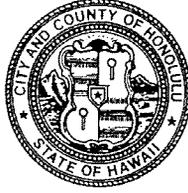


DEPARTMENT OF BUDGET AND FISCAL SERVICES
CITY AND COUNTY OF HONOLULU
530 SOUTH KING STREET, ROOM 208 • HONOLULU, HAWAII 96813
PHONE: (808) 768-3900 • FAX: (808) 768-3179 • INTERNET: www.honolulu.gov

KIRK CALDWELL
MAYOR



NELSON H. KOYANAGI, JR.
DIRECTOR DESIGNATE

GARY T. KUROKAWA
DEPUTY DIRECTOR

May 7, 2013

The Honorable Ann H. Kobayashi, Chair
and Members of the Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawaii 96813

RECEIVED
CITY CLERK
C & C OF HONOLULU
2013 MAY -7 PM 4:03

Dear Chair Kobayashi and Councilmembers:

**SUBJECT: Executive Operating Budget Bill 11 (2013) Proposed
Amendments for CD2**

We would like to thank you and other councilmembers for proposing CD2 amendments to restore certain CD1 reductions made to the operating budget. However, the Administration is still very concerned about several areas of the budget and how it will impact departmental operations and city services. Our specific concerns are detailed below.

Vacant Funded Positions

The 50 percent cut to the Provision for Vacant Positions is a substantial reduction to the vacant position funding. This reduction will affect the agencies' ability to perform essential functions of the City and may impact the number of recruit classes planned for the police and fire departments. This Administration is committed to filling vacancies to deliver the required level of services to the public. The process of filling positions has been accelerated and we will continue to strive to fill as many positions within the constraints that have been placed upon us.

Also, while the Administration's preference was to establish vacant funded position activities within each department to allow for greater transparency and to enable agencies to effectively manage their own operations, the Council has insisted on maintaining a centralized provisional account for vacant positions. In order to efficiently manage the centralized provisional account, the Administration will require flexibility to utilize the vacant funded monies.

Salary Adjustments and Accrued Vacation Pay

We will be providing you with collective bargaining costs to include in the Provision for Salary Adjustments and Accrued Vacation Pay. Since these preliminary estimates will include collective bargaining related employee fringe benefit costs, we will need the flexibility to move a portion of the funds to certain employee fringe benefit provisional activities when the actual breakdown of these costs are known. Therefore, some proviso amendments are being requested.

We will comply with the proposed CD1 proviso which restricts the use of the Provision for Vacant Positions monies for accumulated vacation payments. However, this restriction will require that vacation payouts be funded from the salary adjustment provisional. We are requesting that additional funds be provided in this activity for that purpose.

General Provisos

The following amendments are proposed for the Provision for Vacant Positions and the Provision for Salary Adjustments and Accrued Vacation Pay.

Amend section 12.(i) to read as follows:

“(i) No transfer of funds shall be made from any activity unless such transfers complies with the requirements set forth in Section 2-17.2(c) of the Revised Ordinances of Honolulu.

Amend section 12. (j) to read as follows:

“(j) The monies in the Provision for Vacant Positions shall be used to pay for the expenses related to the filling of any vacant position, including such costs as overtime, temporary assignment and personal services contracts while the position is in the process of being filled. The monies shall not be used for accumulated vacation payments.”

Amend section 12. (m) to read as follows:

“(m) Notwithstanding the provisions of Revised Ordinances of Honolulu Section 2-17.2 (c), transfers of funds from the Provision for Salary Adjustment and Accrued Vacation Pay activity to any departmental activity or collective bargaining related employee fringe benefit provisional activity may be executed without Council approval, provided that quarterly reports shall be submitted to the Council.”

Renumber section 12 (m) to (n).

The Honorable Ann H. Kobayashi, Chair
and Members of the Honolulu City Council
May 7, 2013
Page 3

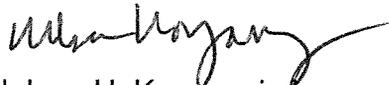
Critical Impact from Agencies

Attached are only critical responses to the proposed CD2 amendments for the following departments, excluding the vacant position funding cuts:

- Department of Budget and Fiscal Services
- Department of Community Services
- Department of Design and Construction
- Department of Environmental Services
- Office of the Mayor
- Office of the Managing Director
- Department of Parks and Recreation
- Department of Transportation Services

We sincerely appreciate your willingness to work together to ensure the City has a responsible budget that addresses essential services. Should you have any questions or would like to discuss this matter further you may contact me at 768-3901.

