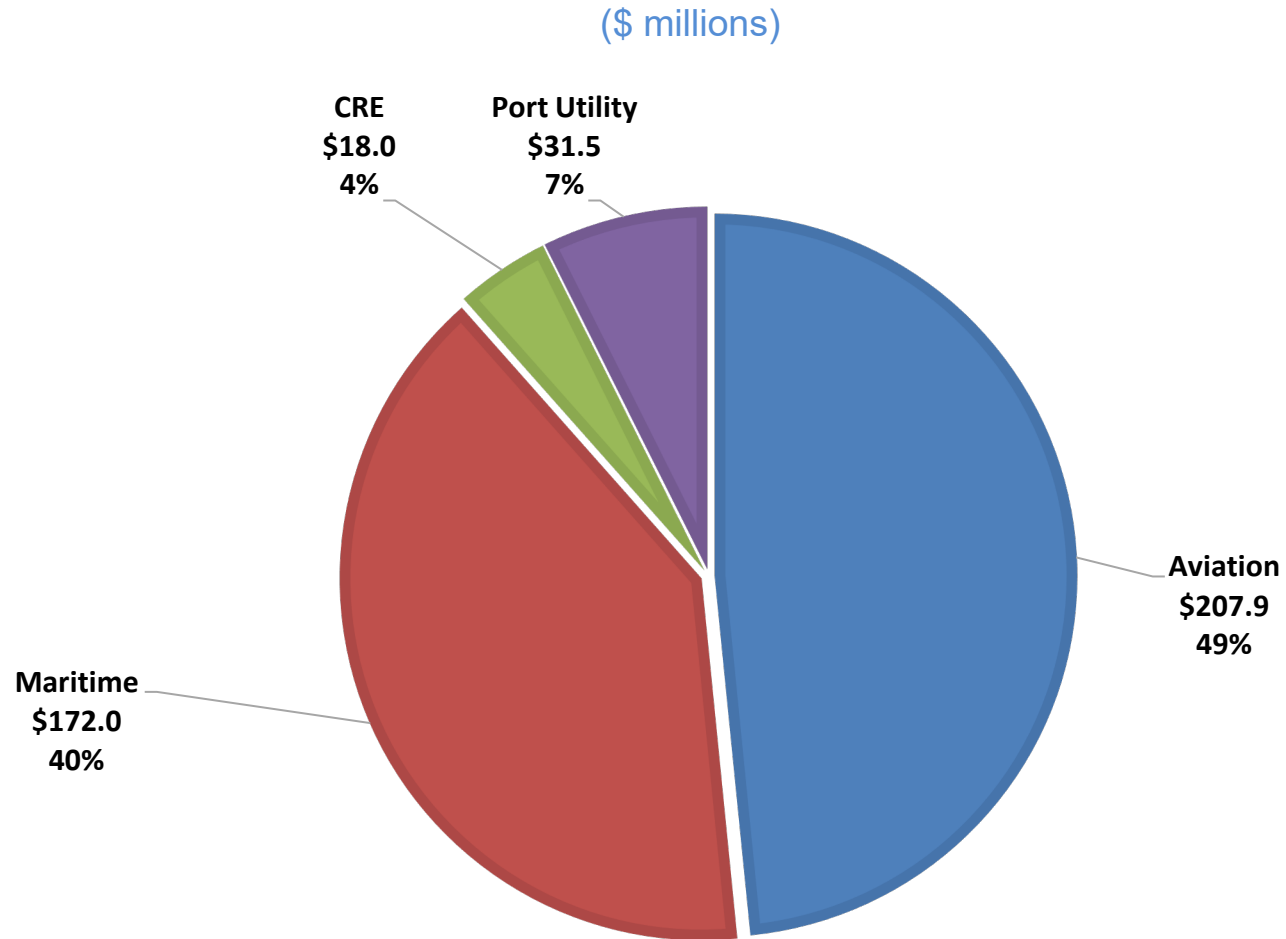
FY 2027 Operating Revenue changes compared to FY 2026 (Forecast):

Aviation: -4.3% Decrease

Maritime: -3.6% Decrease.

CRE: +5.5% Increase

Port Utility: +12.7% Increase



Major Drivers of Aviation Revenues

(\$ millions)

Revenue Source	(Budget) FY 2026B	(Forecast) FY 2026F	(Preliminary) FY 2027B	\$ Var to FY 2026F	% Var to FY 2026F
Airfield	\$52.9	\$51.4	\$50.1	(\$1.3)	-2.5%
Terminal Rent	61.9	66.9	61.0	(5.9)	-8.8%
Parking & Ground Access	39.9	39.0	37.4	(1.6)	-4.1%
Other Airport Rentals, Fueling, Other	40.7	41.3	41.6	0.3	0.7%
Rental Car Revenues	11.3	11.3	11.3	0.0	0%
Concession Revenues	7.0	7.3	6.4	(0.9)	-12.3%
Subtotal Revenues	\$213.7	\$217.2	\$207.8	(9.4)	-4.3%
Bad Debt Expense	(0.3)	0	0	0	0
Gross Revenues	\$213.4	\$217.2	\$207.8	(9.4)	-4.3%
Utilities Revenues	0.2	0.2	0.2	0.0	0.0%
GASB 87	(2.4)	(4.5)	(4.5)	0.0	0.0%
Net Revenues	\$211.2	\$212.9	\$203.5	(9.4)	-4.4%

Highlights:

FY 2027 enplanement traffic assumed to decrease by 7% from FY 2026 Forecast or 14.3% lower than FY 2026 Budget.

Concessions, Terminal Rent, Parking & Ground Access and Airfield drive lower revenues at OAK.

Highlights:

Total TEU growth of 1.0% assumed in FY 2027 relative to FY 2026 Forecast.

Marine Terminal rent lower due to land being removed from operation for the construction of improvements and anticipated rent abatements resulting from permitting and construction delays.

Other Properties revenues lower due to lower truck parking/container depot revenue.

Other revenues higher in FY 2027 relative to FY 2026 forecast primarily due to higher shore power and dredging reimbursements.

Major Drivers of Maritime Revenues

(\$ millions)

Revenue Source	(Budget) FY 2026B	(Forecast) FY 2026F	(Preliminary) FY 2027B	\$ Var to FY 2026F	% Var to FY 2026F
Marine Terminals	\$128.8	\$130.1	\$126.6	(\$3.5)	-2.7%
Rail Terminals	1.0	1.7	1.3	(0.4)	-22.2%
Other Properties	44.8	44.9	41.0	(3.9)	-8.7%
Other*	1.6	1.6	2.8	1.2	78.2%
Subtotal	\$176.3	\$178.4	\$171.8	(6.6)	-3.7%
Bad Debt	(0.3)	(0.3)	(0.3)	0.0	0.0%
Gross Revenues	\$176.0	\$178.1	\$171.5	(6.6)	-3.7%
Utilities Revenues**	0.3	0.3	0.4	0.1	35.5%
GASB 87	(13.1)	(13.3)	(17.7)	(4.4)	32.8%
Net Revenues	\$163.2	\$165.1	\$154.3	(10.8)	-6.6%

* Other Revenue includes miscellaneous revenue unique to a given year, as well as maintenance and vessel commissioning charges for the Port's shore power system.

** Utilities Revenues include sewer & water, gas, common area electric utility assessment

Highlights:

FY 2027 Parking revenues higher (compared to FY 2026 Forecast) due to the implementation of parking rate increases for a full year.

FY 2027 Restaurant revenues lower (compared to FY 2026 Forecast) due to temporary restaurant rent deferrals.

FY 2027 Other revenues higher (compared to FY 2026 Forecast) due to increase in billboard revenue.

Major Drivers of CRE Revenues

(\$ millions)

Revenue Source	(Budget) FY 2026B	(Forecast) FY 2026F	(Preliminary) FY 2027B	\$ Var to FY 2026F	% Var to FY 2026F
Land & Building With Land Rents	\$3.3	\$3.3	\$3.4	\$0.1	3.0%
Parking	2.8	2.8	3.3	0.5	17.9%
Hotel Rents	1.4	1.4	1.4	0	0.0%
Office	1.7	1.4	1.4	0	0.0%
Restaurants	2.2	2.0	1.7	(0.3)	-15.0%
Other*	6.4	6.4	6.9	0.5	7.8%
Subtotal	17.8	17.3	18.1	0.8	4.6%
Bad Debt	(0.2)	(0.2)	(0.2)	0	0.0%
Gross Revenues	17.6	17.1	17.9	0.8	4.7%
GASB 87	(2.3)	(2.0)	(2.2)	(0.2)	10.0%
Net Revenues	\$15.3	\$15.1	\$15.7	\$0.6	4.0%

* Includes Retail, Marinas Revenues, Billboards Revenues, Warehouse Revenues, Miscellaneous Revenues & Delinquency Charges

Major Drivers of Port Utility Revenues

(\$ millions)

Highlights:

Higher electricity revenues stem from expected increases in usage and rate hikes by PG&E (Pass-Throughs) and Port Utility Division (Wholesale).

Wholesale electricity rate increases will differ at the Airport and Harbor and will be based on cost-of-service studies underway for each of these two locations.