Sincerely,



Nelson H. Koyanagi, Jr.
Director Designate

NHK/LU:ts

APPROVED:

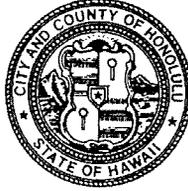


Ember Lee Shinn
Managing Director

cc: Councilmember Stanley Chang
Councilmember Ikaika Anderson
Councilmember Carol Fukunaga
Councilmember Breene Harimoto
Councilmember Joey Manahan

DEPARTMENT OF BUDGET AND FISCAL SERVICES
CITY AND COUNTY OF HONOLULU
530 SOUTH KING STREET, ROOM 208 • HONOLULU, HAWAII 96813
PHONE: (808) 768-3900 • FAX: (808) 768-3179 • INTERNET: www.honolulu.gov

KIRK CALDWELL
MAYOR



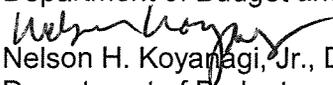
NELSON H. KOYANAGI, JR.
DIRECTOR DESIGNATE

GARY T. KUROKAWA
DEPUTY DIRECTOR

May 7, 2013

TO: Ember Lee Shinn, Managing Director

VIA: Darryl Chai, Division Chief
Budgetary Administration
Department of Budget and Fiscal Services

FROM: 
Nelson H. Koyanagi, Jr., Director Designate
Department of Budget and Fiscal Services

SUBJECT: FY 2014 Operating Budget Response (Comments and Concerns)

FISCAL/CIP ADMINISTRATION

Councilmember: Ernest Y. Martin
CD-1: Page Amendment List 2 of Bill 11 (2013), CD1

| <u>Amount</u> | <u>Brief Description</u> |
|---------------|---|
| (\$496,368) | Reduction in Salaries for CDBG-funded positions |
| (\$53,897) | Reduction in Salaries for HOME grant funded positions |
| (\$323,636) | Reduction in Salaries for CDBG-funded current expenses |
| (\$57,952) | Reduction in Current Expenses for HOME grant funded positions |

Department's Negative Impacts and Request:

The CD1 amendments combined with the CD2 proposal by Councilmember Martin would delete all CDBG and HOME funding appropriated to the Fiscal/CIP Administration Division, and add funding from the General Fund for salaries equal to the amount appropriated for CDBG-funded positions.

In addition to the amendments described above, there are amendments that add the same amounts of funding deleted in the CD1 amendments to the Department of Community Services (DCS), Office of Special Projects. We ask that funding for salaries and current expenses for the Federal Grants Unit be restored to the Department of Budget and Fiscal Services (BFS), Fiscal/CIP Administration division, for the following reasons:

- The U.S. Department of Housing and Urban Development (HUD) imposed a workout plan on the City as a result of its on-site monitoring of the ORI project. The HUD workout plan includes requirements for a City Post-Development Monitoring Plan including a post-development monitoring function within BFS. The City must follow this plan to stay in compliance with the workout agreement, or risk program sanctions.

- The monitoring function that is now in BFS, Federal Grants Unit was moved from the former Housing and Community Development Department (Housing Department) following an audit of the CDBG program commissioned by the City Council. The auditors found a conflict of interest in the Housing Department because the same department was both implementing and monitoring programs. The audit recommended that the administration and monitoring functions be moved outside of the department that performed the program activities. Having this segregation of functions is important given the City's history with projects such as Ewa Villages and ORI.
- BFS analyzes and plans from a City-wide perspective covering funding for all City functions and departments. DCS responsibilities are limited to developing and administering human services and related programs. CDBG monies are multi-purpose funds that can be used by the City for any eligible purpose. Therefore, the ability to analyze, prioritize and allocate funds from a City-wide perspective would be limited if the function is moved to DCS.
- The movement of CDBG and HOME funds to DCS is inconsistent with the City's 19th Year Action Plan that was approved by the City Council by adoption of Resolution 13-36, CD1, FD1 on April 17, 2013. The 19th Year Action Plan includes CDBG and HOME funding for program administration in BFS.
- The movement of CDBG salaries and current expenses from BFS to DCS is not consistent with the Charter because it is in effect a reorganization, and only the Mayor is empowered to reorganize executive agencies.

CD2, Page No.2 of Councilmember Martin's Proposed CD2 Amendments

| <u>Amount</u> | <u>Brief Description</u> |
|---------------|--|
| \$496,368 | Addition of funding for salaries using General Fund monies |

We appreciate the proposed restoration of funding for salaries for the Federal Grants Unit. However, the use of CDBG and HOME funds for administrative costs is allowed by HUD, and therefore the use of additional General Funds for administrative costs is not necessary. General Funds are needed to cover large increases in costs due to collective bargaining agreements and to provide core city services.

BUDGETARY ADMINISTRATION

Councilmember: Stanley Chang

CD1, Page No. 5

| <u>Amount</u> | <u>Brief Description</u> |
|---------------|--|
| \$(25,000) | Reduce funding in salaries for OC 1118 – Misc. Salary Adjustment |

Department's Comments & Concerns:

Budgetary Administration is a small division with a professional staff of only ten. Backfill funding is required for staff overtime and/or a contract hire to assist during the ERP system upgrade. The project will involve an intense effort during the implementation of the upgrade to ensure that the system is thoroughly tested. While it would be desirable to implement the upgrade after the close of the budget cycle and before the start of the new cycle, the timing of the upgrade will be extremely difficult to coordinate and manage because of the impact on multiple functional areas within the DHR, BFS and DIT departments. Without the backfill support, the Budgetary

Administration Division may not be able to meet its legal budgetary preparation and submission mandates without compromising the upgrade project. The consequences of inadequate testing are system reliability and reporting issues which will affect citywide financial/budgeting/human resource users of the system and will ultimately increase the cost to the City.

The backfill funding is essential for a successful system upgrade. Request that the funding not be cut from the budget.

ACCOUNTING AND FISCAL SERVICES

Councilmember: Stanley Chang
CD1, Page No. 6

| <u>Amount</u> | <u>Brief Description</u> |
|---------------|---|
| \$(175,000) | Reduce funding in salaries for OC 1118 – Misc. Salary Adjustment. |

Department's Comments & Concerns:

The ERP System is a citywide application that is used for processing, recording and reporting of financial, human resources, payroll and budgetary information. The backfill costs are necessary to ensure that essential operations, such as processing of payroll, continues to be done accurately and timely, while knowledgeable city staff plan, implement and test the new ERP software. Dedicating experienced staff to the project will allow for a timely upgrade, minimize the potential for problems with the system and ultimately lower the overall cost to the City.

All funded vacancies in the Division should be filled by June 30, 2013. Therefore, the funding for backfill positions is necessary to hire temporary contract employees or pay for overtime for certain accounting division staff.

Request that the funding not be cut.

Councilmember: Ernest Y, Martin
CD1, Page No. 6

| <u>Amount</u> | <u>Brief Description</u> |
|---------------|---|
| \$(11,280) | Reduce funding for salaries for OC 1125 – Personal Service Contract |

Department's Comments & Concerns:

These funds are needed because of the restoration of the 5% cut in pay for personal services contracts.

PURCHASING AND GENERAL SERVICES

Councilmember: Stanley Chang
CD1, Page No. 6

| <u>Amount</u> | <u>Brief Description</u> |
|---------------|--|
| \$(100,000) | Reduce funding in salaries for OC 1118 – Misc. Salary Adjustment |

Department's Comments & Concerns:

The \$100,000 for backfill positions to support the implementation of an upgrade to C2HERPS is warranted. Sufficient resources must be committed in order to ensure the successful implementation of this complex system. Our experience has shown that when we do not have

sufficient resources committed, the end product of the implementation is limited and additional in-house resources must be continuously diverted to address shortcomings.

Councilmember: Ernest Y. Martin
CD1, Page No. 7

| <u>Amount</u> | <u>Brief Description</u> |
|---------------|---|
| \$(152,388) | Reduce positions and funding for salaries |

Currently wastewater procurement is handled by two to three entry level sewer funded contract hires. These individuals are assigned to non-complex procurement actions such as finding obsolete parts for aging infrastructure and justifying and negotiating pricing from sole sources. They are unable to solicit complicated procurement because of their lack of expertise. Difficult procurement for wastewater projects is being handled by permanent Purchasing staff, who are funded with generals funds, taking valuable time away from their normal duties. Many important special projects have been deferred and review time for solicitation, contracts, and protests have been sacrificed.

The demands placed on the Purchasing Division continue to increase due to the implementation and annual revisions to the Hawaii Public Procurement Code and increased audits by the Federal Government.

Request that the funding and positions not be cut.

REAL PROPERTY

Councilmember: Ernest Y. Martin
CD1, Page No. 7

| <u>Amount</u> | <u>Description</u> |
|---------------|---|
| \$(51,540) | Reduce funding for salaries for OC 1125 – Personal Service Contract |

Department's Comments & Concerns:

This position is temporary (1 – 2 years) and will play a vital role as part of the conversion process for the cost approach. The cost approach is a valuation technique and is a statutory requirement under ROH Section 8-7.1.

Councilmember: Ann Kobayashi
CD1, Page No. 7

| <u>Amount</u> | <u>Description</u> |
|---------------|---|
| \$(24,500) | Reduce funding for current expenses OC 2401 – Educational, Recreational and Scientific Supplies |

Department's Comments & Concerns

Expenses are regularly incurred by RPAD for education of staff. We require incoming trainees and current staff to successfully complete a curriculum which consists of courses and exams to demonstrate understanding and proficiency in real estate valuation.

Continuing education of staff is also a "best practices" policy highly recommended by the International Association of Assessment Officers and a practice that we assured City Auditors that we were performing. Qualification of Staff assures credibility in Tax Appeal Court and at Board of Review hearings.

The cost to educate each trainee is approximately \$2,400 over a 2 year period, which includes course instruction, training materials, certified testing and study guides.

The cost of continuing education for each employee is approximately \$650 to \$750 per year which includes workshop/class instruction, materials, and workshop-related charges.

Councilmember: Ann Kobayashi
CD1, Page No. 7

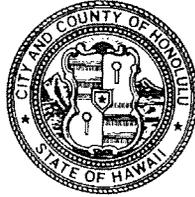
| <u>Amount</u> | <u>Description</u> |
|---------------|---|
| \$(80,726) | Reduce funding for current expenses for OC 3004 – Consultant Services |

Department's Comments & Concerns

Consultant services are required for cost system conversion mandated by Ordinance under 8-7.1 requiring that the "fair market value of all taxable real property be determined and annually assessed by the market and cost approaches to value using appropriate and systematic methods suitable for mass valuation of real property for taxation purposes".