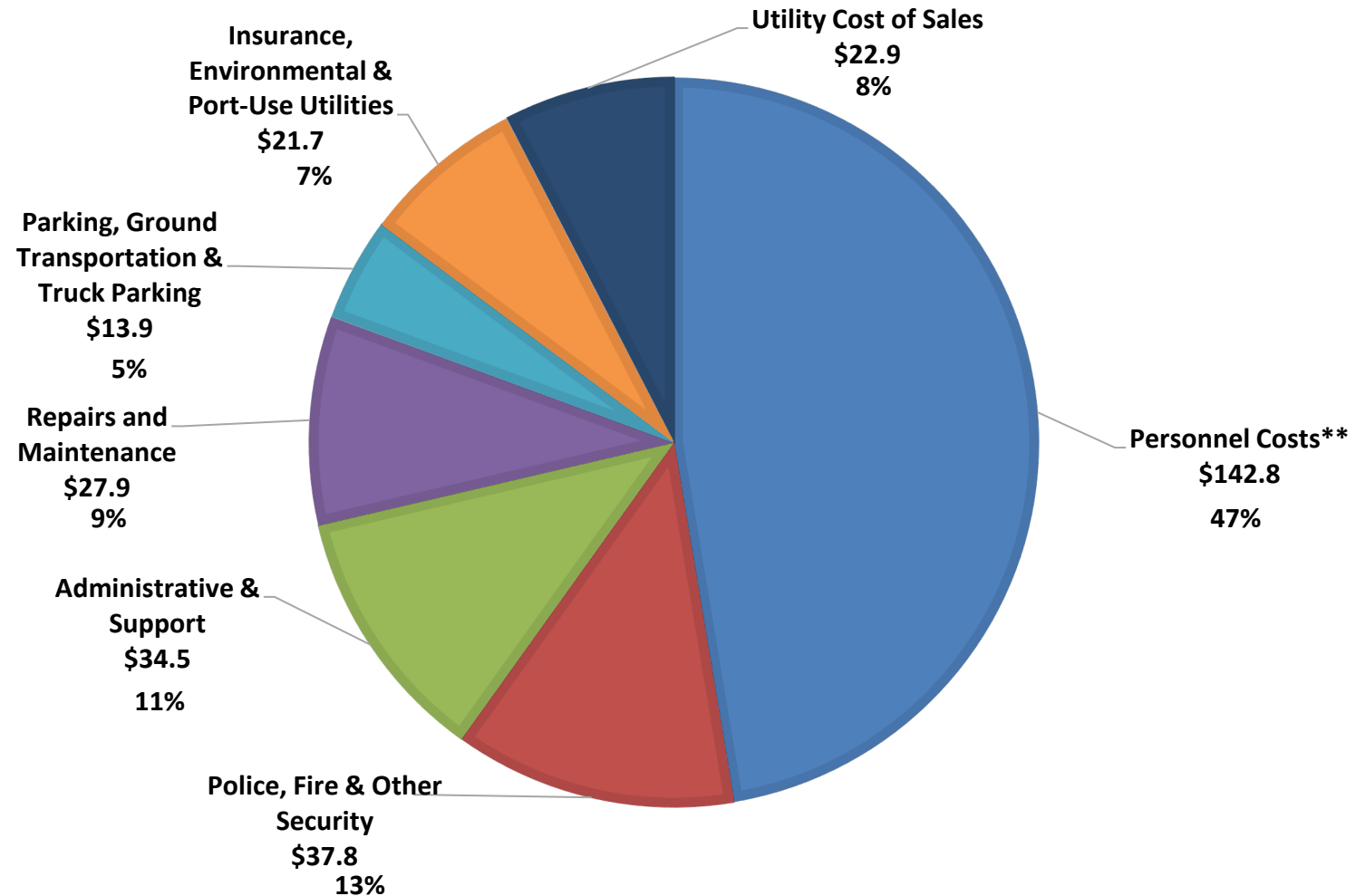
Revenue Source	(Budget) FY 2026B	(Forecast) FY 2026F	(Preliminary) FY 2027B	\$ Var to FY 2026F	% Var to FY 2026F
Electricity – Wholesale *	\$18.2	\$17.4	\$20.2	+\$2.8	+16.1%
Electricity – Retail	7.3	7.2	7.0	-0.2	-2.8%
Electricity – Capacity	0.2	0.2	0.2	0.0	0.0%
Shorepower	7.1	7.1	8.1	+1.0	+14.1%
Direct Assignment			1.4	+1.4	
Miscellaneous **	1.2	1.7	1	-0.7	-41.2%
Gross Revenues	34.0	33.6	37.9	4.3	+12.8%
Intercompany Elimination	(6.3)	(5.7)	(6.4)	(0.7)	+12.3%
Total Revenues	\$27.7	\$27.9	\$31.5	+\$3.6	12.9%

* Includes Intercompany Billing

** Includes sale of CAP & Trade Allowances and Public Benefits Fee - AB 1890

FY 2027 Operating Expenses are Preliminarily Budgeted at \$301.6 Million which Represents an 1.5% Decrease from FY 2026 Budget*

(\$ millions)



Highlights:

Over the last five fiscal years, Actual OPEX have come in 12% below budget on average.

FY 2027 Operating Expenses (before Depreciation) represent 68% of Operating Revenues (excl GASB 87 and Intercompany Revenue).

Largest year-over-year dollar growth is in Personnel Costs.

Major expense declines in Parking, Ground Transportation & Truck Parking and Police, Fire & Other Security.

* Excluding depreciation, intercompany elimination.

** Net of Labor and Overhead Allocated to Capital Expenses.

Excluding Depreciation, FY 2027 Operating Expenses Represent a 1.5% Decrease Over FY 2026 Budgeted Expenses

Highlights:

Personnel costs are higher due to increases in medical insurance and higher total salaries due to COLA and step increases.

Contractual Services lower due to reduction in maritime parking operations, Alameda County Sheriff Office and reimbursement payments to tenants.

Operating Expenses	Preliminary FY 2027B \$ millions	Change from FY 2026B \$ millions	% Change from FY 2026B
Personnel Services	\$157.1	\$3.2	2.1%
Contractual Services	103.3	(4.7)	-4.4%
Supplies	7.2	0.3	4.3%
General & Administrative	25.5	(0.6)	-2.3%
Utilities	22.9	(1.0)	-4.2%
Departmental Credits	(14.4)	(1.6)	12.5%
Subtotal	\$301.6	(\$4.4)	-1.4
Intercompany Elimination	(6.4)	(0.1)	1.6%
Operating Expenses before Dep'n	\$295.2	(\$4.5)	-1.5%
Depreciation & Amortization	127.9	4.4	3.6%
Total Operating Expenses	\$423.1	(\$0.1)	0.0%

Biggest Drivers of Changes in Operating Expenses

Highlights:

Personnel cost increase:
 -Medical premiums
 -Higher total salaries

Dredging Program:
 \$1.1M Maintenance
 Dredging, \$0.2 M
 Dredging professional services.

Consulting increases:
 - Engineering PMO
 +\$0.8M.

Truck Parking operations costs lowered due to trucking parking land removed from operations.

Operating Expenses	FY 2027 Preliminary Budget \$ millions	Change from FY 2026B \$ millions	% Change from FY 2026B
Personnel Services*	\$157.1	\$3.1	2.0%
Dredging Program	5.1	1.3	35.1%
Engineering Consulting*	4.6	1.1	30.7%
Oakland Fire Dept*	5.7	(1.0)	-14.9%
Utilities Cost of Sales – Electricity*	22.1	(1.0)	-4.4%
Major Maintenance – Maritime	1.3	(1.1)	-44.6%
Contractual Services With Tenants	0.5	(1.3)	-73.0%
Departmental Credits*	(14.4)	(1.6)	12.6%
Alameda County Sheriff Office*	23.9	(1.9)	-7.5%
Truck Parking – Maritime	1.9	(2.7)	-58.0%
All Other Expenses*	93.7	0.6	0.6%
Total	\$301.6	(\$4.5)	-1.5%

* Portions of the increases will be included in FY 2027 Airline rates and charges.

Highlights:

Total salaries cost increase due to COLA, step increases, partially offset by increased vacancy factor.

Increase in healthcare costs due to increase in insurance premiums

FY 2027 Personnel Expense Budget assumes 534 FTEs with average 47.5 vacancies for the full year (vacancy factor).

Vacancy factor does not prevent hiring but reduces budgeted costs to account for the time it takes to fill positions.

Full employment (no vacancies) will add \$6.8 million to personnel costs.

FY 2027 Preliminary Personnel Expense Breakdown

Operating Expenses	FY 2027 Preliminary Budget \$ millions	Change from FY 2026B \$ millions	% Change from FY 2026B
Salaries and Wages	\$84.3	\$1.0	1.2%
Pension	\$30.1	0.8	2.7%
Healthcare Retirement	\$13.5	(0.5)	-3.6%
Healthcare Active Employees	\$16.7	2.1	14.4%
Overtime	\$4.4	0.3	7.3%
Workers Compensation	\$2.0	(0.9)	-31.0%
Vacation Sick Leave	\$2.4	0	0.0%
Medicare	\$1.2	0	0.0%
Life, Disability, Accident Insurance	\$1.4	0.2	16.7%
Training & Education	\$0.7	0	0.0%
Other*	\$0.4	0.2	100.0%
Total	\$157.1	\$3.2	2.1%

* Includes temporary help, wellness program, continuing education, professional development, training, professional licenses, unemployment insurance, Section 125 Plan admin fees, college/high school intern program, college tuition program, deferred comp, meal allowance and physicals.

Non-Operating Expenses are Also Part of the Port’s Budget

Highlights:

Non-Operating Expenses includes certain payments to the City of Oakland, reimbursements to tenants for costs of non-Port owned capital assets or expenses.

Non-Operating Expenses impact our cash flow and require funding to be identified.

Non-Operating Expenses*	(\$ millions)
Demolition or Disposal of Capital Assets	\$6.6
Lake Merritt Maintenance	2.0
City General Services	1.3
Port Grant Match – Clean Ports Grant	1.3
Debt Related Fees – Rating Agency, Letter of Credit, Trustee	1.0
Loss on Early Extinguishment of Debt	0.3
Abandoned Assets	0.3
Tenant Reimbursements for Zero Emissions Upgrades	0.2
Total	\$13.0

* Table above excludes pass-through non-operating expenses paid with pass-through non-operating revenues, debt interest expenses (accrual basis) and bond premium amortization.

City Payments, Including Parking and Utility Taxes are Anticipated to Total \$21.3 Million in FY 2027*

* Does not include business fees and taxes paid by Port tenants or sales taxes generated by Port and tenant operations

City Payments	FY 2027 Preliminary (\$ millions)
Aircraft Rescue and Fire Fighting Services	\$5.7
General Services	1.3
Lake Merritt Maintenance	2.0
Maritime and JLS Police Service	1.1
Landscape Lighting Assessment District	0.7
CFD Payment	0.6
Personnel, City Clerk, KTOP Services	0.3
Treasury Services	0.3
Jack London Improvement District	0.3
Fireboat Boat Maintenance	0.1
Total	12.3
Parking and Utility Taxes	9.0
Total Including Parking and Utility Taxes	\$21.3

Highlights:

Taking depreciation and amortization into account, the Port is projected to operate at a loss in FY2027 through FY 2031.

Aviation division faces projected average annual operating losses of \$52.1 million over the next five fiscal years.

Operating Losses Projected Across Key Revenue Divisions

(\$ millions)

FY 2027	Aviation	Maritime	Port Utility	CRE	Port Wide
Oper. Revenues before GASB 87	\$207.9	\$172.0	\$37.9	\$18.0	\$435.8
GASB 87	(4.5)	(17.7)	--	(2.3)	(24.4)
Intercompany Adjustment (IA)	--	--	--	--	(6.4)
Oper. Revenues	203.4	154.3	37.9	15.7	405.0
Oper. Expenses Before D&A ¹	(181.0)	(77.3)	(28.8)	(14.4)	(295.2)
Oper. Income Before D&A	22.4	77.0	9.1	1.3	109.8
Depreciation and Amortization (D&A)	(71.9)	(53.3)	(0.4)	(2.4)	(127.9)
Operating Income/(Loss)	(\$49.5)	\$23.7	\$8.7	(\$1.1)	(\$18.1)

¹ Port Wide shown net of Intercompany Adjustments.

Highlights:

Each of the four revenue divisions must generate excess cash flow after O&M expense and bond debt service to fund portions of capital project costs or add to capital improvement fund.

CAPEX spend greater than cash generated from operations must come from the capital improvement fund, grants, or debt issuance.

FY 2027 Operating Revenues Available for Capital Expenditures (CAPEX)

(\$ millions)

	Aviation	Maritime	CRE	Port Utility
Operating Revenues + Interest Income	\$218.6	\$179.3	\$18.2	\$39.1
(-) Operating Expenses	(\$179.9)	(\$76.9)	(\$14.4)	(\$28.8)
(-) Debt Service Payments	(\$10.4)	(\$71.8)	(\$1.4)	(\$0.9)
Subtotal	\$28.3	\$30.6	\$2.5	\$9.4
(+) Net Other Income or (-) Net Other Expenses	(\$8.6)	\$0.5	\$1.4	(\$0.4)
Net Operating Revenues + Interest Income available for CAPEX	\$19.6	\$31.1	\$3.9	\$9.1
FY 2027 CAPEX Budget*	\$146.1	\$138.8	\$14.1	\$13.3

* Not included are \$0.9 million of IT/Support CAPEX.

FY 2027 Preliminary Capital Budget

Highlights:

Preliminary FY 2027 Capital Budget is 91.5% larger than FY 2026 capital spending forecast of \$163.5 million.

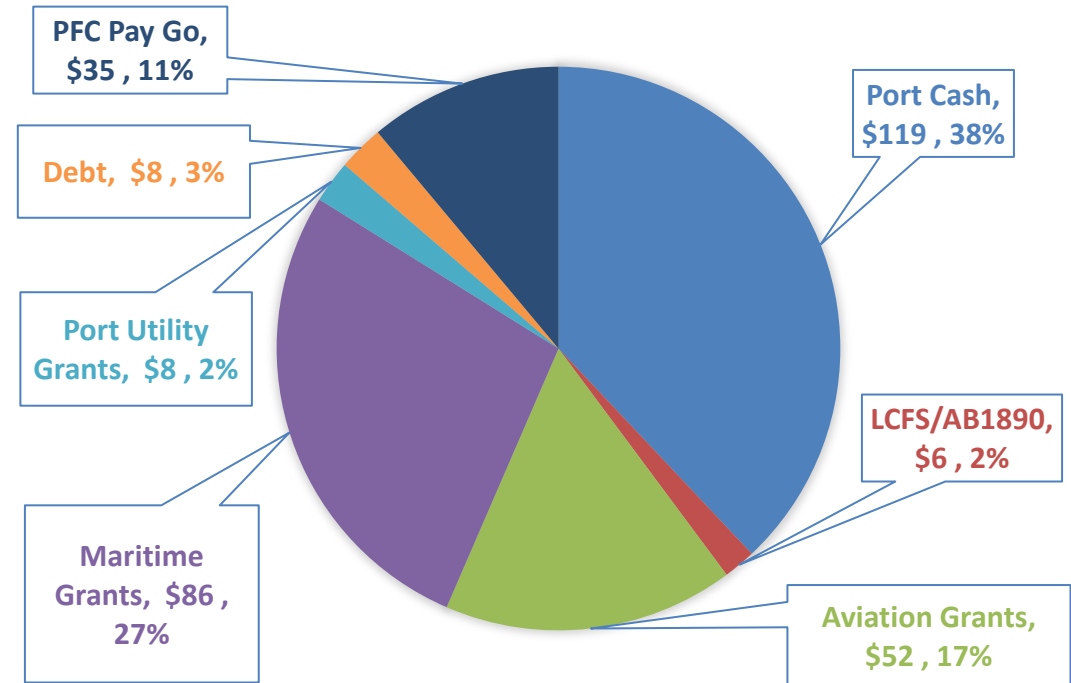
Cash and Debt funding percentages set at levels to achieve or maintain reasonable liquidity (cash balance) levels.

Ability to use PFCs to fund certain FY 2027 Aviation CAPEX is contingent on FAA approval of new PFC application.

Preliminary FY 2027 Capital Budget (\$ millions)

Aviation	\$146.1	46.7%
Maritime	\$138.8	44.3%
Port Utility	\$14.1	4.5%
CRE	\$13.3	4.2%
Support	\$0.9	0.3%
Total	\$313.1	100.0%

Preliminary Funding Sources¹ FY 2027 (\$ millions)



- ❑ Projects in the preliminary FY 2027 Capital Budget are at various stages; some are underway and others are in the planning or conceptual phase.

¹ Airport Grants category includes entitlement and discretionary AIP, AIG and ATP grants, and other miscellaneous funding sources. Port Utility Grants category includes grants, direct assignment and capacity charges.

Major FY 2027 Capital Budget Projects

(\$ millions)

Project Description	Budget (\$)	Project Description	Budget (\$)
Taxiway Whiskey Rehabilitation - Phase 3	\$35.5	Runway 10R/28L Mitigation	\$6.0
B24 Backlands Redevelopment (2022 MARAD Grant)	\$30.8	Berth 22 Shore Power (Eagle Rock Development)	\$5.8
Restroom Upgrades - Phase 2	\$30.2	Southfield Airside Sewer Improvements, Phase 2	\$5.6
B33/34 Leveling Project (CalSTA Grant)	\$24.2	Sanitary Sewer Rehab – Embarcadero	\$5.5
Green Power Microgrid (TCEP Grant) EV Chargers (Terminal)	\$23.0	Wharf/Crane Rail/Bollard/Fender Design (CalSTA Grant)	\$5.0
M103 Roof, Drain Pipe, and Air Handler Replacement	\$22.8	Delamination ETS	\$5.0
Green Power Microgrid (TCEP Grant) EV Chargers (Harbor Facs)	\$15.0	Restroom Upgrades – Phase 3	\$3.0
Airport Perimeter Dike Improvements – Seismic	\$10.0	Southfield Airfield Lighting Generator Replacement	\$2.9
SS-R-14 Substation Replacement (14 th /Maritime)	\$7.1	New Concession Infrastructure Support	\$2.2
Inner/Outer Harbor Turning Basins Widening	\$6.8	Apron Pavement Rehabilitation	\$2.0
CalSTART Truck Purchase EPA Clean Ports	\$6.2	General Upgrade of Vault Lids	\$2.0

Major FY 2027 Capital Budget Projects

(\$ millions)

Project Description	Budget (\$)	Project Description	Budget (\$)
Airport Power Grid Modernization	\$2.0	SS-E-2 Upgrades (New Circuit from E-1)	\$1.3
OHT – ABM	\$1.8	Passenger Boarding Bridge Refurbish (9, 11, 14)	\$1.2
(SS-E-1) Matson CHE Electrical Infrastructure Upgrades	\$1.7	ETS Pavement	\$1.2
Sanitary Sewer Rehab – Airport Business Park	\$1.7	7 th Street Circuit to Nutter/Outer Harbor	\$1.2
Maritime/17 th Street Landscaping	\$1.6	Other Capital Projects (\$1.0 million or less each)	\$37.9
Trash Capture – Small Units	\$1.5	Total FY 2027 Capital Projects*	\$313.1
530 Water Chiller Replacement	\$1.4		
Ron Cowan/John Glenn Parking Activation	\$1.4		
Passenger Boarding Bridge Replacement (4, 8, 8A)	\$1.4		
Trash Capture Compliance Program (OICT: MAR 7-10)	\$1.3	<i>* See Attachment A for Full 5-Year CIP List</i>	

The Port's 5-Year Capital Improvement Plan is Updated Annually

Highlights:

5-Year CIP funding plan assumes 2.4% of Aviation and 35.1% Maritime's 5-Year CIP are debt funded, respectively.

Maritime grants assumed as funding sources represent awarded amounts.