DEPARTMENT OF COMMUNITY SERVICES
CITY AND COUNTY OF HONOLULU

715 SOUTH KING STREET, SUITE 311 • HONOLULU, HAWAII 96813 • AREA CODE 808 • PHONE: 768-7762 • FAX: 768-7792



KIRK CALDWELL
MAYOR

PAMELA A. WITTY-OAKLAND
DIRECTOR

GARY K. NAKATA
DEPUTY DIRECTOR

May 3, 2013

TO: Ember Lee Shinn, Managing Director

VIA: Darryl Chai, Operating Budget Chief
Department of Budget and Fiscal Services

FROM: Pamela A. Witty-Oakland, Director
Department of Community Services

SUBJECT: Critical FY 2014 Operating Budget CD-1 and Proposed CD-2
Amendments

Attached are critical amendments from the FY 2014 Operating Budget CD-1 and the proposed CD-2 that result in severe negative impacts to our operations.

OFFICE OF SPECIAL PROJECTS

Councilmember: Kymberly Marcos Pine

CD-2 Page No. 2

Amount

\$1,500,000 (GN)

Brief Description

Increase in funding for current expenses for Leeward Coast Community Benefits Program

Department's Negative Impacts and Request:

The proposed support for community need is more appropriately funded through the Grants-in-Aid Fund which was recently approved by City Council.

Councilmember: Ernest Y. Martin

CD-2 Page No. 6

Amount

\$2,500,000 (GN)

Brief Description

Increase in funding for current expenses

Department's Negative Impacts and Request:

The proposed support for community need is more appropriately funded through the Grants-in-Aid Fund which was recently approved by City Council.

Councilmember: Carol Fukunaga

CD-2 Page No. 1

Amount

\$660,000 (GN)

Brief Description

Increase in funding for current expenses

Department's Negative Impacts and Request:

The proposed support for community need is more appropriately funded through the Grants-in-Aid Fund which was recently approved by City Council.

Councilmember: Joey Manahan

CD-2 Page No. 1

Amount

\$660,000 (GN)

Brief Description

Increase in funding for current expenses

Department's Negative Impacts and Request:

The proposed support for community need is more appropriately funded through the Grants-in-Aid Fund which was recently approved by City Council.

Councilmember: Ron Menor

CD-2 Page No. 1

| <u>Amount</u> | <u>Brief Description</u> |
|---------------|---|
| \$50,000 (GN) | Add funding for current expense for the Weed and Seed Program |

Department's Negative Impacts and Request:

The proposed support for community need is more appropriately funded through the Grants-in-Aid Fund which was recently approved by City Council.

WORKHAWAII

Councilmember: Ernest Y. Martin

CD-2 Page No. 14

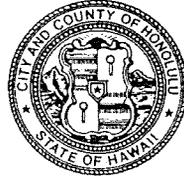
| <u>Amount</u> | <u>Brief Description</u> |
|--------------------|--|
| \$100,000 Addition | "A minimum of \$100,000 shall be appropriated to provide the required case management support of the Rent-to-Work program in order to meet the HOME program requirements." |

Department's Negative Impacts and Request:

The Division would like to purpose a revised description to read: "A minimum of \$100,000 shall be appropriated to provide the required case management support of the Rent-to-Work program in order to meet the HOME program requirements and to provide matching requirements for other federal and state grants in the division."

DEPARTMENT OF DESIGN AND CONSTRUCTION
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 11TH FLOOR
HONOLULU, HAWAII 96813
Phone: (808) 768-8480 • Fax: (808) 768-4567
Web site: www.honolulu.gov



KIRK CALDWELL
MAYOR

CHRIS T. TAKASHIGE, P.E., CCM
DIRECTOR

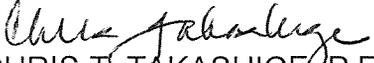
MARK YONAMINE, P.E.
DEPUTY DIRECTOR

May 2, 2013

MEMORANDUM

TO: EMBER LEE SHINN, MANAGING DIRECTOR

VIA: DARRYL CHAI, DEPARTMENT OF BUDGET & FISCAL SERVICES

FROM: 
CHRIS T. TAKASHIGE, P.E., CCM, DIRECTOR
DEPARTMENT OF DESIGN AND CONSTRUCTION

SUBJECT: CRITICAL FY 2014 OPERATING BUDGET CD-1 AND
PROPOSED CD-2 AMENDMENTS

Attached are critical amendments from the Fiscal Year 2014 Operating Budget CD-1 and the proposed CD-2 that result in severe negative impacts to our operations.

Attachment

CRITICAL FY 2014 OPERATING BUDGET CD-1 AND
PROPOSED CD-2 AMENDMENTS

PROJECT AND CONSTRUCTION MANAGEMENT

Councilmember: Ernest Y. Martin

CD-1 Page No. 15

| <u>Amount</u> | <u>Brief Description</u> |
|-----------------|--|
| \$(28,481) CD-1 | Reduce funding for salaries and positions from the Sewer Fund. |

Department's Negative Impacts and Request:

Full restoration of funds is requested:

The requested action is to fund and authorize new positions in the Construction Management Field Engineering Section, as part of the implementation of Wastewater Division's (WD) reorganization. The salary amount \$28,481, is 10% of the total cost of five full-time positions. This division is about to embark on three of the largest wastewater projects in the history of the City and County of Honolulu, expansion of the Sand Island and Honouliuli Treatment Plants, and the construction of the Kaneohe-Kailua tunnel. These projects are part of the growing wastewater program that are mandated by the federally mandated EPA consent decree, which would be negatively impacted should the positions not be funded.