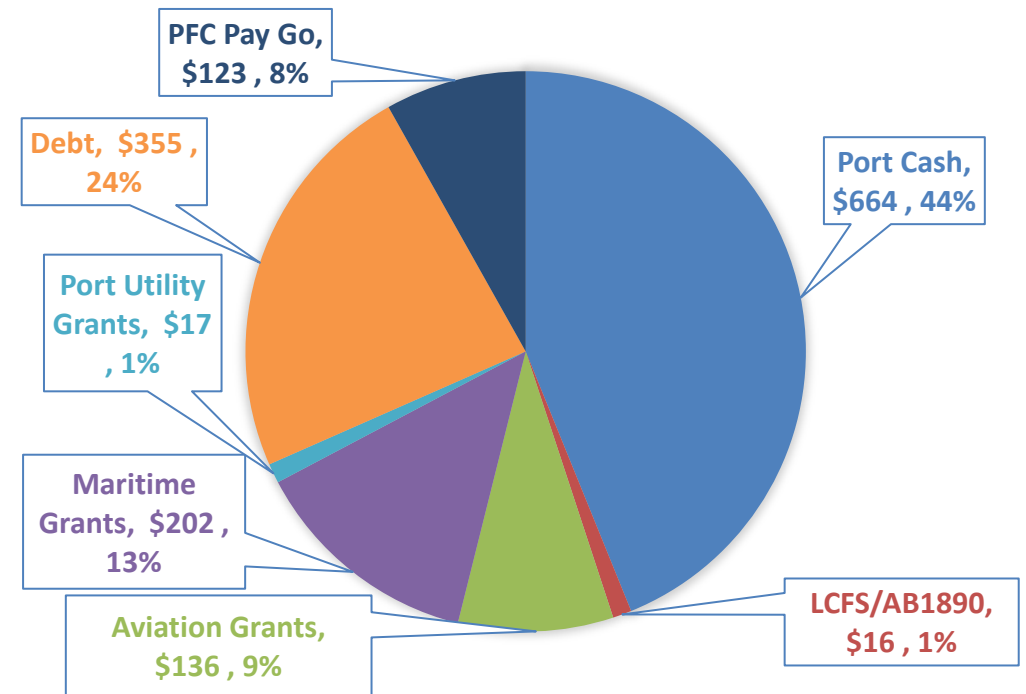
Airport grants category includes entitlement and discretionary AIP, AIG and ATP grants, and other miscellaneous funding sources.

Port Utility grants category includes grants, direct assignment and capacity charges.

Preliminary 5-Year CIP
FY 2027-2031
(\$ millions)

Aviation	\$638.8	42.2%
Maritime	\$642.6	42.5%
Port Utility	\$154.3	10.2%
CRE	\$34.1	2.3%
Support	\$43.0	2.8%
Total	\$1,512.8	100.0%

Preliminary Funding Sources
FY 2027-2031
(\$ millions)



- ❑ Projects in the 5-Year CIP are at various stages; some are underway and others are in the planning or conceptual phase.
- ❑ The 5-Year CIP is updated annually, projects may be added, removed, budget dollars or timeline adjusted.

Preliminary 5-Year Capital Improvement Plan FY 2027-2031

\$1.51 Billion Total CIP

Highlights:

Annual capital expenditures are expected to increase substantially compared to FY 2026 capital expenditure forecast total of \$163.5 million:

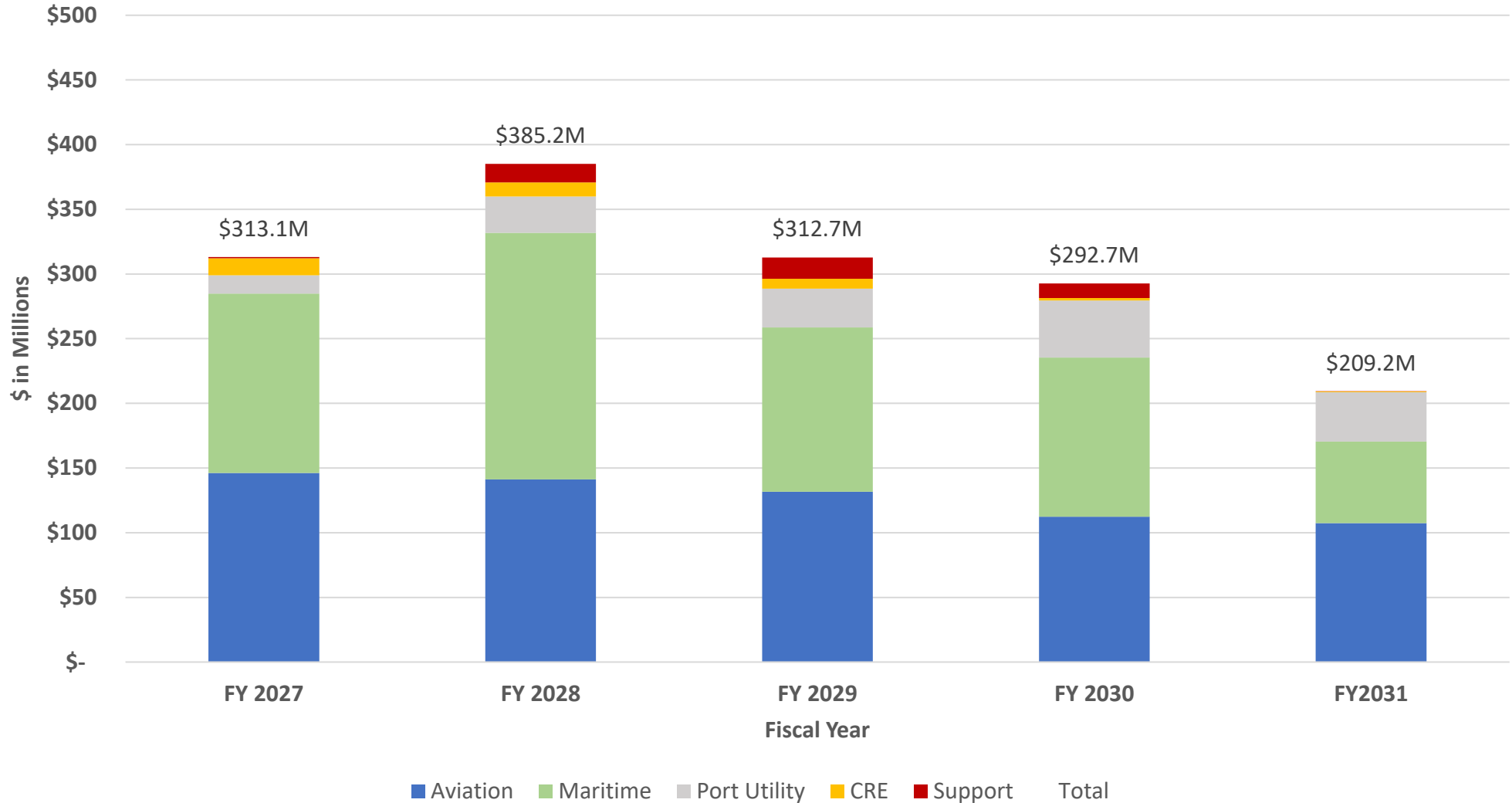
FY 2027: +91%

FY 2028: +136%

FY 2029: +91%

FY 2030: +79%

FY 2031: +28%



Highlights:

A total of \$354.9 million of debt is required over the next five fiscal years to fund the 5-Year CIP.

Increases in future operating revenues, PFCs, LCFS and grants, combined with reductions in O&M expenses and the size of the CIP have the net effect of reducing the amount of debt required to be issued in the future.

Further declines in revenues, increases in O&M that exceed current projection, or rising capital costs, will require reevaluation of affordability and/or additional debt issuances

Port Wide CIP Costs and Funding Sources

(\$ millions)

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	Total
Capital Expenditure	\$313.1	\$385.2	\$312.7	\$292.7	\$209.2	\$1,512.8
AIP Grants	\$24.4	\$2.0	\$9.9	\$16.8	\$26.3	\$79.5
Other Grants ¹	\$121.0	\$114.8	\$22.6	\$16.7	\$0.2	\$275.3
LCFS/AB1890	\$5.8	\$9.1	\$1.5	\$--	\$--	\$16.4
PFCs/CFCs	\$34.7	\$25.7	\$30.7	\$17.5	\$14.6	\$123.2
Cash From Operations	\$63.2	\$89.3	\$80.1	\$85.8	\$67.6	\$386.0
Cash From CIP Fund	\$55.7	\$113.5	\$56.5	\$43.8	\$8.0	\$277.5
Commercial Paper/Debt	\$8.2	\$30.8	\$111.3	\$112.1	\$92.5	\$354.9
Total Funding Sources	\$313.1	\$385.2	\$312.7	\$292.7	\$209.2	\$1,512.8

¹ Other Grants category includes entitlement and discretionary AIP, AIG and ATP grants, direct assignment, capacity charges and other miscellaneous funding sources.

Port Cash Balances Have Designated Purposes and Use Restrictions

- ❑ **Board Reserves:** Required to be maintained at certain levels. Use of board reserves will trigger a material reportable event to bondholders.
 - ❑ Port Bond Reserve Fund: Up to \$30 million to pay in order of priority bond debt service, fund emergency capital expenditures, or extraordinary operating and maintenance expenses.
 - ❑ Operating Reserve Fund: Funded at 12.5% of annual operating expense budget to meet unanticipated working capital requirements.
 - ❑ Capital Reserve Fund: Deposit not to exceed \$15 million to pay debt service on indebtedness of the Port, for extraordinary capital improvements, and extraordinary operating and/or maintenance expenditures.
- ❑ **Operating/Emergency Fund:** Maintained at a level equal to no less than 365 days of Port operating expenses to meet current payment obligations in the event Port operations are suddenly and materially impacted and ability to generate revenues is compromised. Only tidelands trust compliant expenditures can be paid with this fund, such as:
 - ❑ Port related payroll, pension and retiree medical obligations, operating expenses directly related to airport, seaport, commercial real estate or Port Utility activities, worker's compensation costs for Port employees, and pollution remediation expenses for tideland trust lands.
 - ❑ Funds are also available to pay Port revenue bond debt service to avoid payment default on debt payments or to fund capital expenditures on tidelands trust land.
- ❑ **Capital investment fund:** Funded with cash generated from current and prior year operations, is restricted by tidelands trust, FAA regulations, and federal and State public utility regulations, for investment in the assets and lands that generated the revenue. The fund is a major source of funding for the Port's \$1.51 billion CIP.