Councilmember: Ernest Y. Martin

CD-1 Page No. 15

| <u>Amount</u> | <u>Brief Description</u> |
|-----------------|---|
| \$(45,312) CD-1 | Reduce funding for salaries for OC 1118 Misc Salary Adjustment from the Sewer Fund. |
| \$40,781 CD-2 | Restore funding for salaries |

Department's Negative Impacts and Request:

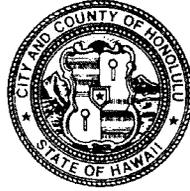
Restoration of the balance of \$4,531 of salary funds is requested. This amount represents the 10% contribution budgeted in the operating budget to fund these new positions.

The request provides funding for the salary differential associated with the full cost of the new positions being requested within the WD. Consistent with City Debt and Financial Policies, the total salary funding for the Wastewater Division consists of a 10% contribution from the operating budget and a 90% contribution from the cash CIP. The reduction in operating funds will result in the inability to utilize the 90% matching cash CIP funds. The loss of the proposed funds will result in insufficient personnel in the division to manage projects federally mandated by the EPA consent decree.

DEPARTMENT OF ENVIRONMENTAL SERVICES
CITY AND COUNTY OF HONOLULU

1000 ULUOHIA STREET, SUITE 308, KAPOLEI, HAWAII 96707
TELEPHONE: (808) 768-3486 • FAX: (808) 768-3487 • WEBSITE: <http://envhonolulu.org>

KIRK CALDWELL
MAYOR



LORI M.K. KAHIKINA, P.E.
DIRECTOR

TIMOTHY A. HOUGHTON
DEPUTY DIRECTOR

ROSS S. TANIMOTO, P.E.
DEPUTY DIRECTOR

IN REPLY REFER TO:
WAS 13-78

May 4, 2013

TO: Managing Director

VIA: BFS – Darryl Chai

FROM: 
Lori M.K. Kahikina, P.E., Director
Department of Environmental Services

SUBJECT: Critical FY2014 Operating Budget CD-1 and Proposed CD-2 Amendments

Attached are critical amendments from the FY 2014 Operating Budget CD-1 and the proposed CD-2 that result in severe negative impacts to our operations.

Attachment

Refuse Collection and Disposal

Councilmember: Ann Kobayashi

CD-2 Page No. 15

Summary of Revisions:

| <u>Amount</u> | <u>Fund Code</u> | <u>Brief Description</u> |
|---------------|------------------|--|
| \$7,100,000 | | Restored |
| (\$6,535,000) | WF-RC | Reduce funding for current expense – OC 3039 Recycling |

Proviso: \$9.5M min out of current expenses shall be expended for Green Waste Food Waste and Sewage Sludge in-vessel (GW/FW/SS).

Department's Negative Impacts and Request: This proviso should not be included. This proviso would restrict all expenditures in this object code to one specific processing contract, providing no funds to support other materials recycling contracts, including the current green waste contract, curbside mixed recyclables, tire recycling, battery recycling, propane tank recycling, and white goods recycling. The identified processing contract will not be in operation in FY14, thus no payments could be made to that vendor for services. The GW/FW/SS processing facility would not be in operation until mid-FY15.

Original funding, as itemized below for each material recycling contract, must be retained in order for ENV to continue these recycling programs. Funding related to GW/FW/SS processing contract is contained within the Green Waste Recycling item below.

Curbside Mixed Recyclables Processing (30k tons @ \$55/ton) = \$1,650,000
Green Waste Recycling (65k tons @ \$70/ton; 15k tons @ \$125/ton) = \$6,425,000
City Office Paper Recycling (20 City facilities; prices per contract) = \$30,000
White Goods Recycling (30k refrig units @ \$11/ea; 30k non-refrig units @ \$0/ea) = \$330,000

Battery Recycling (25k units @ \$2.50/unit) = \$65,000
Propane Tank Recycling (7,500 units @ \$15/unit) = \$115,000
Tire Recycling (80k units @ \$4/unit) = \$320,000
TOTAL = \$8,935,000

Managing Director
May 4, 2013
Page 3

Councilmember: Ann Kobayashi
CD-1 Page No. 23
Summary of Revisions:

| <u>Amount</u> | <u>Fund Code</u> | <u>Brief Description</u> |
|---------------|------------------|---|
| (\$2,000,000) | WF-RC | Reduce funding for current expenses – OC 2759 Parts/Access/Equip (Other) |

Department's Negative Impacts and Request: Funding of \$1,000,000 should be retained. Without this funding, the City will not be able to move forward with expanding curbside recycling to approximately 20,000 homes in manual service areas on Oahu. The expansion is beginning with a pilot project on the North Shore of Oahu to determine the best type of system to use for collecting recyclables. \$1,000,000 will support expansion to all remaining manual routes.