Highlights:

All Port’s cash balances are limited to Tidelands Trust and other State and federal regulatory uses.

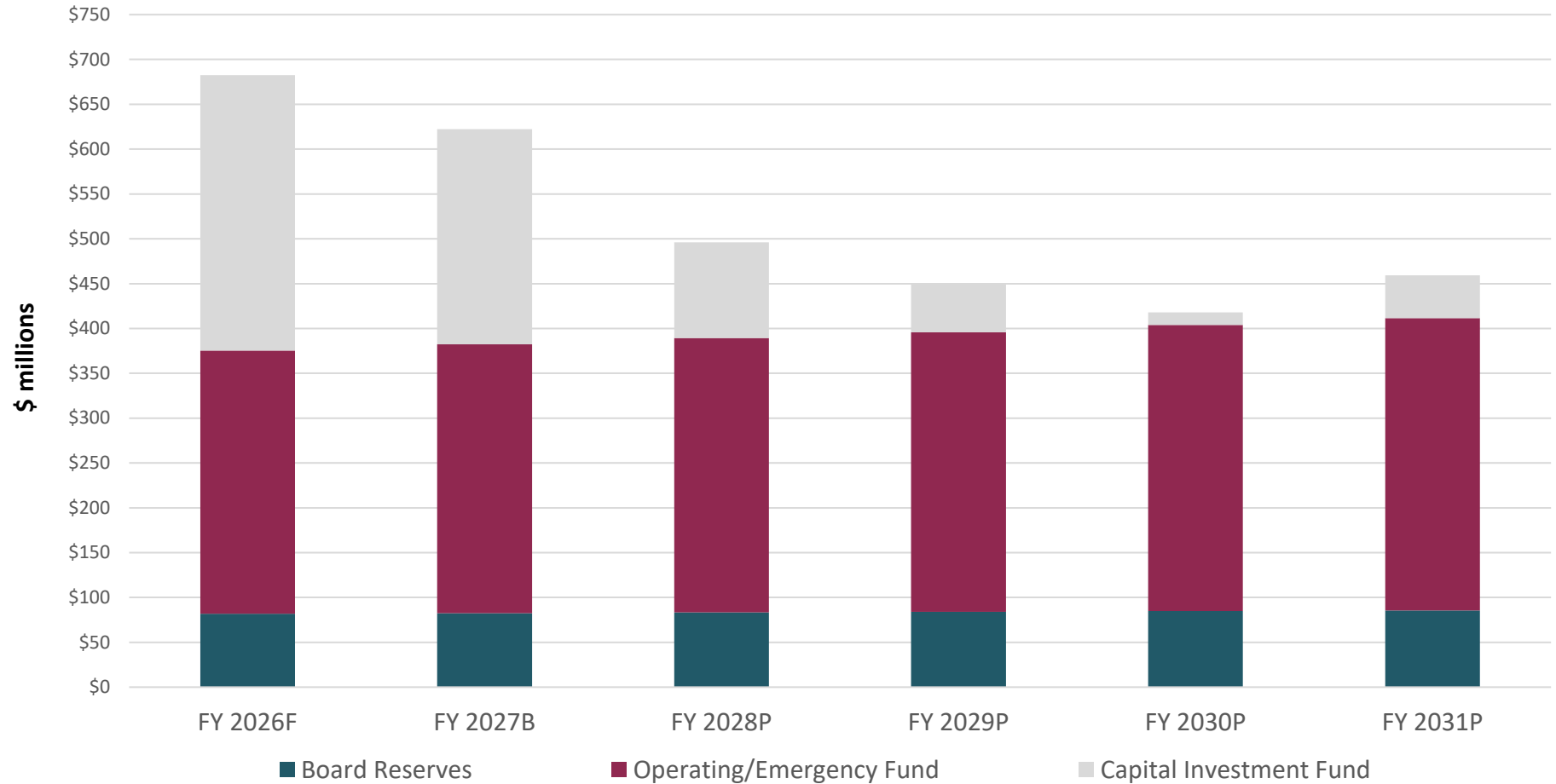
Port cash balances are projected to decline as funds are drawn down to fund a large portion of the CIP.

Minimum or target levels will be maintained for each revenue division by issuing debt if necessary for the most suitable projects.

Required reserve limits increase as operating expenses increase.

Port Wide Projected Cash Balances

Projected Unrestricted Ending Cash Balance



Debt Service Payments in FY 2027 Total \$84.6 Million, Including Anticipated CP Notes Repayment of \$2.7 Million and New Issuance of \$8.2 Million

(\$ millions)

Debt	Principal Outstanding as of June 30, 2026	FY 2027 Principal Payment	FY 2027 Interest Payment	Debt Service = Principal + Interest Payments	FY 2027 Anticipated New Bond/CP Principal	Anticipated Principal Outstanding as of June 30, 2027	Anticipated Final FY Repayment Date
Bonds	\$395.4	\$69.0	\$12.3	\$81.3	\$--	\$326.3	2033
Commercial Paper (CP)* – Existing (PFC + Non-PFC)	\$10.2	\$2.7	\$0.3	\$3.0	\$--	\$7.5	2028
Commercial Paper* – New (Non-PFC)	\$--	\$--	\$0.3	\$0.3	\$8.2	\$8.2	2057
Total	\$405.6	\$71.7	\$12.9	\$84.6	\$8.2	\$342.1	

FY 2027 Projected Intermediate Lien Debt Service Coverage Ratio: 1.90x

* The Commercial Paper Notes are assumed to have an average interest rate of 3.90% in FY 2027.

Summary of Projected Debt/CP Notes Issuances by Fiscal Year

(\$ millions)	2027	2028	2029	2030	2031	Total
Port Revenue Division						
Aviation	\$--	\$--	\$--	\$--	\$15.1	\$15.1
Maritime	\$--	\$21.9	\$84.7	\$75.1	\$43.8	\$225.5
CRE	\$8.2	\$3.6	\$6.3	\$--	\$--	\$18.2
Port Utility – Airport (AIR)	\$--	\$5.3	\$20.3	\$24.0	\$19.0	\$68.5
Port Utility – Seaport (SEA)	\$--	\$--	\$--	\$13.0	\$14.6	\$27.6
Total	\$8.2	\$30.8	\$111.3	\$112.1	\$92.5	\$354.9

- ❑ Financing plan is projected based on current assumptions regarding CIP costs and funding sources over the next five fiscal years. Financing needs will change to the extent projects are delayed, contingencies not needed, underspend in operating or capital budgets are realized, and/or availability of additional grant or other miscellaneous funding sources.
- ❑ Future interest rate environment may change proportion of CIP funded with debt.

Highlights:

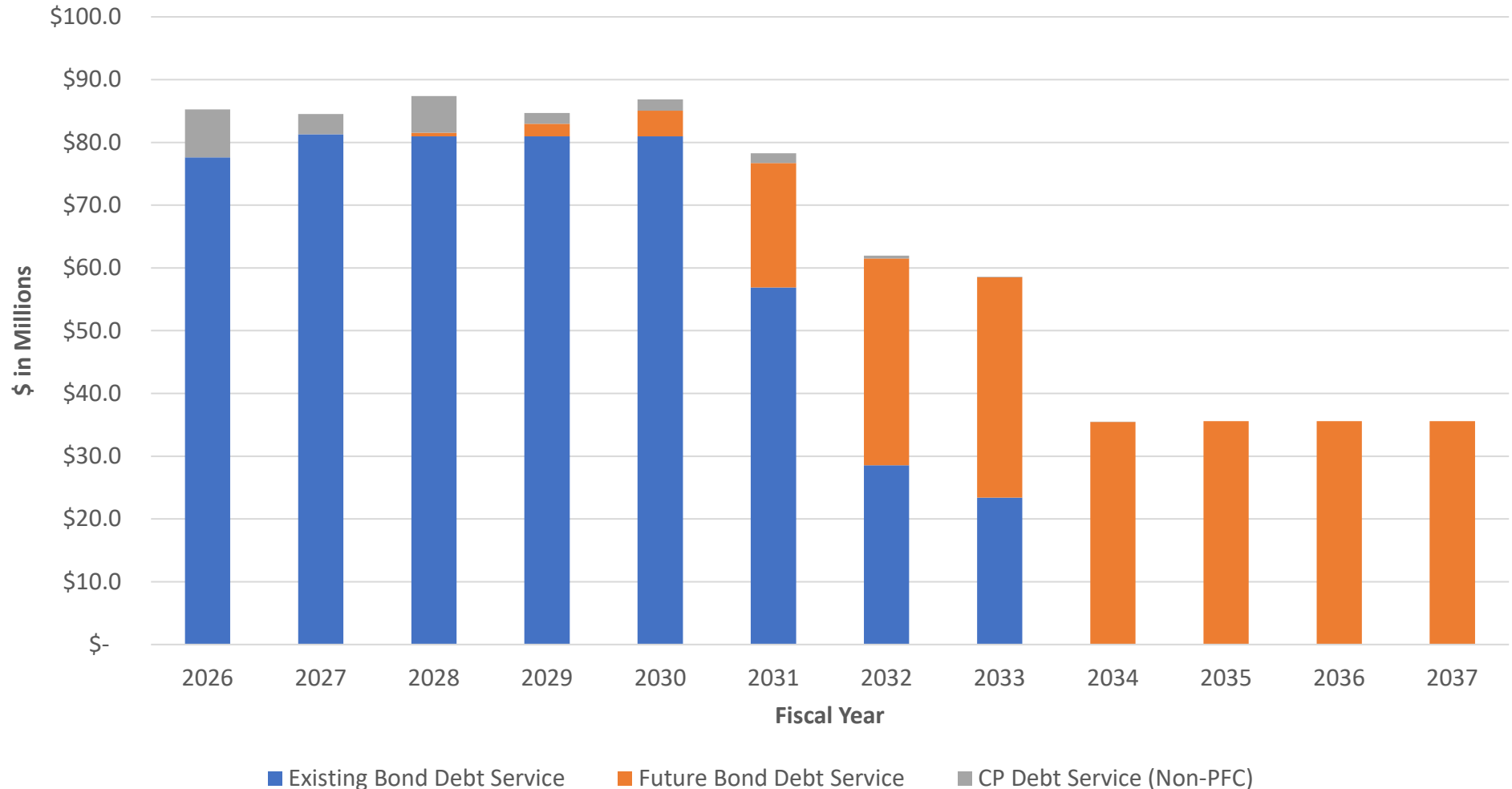
\$354.9 million of CP Notes are projected to be issued over the next five fiscal years to fund Port CIP.

Interest on Bonds issued to fund certain projects are assumed capitalized (not paid from Operating Revenues) until construction is completed.

Future debt payments for certain revenue divisions may need to be sculpted to avoid principal payments in and prior to FY 2030.

Port Wide Bond Debt Service Payment Schedules¹

Annual Debt Service Payments (Net of CAPI)



¹ Assumes future issuance of \$448.0 million in fixed rate revenue bonds to refinance \$390.9 million of CP Notes issued between FY 2027 and FY 2034 on an interim basis to fund CAPEX.

Port Wide - Key Financial Metrics

(\$ millions)

	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Ending Cash Balance	\$682.4	\$622.3	\$496.1	\$450.3	\$418.0	\$459.2
Days Cash on Hand (DCOH)	844	755	591	527	479	516
Intermediate Lien DSCR						
Bond Indenture Basis	2.39x	1.90x	2.04x	2.09x	2.14x	2.52x
Cash Basis	2.23x	1.79x	2.08x	2.17x	2.22x	2.61x
Debt Policy DSCR ¹	2.03x	1.72x	1.90x	2.05x	2.10x	2.47x

¹ Lesser of bond indenture or cash basis Debt Policy DSCR.

Highlights:

On a consolidated basis, the Port maintains strong financial metrics, with each revenue division having unique challenges.

Incorporating future debt issuances, Port is projected to maintain a minimum cash balance equivalent to 16- months of operating expenses.

Cash basis Intermediate Lien DSCR reverses certain GASB adjustments and provides a better representation of actual debt service coverage ratio.

Affordability to issue bonds will be tested at the revenue division level.

Key Financial Metrics by Revenue Division

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Days Cash on Hand – Aviation	732	603	484	392	369
Days Cash on Hand – Maritime	723	459	491	515	676
Days Cash on Hand – Port Utility-AIR	354	387	439	551	669
Days Cash on Hand – Port Utility-SEA	1,394	1,175	1,159	1,116	1,144
Days Cash on Hand – CRE	190	86	74	94	168
Debt Policy DSCR¹ (Greater than 1.40x)					
Aviation	2.83x	4.05x	4.47x	4.50x	7.71x
Maritime	1.41x	1.32x	1.46x	1.55x	1.82x
Port Utility – AIR	7.83x	4.88x	2.77x	2.09x	2.00x
Port Utility – SEA	15.09x	17.82x	15.64x	7.66x	4.66x
CRE	2.12x	3.88x	4.03x	3.96x	4.92x

¹ Lesser of bond indenture or cash basis Debt Policy DSCR.

Highlights:

CRE is projected to achieve minimum target of 400 DCOH by FY 2034.

Port Utility DCOH calculation is based on wholesale operating expenses only (i.e. excludes retail (PG&E) pass-through cost of sale expenses).

Remediating Maritime Division sub-1.40x DSCR in FY 2028 will likely require debt defeasance in FY 2027.

Key Financial Metrics by Revenue Division

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Operating Expense Ratio (<=65.0%)					
Aviation	79.1%	76.9%	76.5%	75.6%	75.5%
Maritime	45.0%	44.3%	42.5%	41.2%	40.7%
Port Utility – AIR	n/a	n/a	n/a	n/a	n/a
Port Utility – SEA	n/a	n/a	n/a	n/a	n/a
CRE	80.1%	75.0%	67.4%	66.9%	66.6%

Highlights:

Aviation and CRE operating expense ratios projected to trend lower over time.

Majority of Port Utility division operating expenses relate to cost of purchasing commodities.

Improvement in operating expense ratio is dependent on future revenue growth and restrained operating expense growth.

Summary of Proposed FY 2027 Budget

(\$ millions)	FY 2027 Preliminary	FY 2026 Budget	% Change
Operating Revenues (incl. GASB 87)	\$405.0	\$417.3	-3.0%
Operating Expenses (excl. Depreciation)	\$295.2	\$299.7	-1.5%
Debt Service (incl. PFC and Non-PFC CP Notes)	\$84.6	\$85.5	-1.0%
Capital Expenses (CAPEX)	\$313.1	\$243.3	+28.7%
PFCs, LCFS, AIP Grants, Other Grants, Debt Proceeds for CAPEX	\$194.2	\$111.3	+74.5%
Intermediate Lien Bond Debt Service Coverage Ratio	1.90x	2.00x	-0.10x
Projected Ending Cash Balance, June 30 (incl. Board Reserves)	\$622.3	\$560.2	+\$62.1

Remaining Key Dates

June 25 Request Board adoption of FY 2027 Operating and Capital Budgets

July 20 Deadline to Provide City with Adopted Budget



**PORT OF
OAKLAND**

Development of
FY 2027 Operating and Capital Budget

Board of Port Commissioners
March 26, 2026

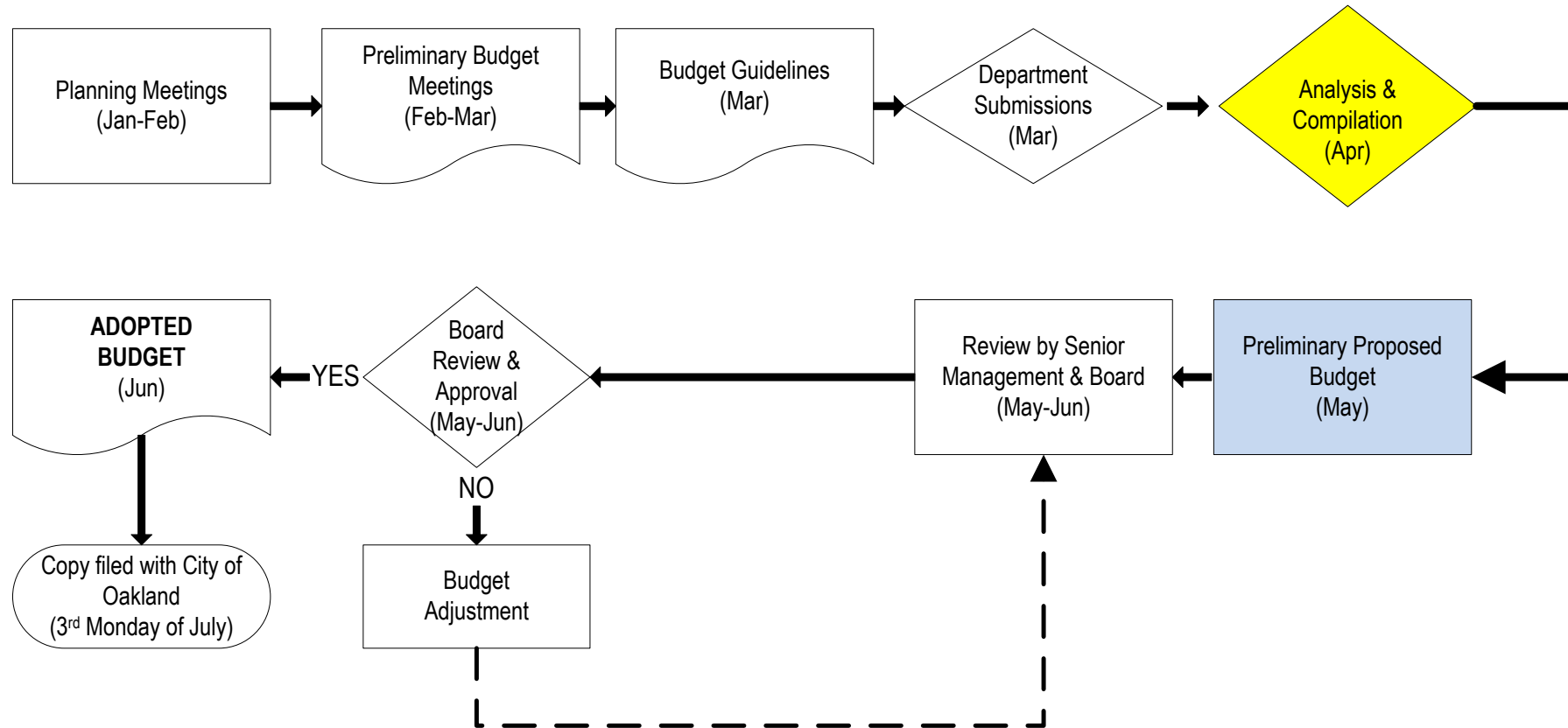
The information contained in this presentation is disclosed publicly for general information relating to the Port only. The information and figures herein include projections and forecasts that are based upon certain assumptions and involve known and unknown risks, uncertainties, and other factors that may cause actual results, performance or achievements to differ materially from those expressed or implied by such projections and forecasts. The information and figures herein are subject to change without notice after the date thereof, and may differ from the information and figures contained in the Port's final adopted budget. The overall cost of the Port's capital projects is subject to change, and the variance from the cost estimates reflected herein could be material. The Port is not obligated to and does not plan to issue any updates or revisions to this presentation.

Purpose of Presentation

1. Provide overview of the Port budget process and budget
2. Update on current financial state of the Port
3. Discuss key factors influencing the development of FY 2027 Budget
4. Discuss policies, key budget objectives, and assumptions

1. Overview of the Port Budget Process and Budget

Budget Process Overview



Balancing Sources and Uses of Funds

	FY 2026 Budget
Uses of Funds	
Operating Expenses ¹	\$297,066
Debt Service ²	85,455
Capital Expenses	243,280
Other Expenses ³	71,221
Transfer to Restricted Account	848
Total Uses	\$697,870
Sources of Funds	
Cash from Operations	\$435,148
Available Cash Reserves	69,325
Grant Reimbursement ⁴	89,595
Passenger Facility Charges (PFCs) ⁵	16,087
Interest Income	14,126
Commercial Paper/Bonds	4,704
Other Revenues ⁶	68,885
Total Sources	\$697,870

¹ Excludes depreciation and non-cash adjustments to pension and retiree medical expenses.