Councilmember: Ann Kobayashi
CD-1 Page No. 23
Summary of Revisions:

| <u>Amount</u> | <u>Fund Code</u> | <u>Brief Description/Activity</u> |
|---------------|------------------|--|
| (\$195,000) | WF-RC | Reduce funding for current expenses – OC 3006 Other Professional Services |

Department's Negative Impacts and Request: Funding should be retained. Public education is essential to the success of the City's recycling programs, directly affecting participation and recovery rates, thus diverting waste from landfill. Additionally, increased participation and recovery results in increased revenue to the City generated from the value of the curbside collected mixed recyclables. This funding supports numerous City-consultant collaboration projects to develop and deliver public and school education programs, and to support the production of recycling educational material, including graphic design work, videographers, writers, artists, as well as to support City-sponsored recycling education school shows.

Managing Director
May 4, 2013
Page 4

Councilmember: Ann Kobayashi
CD-1 Page No. 23
Summary of Revisions:

| <u>Amount</u> | <u>Fund Code</u> | <u>Brief Description/Activity</u> |
|---------------|------------------|--|
| (\$100,000) | WF-RC | Reduce funding for current expenses – OC 3049 Other Services Not Classified |

Department's Negative Impacts and Request: Funding should be retained. The Glass Fund is a special fund using State funds for glass recycling programs. Funds are budgeted to comply with State Department of Health contract for the distribution of funds.

Councilmember: Ann Kobayashi
CD-1 Page No. 23
Summary of Revisions:

| <u>Amount</u> | <u>Fund Code</u> | <u>Brief Description/Activity</u> |
|---------------|------------------|---|
| (\$75,000) | WF-RC | Reduce funding for current expense – OC 3262 Printing and Binding |

Department's Negative Impacts and Request: Funding should be retained. Without this funding, the City will not be able to produce educational materials for both the residential and business sectors, and the schools, including but not limited to instructional brochures, student activity books, design guides, curbside recycling notices, compliance forms, newspaper inserts, etc., all to support ongoing and expansions of recycling programs.

Councilmember: Ernest Y. Martin
CD-1 Page No. 24
Summary of Revisions:

| <u>Amount</u> | <u>Fund Code</u> | <u>Brief Description/Activity</u> |
|---------------|------------------|--|
| (\$200,000) | WF-GN | Reduce funding for current expense – OC 3004 Consultant Services |

Managing Director
May 4, 2013
Page 5

Department's Negative Impacts and Request: Funding should be retained. Without this funding, the division will not have the required professional engineering expertise needed for NPDES testing and permitting, Air Compliance testing and permitting, structural analysis and reviews of facilities, engineering dispute resolution support, etc. This will leave the division exposed to possible fines due to permit violations and will hinder the division's ability to quickly respond to situations where engineering expertise is need such as in the analysis of buildings or structures inadvertently damaged by equipment.

| <u>Amount</u> | <u>Fund Code</u> | <u>Brief Description/Activity</u> |
|---------------|------------------|--|
| (\$50,000) | WF-RC | Reduce funding for current expense - OC 3252 Adver & Publication |

Department's Negative Impacts and Request: Funding should be retained. Funding supports multi-media communications and public education for numerous City recycling initiatives, with emphasis on curbside recycling. Includes production and air time for The Green Channel.

Councilmember: Ernest Y. Martin
CD-1 Page No. 24
Summary of Revisions:

| <u>Amount</u> | <u>Fund Code</u> | <u>Brief Description/Activity</u> |
|---------------|------------------|--|
| \$100,000 | WF-GN | Increase funding for current expense – Proviso to initiate a 3-Year pilot project to reduce municipal solid waste disposal at Landfill |

Department's Comments & Concerns: Additional funding is not required. Reduction of municipal solid waste disposal at the Landfill is being addressed through the H-POWER expansion and expanded recycling.

Administration

Councilmember: Ann Kobayashi
CD-1 Page No. 25
Summary of Revisions:

Managing Director
May 4, 2013
Page 6

| <u>Amount</u> | <u>Fund Code</u> | <u>Brief Description/Activity</u> |
|---------------|------------------|--|
| (\$303,000) | SW | Reduce funding for current expense – OC 3004 Consultant Services, Technical Services |

Department's Negative Impacts and Request: Funding in the amount of \$200,000 should be retained to provide for technical services related to wastewater permit and/or legal issues.

Collection System Maintenance

Councilmember: Ann Kobayashi

CD-1 Page No. 26

Summary of Revisions:

| <u>Amount</u> | <u>Fund Code</u> | <u>Brief Description/Activity</u> |
|---------------|------------------|---|
| (\$98,000) | SW | Reduce funding for current expense – OC 2605 Plumbing |

Department's Negative Impacts and Request: Funding should be retained. Funds are necessary to support maintenance of the wastewater collection system and pumping stations to prevent spills and to maintain compliance with the 2010 Consent Decree.

Councilmember: Ann Kobayashi

CD-1 Page No. 26

Summary of Revisions:

| <u>Amount</u> | <u>Fund Code</u> | <u>Brief Description/Activity</u> |
|---------------|------------------|--|
| (\$10,000) | SW | Reduce funding for current expense – OC 2651 Aggregate |

Department's Negative Impacts and Request: Funding should be retained. Funds are necessary to support maintenance of the wastewater collection system and pumping stations to prevent spills and to maintain compliance with the 2010 Consent Decree.