² Includes \$7.3 million repayment of CP Notes and associated interest. Of this amount, approximately \$2.3 million of CP Notes and associated interest is anticipated to be repaid with PFCs. The interest rate on the CP Notes is assumed to be 2.6% in FY 2026.

³ Includes but not limited to CP Notes and bond related fees, General Services and Lake Merritt payments to the City, adjustment of Operating Reserve, and other non-operating expenses.

⁴ The Port has not yet obtained grant funding for all capital projects included in the budget.

⁵ Ability to apply PFCs to fund capital projects is contingent on FAA approval of new PFC application.

⁶ Includes non-operating pass-through grants.

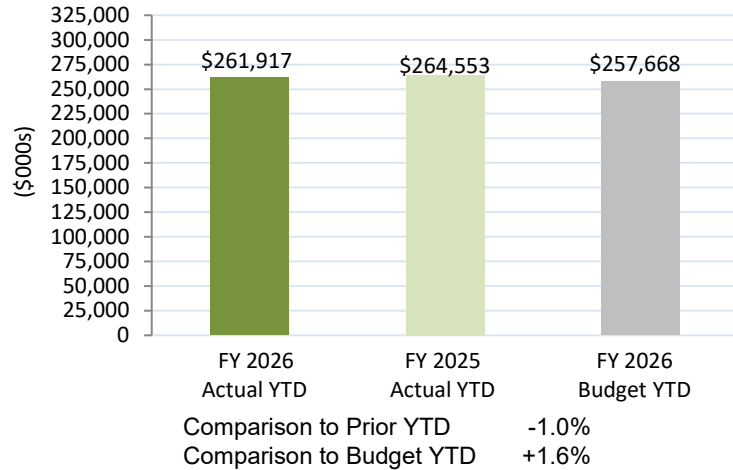
Key Board Dates

- | | |
|----------|-------------------------------------------------------------------------------|
| March 26 | Board Update #1
– <i>Overview, Key Factors, Objectives and Assumptions</i> |
| May 14 | Board Update #2
– <i>Key Assumptions and Preliminary Budget Numbers</i> |
| June 25 | Request Board adoption of FY 2027 Operating and Capital Budgets |
| July 8 | Submit Adopted FY 2027 Budget to City |

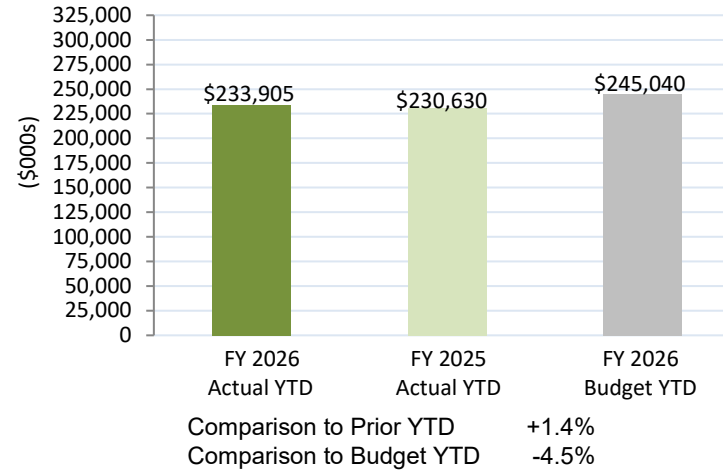
2. Current Financial State of the Port

For the First Seven (7) Months of FY 2026, Operating Income is \$5.9 Million Lower than Same Period Last Year and \$15.4 Million Above Budget