Councilmember: Ann Kobayashi

CD-1 Page No. 26

Summary of Revisions:

Managing Director
May 4, 2013
Page 7

| <u>Amount</u> | <u>Fund Code</u> | <u>Brief Description/Activity</u> |
|---------------|------------------|---|
| (\$25,000) | SW | Reduce funding for current expense – OC 2653 Concrete |

Department's Negative Impacts and Request: Funding should be retained. Funds are necessary to support maintenance of the wastewater collection system and pumping stations to prevent spills and to maintain compliance with the 2010 Consent Decree.

Councilmember: Ann Kobayashi
CD-1 Page No. 26
Summary of Revisions:

| <u>Amount</u> | <u>Fund Code</u> | <u>Brief Description/Activity</u> |
|---------------|------------------|--|
| (\$80,000) | SW | Reduce funding for current expense – OC 2752 Parts & Accessories - Equipment |

Department's Negative Impacts and Request: Funding should be retained. Funds are necessary to support maintenance of the wastewater collection system and pumping stations to prevent spills and to maintain compliance with the 2010 Consent Decree.

Wastewater Treatment and Disposal

Councilmember: Ernest Y. Martin
CD-1 Page No. 27
Summary of Revisions:

| <u>Amount</u> | <u>Fund Code</u> | <u>Brief Description/Activity</u> |
|---------------|------------------|--|
| (\$35,400) | SW | Reduce funding for current expense - OC 3212 Travel Expense - Out of State |

Department's Negative Impacts and Request: Without this funding, staff will not have the required training and knowledge to keep up with current and new technology. Our operators are required to attain continuing educational units for certification. Some of this training is not available in Hawaii.

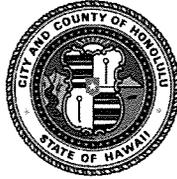
Funding in the amount of \$24,900 should be retained for the following:

Managing Director
May 4, 2013
Page 8

1. The WEF conference is needed for the purpose of educating our staff on the latest technology available for treatment processes. This will help us to evaluate the technical studies and memos recommending future upgrades to our treatment facilities.
2. Attending the Association of Boards of Certification (ABC) conference is needed to implement our programs effectively. Improvements will include additional training programs for treatment plant operators and implementation of a collection systems certification program.

OFFICE OF THE MAYOR
CITY AND COUNTY OF HONOLULU

530 SOUTH KING STREET, ROOM 300 * HONOLULU, HAWAII 96813
PHONE: (808) 768-4141 * FAX: (808) 768-4242 * INTERNET: www.honolulu.gov



KIRK CALDWELL
MAYOR

EMBER LEE SHINN
MANAGING DIRECTOR

GEORGETTE T. DEEMER
DEPUTY MANAGING DIRECTOR

May 3, 2013

TO: BFS – Darryl Chai
FROM: Ember Lee Shinn, Managing Director 
SUBJECT: Critical FY 2014 Operating Budget CD-1 and Proposed CD-2
Amendments

MAYOR-ADMINISTRATION

Councilmember: Ernest Martin
CD-1 Page No. 1

| <u>Amount</u> | <u>Brief Description</u> |
|---------------|--|
| (\$97,623) | Reduce funding for salaries for OC1101 - Regular Pay |

Department's Negative Impacts and Request:

This item was not restored in CD2. The proposed cut to salaries is an additional reduction to Councilmember Anderson's reduction for the vacant Chief of Staff position and will negatively impact the existing staff of five (5) positions in the Mayor's Office that will result in warm body cuts.

Councilmember: Ann Kobayashi
CD-1 Page No. 1

| <u>Amount</u> | <u>Brief Description</u> |
|---------------|--|
| (\$17,903) | Reduce funding for current expenses OC 3212 - Travel Expenses – Out-of-State |

Department’s Negative Impacts and Request:

This item was not restored in CD2. The Mayor needs to have the ability to travel to the U.S. Conference of Mayors and to other conferences or events to represent the City & County as required by his position. A reduction of 77% from \$23,000 to \$5,097 is not sufficient to provide the Mayor with the flexibility he may need for necessary travel. Since this cut is based upon the previous Administration’s use of the travel funds, it is not justified to penalize this Administration for their past choices.

CITY MANAGEMENT

Councilmember: Ernest Martin
CD-1 Page No. 1

| <u>Amount</u> | <u>Brief Description</u> |
|---------------|---|
| (\$20,535) | Reduce funding for salaries for OC 1101 - Regular Pay |

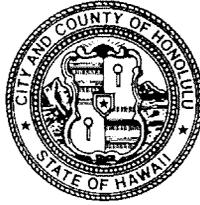
Department’s Negative Impacts and Request:

This item was not restored in CD2. The proposed cut to salaries is an additional reduction to Councilmember Anderson’s reduction for the vacant funded positions and will negatively impact the existing staff in the Managing Director’s Office that will result in a warm body cut.