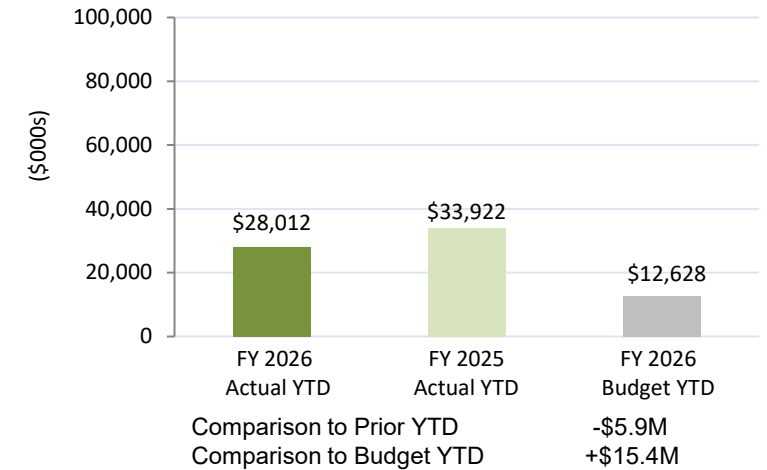
Operating Revenues



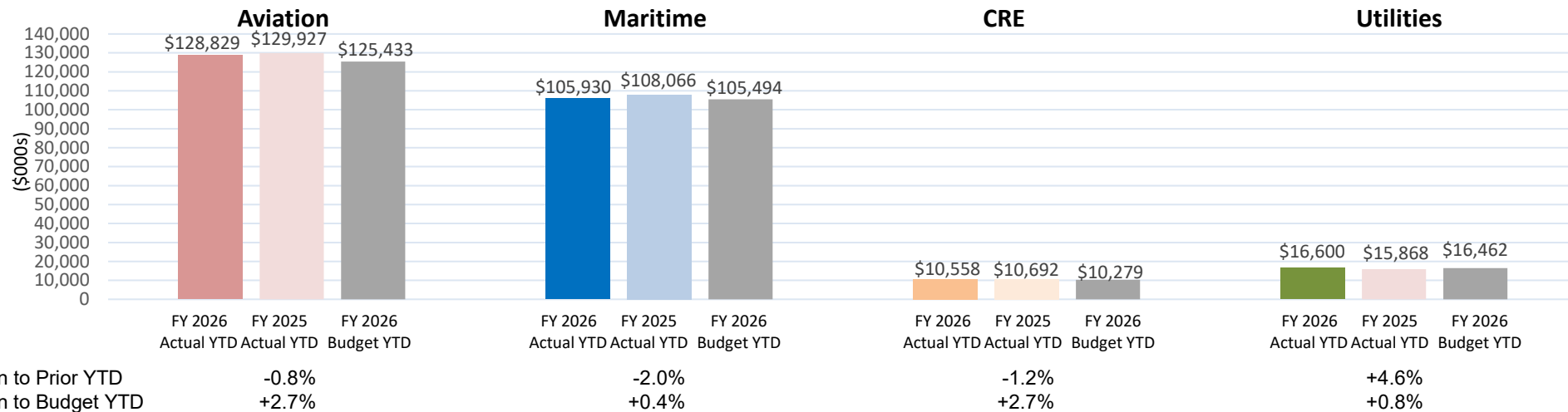
Operating Expenses



Operating Income



Operating Revenues by Business Line



Port Cash Balances

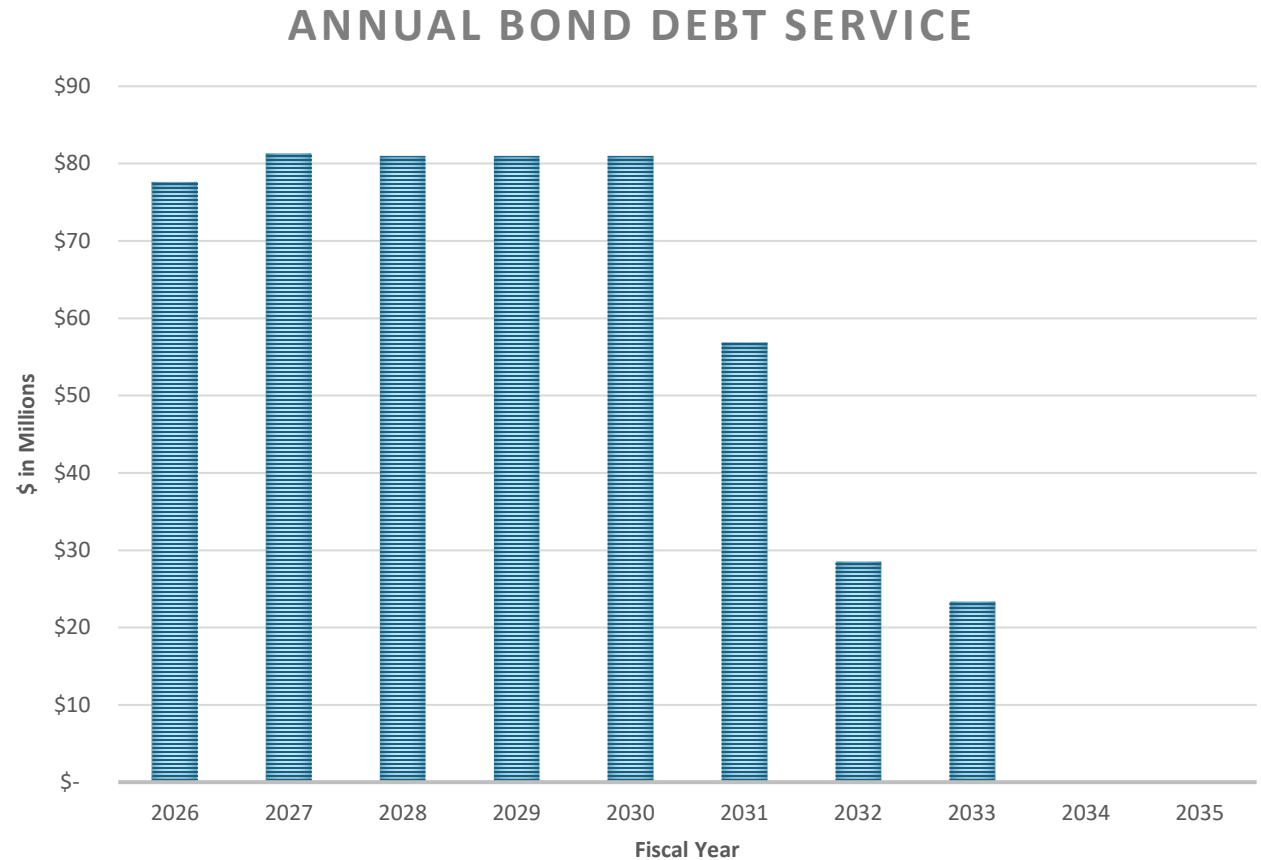
as of January 31, 2026

Account	Amount	Comment
General Fund	\$584,664,950	<ul style="list-style-type: none"> • Debt Service Fund - \$48.1M - for semi-annual debt service payments • Self-Insurance Fund - \$7.2M - for worker's compensation, health and other obligations • Working Capital Fund - \$261.5M - for day-to-day operating expenses, pension, OPEB, environmental, and other operating obligations • Capital Investment Fund - \$267.9M - for capital projects not funded through current operating revenues
Board Reserves	\$82,466,638	<ul style="list-style-type: none"> • Available only if General Fund insufficient to pay debt service, operating expenses and/or capital expenses • Use of Board Reserves is a Material Negative Event to bondholders
Trustee Bond Reserves	\$44,349,518	<ul style="list-style-type: none"> • Restricted for the benefit of bondholders if insufficient General Fund • Use of this reserve is an Event of Default
Passengers Facility Charges	\$84,906,502	<ul style="list-style-type: none"> • Restricted in use to eligible capital costs at the Airport
Customer Facility Charges	\$869,827	<ul style="list-style-type: none"> • Restricted in use to Airport rental car busing operations, and related capital costs
LCFS Fund	\$2,684,377	<ul style="list-style-type: none"> • Restricted in use to transportation electrification projects
Security Deposit Fund	\$10,548,948	<ul style="list-style-type: none"> • Tenant security deposits
Other	\$1,715,702	<ul style="list-style-type: none"> • Escrow accounts related to Port's capital program

Port Debt Balances and Existing Annual Bond Payment Obligations as of March 1, 2026

(\$000s)

Type of Debt	Outstanding Debt as of 3/1/2026
Series 2020R (Federally Taxable)	\$253,055
Series 2017D (Private Activity/AMT)	34,095
Series 2017E (Governmental/Non-AMT)	27,550
Series 2017G (Federally Taxable)	12,200
Series 2021H (AMT)	110,725
Subtotal (Bonds)	\$437,625
Commercial Paper Series A (AMT)	\$2,342
Commercial Paper Series D (AMT)	10,193
Subtotal (Commercial Paper)	\$12,535
Total	\$450,160



3. Key Factors Influencing the Development of FY 2027 Budget

Key Factors Under Consideration in Developing FY 2027 Budget

- ❑ Preliminary revenue projections* for FY 2027 are not as robust as projections from 12 months ago
 - ❑ Maritime revenues projected to be \$10.9 million (-6%) lower
 - ❑ Non-airline revenues projected to be \$4.1 million (-4%) lower
 - ❑ CRE revenues are projected to be \$1.5 million (-8%) lower
 - ❑ Utilities revenues are currently unknown, pending completion of a cost-of-service study
- ❑ CIP affordability is under review due to escalating costs of major capital projects, including tariff impacts on imported steel and aluminum, as well as lower projected future operating cash flow available to fund capital investments
- ❑ Prioritize capital projects that address core infrastructure and safety needs, deliver strong return on investment, and mitigate operational, regulatory, or financial risks. As part of this prioritization effort, certain capital projects may be deferred, phased, scaled or removed from the CIP
- ❑ Manage operating expenses to align with updated revenue projections and realistic staffing levels over the next 12 to 15 months, while ensuring compliance with minimum debt service coverage ratios, operating expense targets, cash liquidity requirements, both Port wide and by revenue division, in support of the Port's strategic priorities

* Before GASB 87 Adjustments.

Key Factors Under Consideration in Developing FY 2027 Budget

- ❑ Position the Port for potential debt issuances as early as FY 2027 to fund key capital projects and provide contingency liquidity should third-party funding not materialize. This requires strengthening of key financial metrics and disciplined expense management to preserve the Port's high credit ratings, ensure access to capital at the lowest possible borrowing cost
- ❑ Maintain OAK's Cost per Enplanement (CPE) at competitive levels relative to SFO and SJC to retain existing carriers and attract new airlines and routes
 - ❑ Align operating budgets with realistic expenditure expectations to avoid setting rates at levels that unnecessarily increase OAK's CPE
 - ❑ Improve cost forecasting accuracy to reduce the magnitude of future aviation rates and charges true-ups
- ❑ Closely monitor geopolitics on potential impacts to global trade and passenger travel
 - ❑ FY 2027 airport enplanements are projected to be 14.3% below FY 2026 Budget
 - ❑ FY 2027 total TEU volumes are projected to remain flat to FY 2026 Budget
- ❑ With approximately 78 FTE vacancies, strategically prioritize hiring and repurpose critical roles to support daily operations, timely deliver capital projects, and advance Port strategic priorities

4. Budget Assumptions, Policy Considerations, & Establish Budget Objectives

Preliminary Key Budget Assumptions

1. Debt Service Expenses

- ❑ Bond and Commercial Paper Notes (CP Notes) debt service payments expected to total \$88.7 million¹ in FY 2027
- ❑ Continue discipline of paying down outstanding CP Notes
 - \$12.535 million of CP Notes to be outstanding as of July 2026 (\$10.193 million Maritime, \$2.342 million Aviation PFC-eligible)
 - Assume \$5.0 million² of Maritime CP Notes are paid down
- ❑ New debt issuances in the form of CP Notes to fund capital projects
- ❑ Minimum budgeted cash-based debt service coverage ratio of 1.40x Port wide and by revenue division:
 - Provides operating financial cushion
 - Maintains liquidity
 - Preserves credit ratings
 - Complies with newly updated Port debt policy

¹ Assumes rates on commercial paper notes average 3.90% in FY 2027..

² Additional \$2.342 in Aviation Division CP Note payment if FAA were to approve new PFC application in FY 2027.

Preliminary Key Budget Assumptions

2. Operating Expenses

- ❑ Adopt a fiscally responsible approach to balance revenues and expenditures, ensuring the Port's long-term fiscal sustainability amid future revenue uncertainties, rising personnel costs, increased regulatory and compliance requirements, and the need to address years of deferred maintenance
- ❑ Aim to budget for achievable expenses based on available staffing levels, prioritizing critical operational needs while aligning with the Port's strategic goals
- ❑ Reliance on debt to fund a portion of the Port CIP means operating expenses, in the absence of revenue growth, must be adjusted to create the conditions necessary to maintain key financial metrics, such as minimum debt service coverage ratios, ensuring the Port can issue debt in a responsible and sustainable manner
- ❑ Strategically reduce non-personnel operating expenses to absorb COLA increases and align spending with lower projected operating revenues
- ❑ Increase in assumed vacancy factor in FY 2027. Focus on filling or re-purposing critical staff vacancies to support critical operations and reduce operational bottlenecks

Preliminary Key Budget Assumptions

3. Capital Expenses

- ❑ Capital investments must be strategic, appropriately prioritized and well-planned for the Port to be successful in achieving long-term financial sustainability
- ❑ Material adverse changes in funding sources and project costs mean the Port needs to dial down the size of its ambitious CIP and decisions must be made on which projects proceed forward and which projects are paused
- ❑ Focus on budgeting for capital projects that can realistically be achieved with available staffing levels, prioritizing core infrastructure projects, projects that produce a positive return on investments, and are in alignment with the Port's strategic goals
- ❑ Use cash reserves and internal borrowings across revenue divisions to delay external debt borrowing to the extent possible
- ❑ Select large capital projects with long useful lives for future debt financing
- ❑ Shorten the amortization period of new debt from 30 to 25-years at an assumed rate of 6.0%

Key Budget Objectives

- **Cash/Liquidity:** Remain focused on maintaining strong cash/liquidity reserves to manage unanticipated operational, financial and economic disruptions and establish working capital, self-insurance, security deposit, capital investment and debt service funds to ensure the Port maintains adequate cash balances to meet long-term obligations.
- **Debt:** Maintain discipline of paying down portion of outstanding commercial paper notes, in addition to required bond payments
- **Operating:** Demonstrate smart, prudent and thoughtful budgeting considering near-term economic uncertainties to support long-term financial strength, resiliency and sustainability
- **Capital Investments:** Strategically identify, prioritize and appropriately plan major capital projects with a focus on health, safety, regulatory compliance, on-going or imminent revenue generating projects, asset management, infrastructure investments and where availability of external funding (e.g., grants) is contingent on timely expenditure.
- **Financial Metrics:**
 - Improve operating margin for all four revenue divisions
 - Control Airport Cost per Enplanement (CPE)
 - Maintain minimum Bond Debt Service Coverage Ratio of 1.40x at year end Port wide and by revenue division
 - Achieve less than 65% Operating Expense Ratio by revenue division
 - Target minimum projected cash balance on June 30* no less than 365 days-cash-on-hand (DCOH) (excluding restricted cash)
 - Maintain Board Reserves, consistent with policy, of approximately \$83** million

* June 30 cash balance is used to pay upcoming November 1 bond debt payment of \$30.8 million, construction contracts already executed, 5-Year Capital Improvement Plan, day-to-day operating expenses and unfunded liabilities; balance also includes contractor retention not held in escrow and security deposits.

** This figure reflects the current total of FY 2026 Board Reserves. It is expected to change as the FY 2027 Budget is developed.