DEPARTMENT OF PARKS & RECREATION
CITY AND COUNTY OF HONOLULU

1000 Uluohia Street, Suite 309, Kapolei, Hawaii 96707
Phone: (808) 768-3003 • Fax: (808) 768-3053
Website: www.honolulu.gov

KIRK CALDWELL
MAYOR



TONI P. ROBINSON
DIRECTOR

JEANNE C. ISHIKAWA
DEPUTY DIRECTOR

May, 3, 2013

TO: Ember Lee Shinn, Managing Director
Office of the Mayor

VIA: Darryl Chai
Department of Budget and Fiscal Services

FROM: Toni P. Robinson, Director
Department of Parks and Recreation

A handwritten signature in cursive script that reads "Toni P. Robinson".

SUBJECT: Critical FY 2014 Operating Budget CD-1 and Proposed CD-2
Amendments

Attached are critical amendments from the FY 2014 Operating Budget CD-1 and the proposed CD-2 that result in severe negative impacts to our operations.

Critical FY 2014 Operating Budget CD-1 and Proposed CD-2 Amendments

RECREATION SERVICES

Councilmember: Ernest Y. Martin

CD-1 Page No. 16

Amount

\$(80,000)

Brief Description

Reduce funding for current expense for OC 3303 – Gas – Reduce funding for torch lighting in Waikiki. The City should consider seeking the participation of area hotels to fund program.

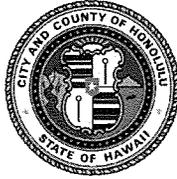
Department's Negative Impacts and Request:

We request restoration of these funds. This reduction will affect the four nights per week Waikiki torch lighting ceremonies at Kuhio Beach. The City currently partners with the Waikiki Improvement Association, the Hawaii Tourism Authority (contributes \$150,000) and the Hyatt Regency Waikiki (contributes \$20,000) for the torch lighting ceremonies. Additionally, in 2010, the City entered into a 60-month agreement with Hawaii Gas (formerly the Gas Company) for the operation of the Kuhio Beach hula and torch lighting show. Termination of the Agreement, prior to the end of the 60-month period may result in a penalty.

DEPARTMENT OF TRANSPORTATION SERVICES
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 3RD FLOOR
HONOLULU, HAWAII 96813
Phone: (808) 768-8305 • Fax: (808) 768-4730 • Internet: www.honolulu.gov

KIRK CALDWELL
MAYOR



MICHAEL D. FORMBY
DIRECTOR
MARK N. GARRITY, AICP
DEPUTY DIRECTOR

May 3, 2013

TO: Ember Lee Shinn
Managing Director

VIA: Darryl Chai
Department of Budget and Fiscal Services

FROM: Michael D. Formby, Director 
Department of Transportation Services

SUBJECT: Critical FY 2014 Operating Budget CD-1 and Proposed CD-2
Amendments

Attached are critical amendments from the FY 2014 Operating Budget CD-1 and the proposed CD-2 that result in severe negative impacts to our operations.

Attachments

Critical FY 2014 Operating Budget CD-1 and Proposed CD-2 Amendments

PUBLIC TRANSIT (PTD)

Councilmember: Ann Kobayashi

CD-1 Page No. 40

| <u>Amount</u> | <u>Brief Description</u> |
|----------------|--|
| (\$468,850) BT | Reduction in Object Code 2030-Materials and Supplies for OTS |

Department's Negative Impacts and Request:

DTS respectfully requests the restoration of funds for Materials and Supplies. For FY 14, this account does not include funds for unleaded gas. Unleaded gas is budgeted separately in Object Code 2453 – Unleaded Gas, and is therefore not double counted in Object Code 2030.

Items in this category include engine oil, transmission fluid, brake fluid, batteries, bus wash soap, tires and other supplies needed to run the buses. A large reduction in this account will impact our ability to run our bus system.

PUBLIC TRANSIT (PTD)

Councilmember: Ann Kobayashi

CD-1 Page No. 40

| <u>Amount</u> | <u>Brief Description</u> |
|---------------|-------------------------------------|
| (\$6,000) BT | Reduction in Object Code 3305-Sewer |

Department's Negative Impacts and Request:

DTS respectfully requests the restoration of funds. An additional \$6,000 was budgeted for the addition of the Alapai and Wahiawa Transit Centers at \$500 per month. Reduction in this account will impact our ability to pay for sewer services at these transit centers.

PUBLIC TRANSIT (PTD)

Councilmember: Ron Menor

CD-2 Page No. 2

| <u>Amount</u> | <u>Brief Description</u> |
|----------------|---|
| \$1,064,237 BT | Addition to restore Country Express Route E |

Department's Negative Impacts and Request:

DTS supports efforts to prudently restore Routes that do not put us below the fare box return ratio set at between 27 and 33%. This addition would put us at 27.36% based on projected operating costs and revenues. However, this request does not comport with the Mayor's FY 2014 budget priorities.

TRAFFIC ENGINEERING (TE)

Councilmember: Ann Kobayashi

CD-1 Page No. 12

Amount Brief Description

\$80,000 BK Addition in Object Code 3049-Other Services Not Classified

Department's Negative Impacts and Request:

DTS supports an adult bike education program. However, this request does not comport with the Mayor's FY 2014 budget priorities.