

REPORT OF THE COMMITTEE ON BUDGET

Voting Members:

Ann H. Kobayashi, Chair; Joey Manahan, Vice Chair;
Carol Fukunaga, Trevor Ozawa, Kymberly Marcos Pine

Committee Meeting Held
April 5, 2016

Honorable Ernest Y. Martin
Chair, City Council
City and County of Honolulu

Mr. Chair:

Your Committee on Budget, which considered Bill 18 (2016) entitled:

"A BILL FOR AN ORDINANCE RELATING TO THE HONOLULU AUTHORITY
FOR RAPID TRANSPORTATION OPERATING BUDGET FOR THE FISCAL
YEAR JULY 1, 2016 TO JUNE 30, 2017,"

transmitted by Communication D-73, dated February 8, 2016, from the Honolulu
Authority for Rapid Transportation, which passed first reading at the March 16, 2016,
Council meeting, reports as follows

The purpose of the Bill is to appropriate \$270,880,800 less an interfund transfer
of \$251,570,800 for a net total of \$19,310,000 for the Honolulu Authority for Rapid
Transportation (HART) Operating Budget for Fiscal Year July 1, 2016 to June 30, 2017.

HART's Executive Director and CEO, Chief Financial Officer, Deputy Director,
Design and Construction Director, and Chairman of the HART Board of Directors,
provided comments and responded to members' questions and concerns.

Your Committee received testimony from one individual offering comments and
no written testimony on the Bill.

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON APR 20 2016

COMMITTEE REPORT NO. 116

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Page 2

Your Committee amended the Bill based on the Committee Chair's recommendations after discussion and deliberation on proposed amendments.

The proposed CD1 makes the following amendments:

- A. Appropriates \$16,224,867 for the Honolulu Authority for Rapid Transportation Operating Budget for Fiscal Year 2017.
- B. Makes various substantive changes which are noted in the Amendment List contained within the Bill.
- C. Makes various technical and non-substantive amendments.

Your Committee on Budget is in accord with the intent and purpose of Bill 18 (2016), as amended herein, and recommends that it pass second reading, be scheduled for public hearing, and be referred back to the Committee on Budget in the form attached hereto as Bill 18 (2016), CD1. (Ayes: Kobayashi, Fukunaga, Manahan, Ozawa, Pine – 5; Noes: None.)

Respectfully submitted,



Committee Chair

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ADOPTED ON APR 20 2016

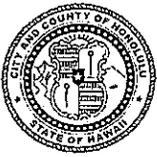
COMMITTEE REPORT NO. 116

SUMMARY OF PROPOSED COMMITTEE DRAFT:

**Bill 18 (2016)
RELATING TO THE HONOLULU AUTHORITY FOR RAPID
TRANSPORTATION OPERATING BUDGET FOR THE FISCAL YEAR
JULY 1, 2016 TO JUNE 30, 2017.**

PROPOSED CD1 makes the following amendments:

- A. Appropriates \$16,224,867 for the Honolulu Authority for Rapid Transportation Operating Budget for Fiscal Year 2017.
- B. Makes various substantive changes which are noted in the Amendment List contained within the Bill.
- C. Makes various technical and non-substantive amendments.



A BILL FOR AN ORDINANCE

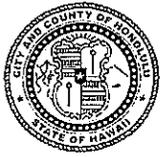
RELATING TO THE HONOLULU AUTHORITY FOR RAPID TRANSPORTATION OPERATING BUDGET FOR THE FISCAL YEAR JULY 1, 2016 TO JUNE 30, 2017.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. The revenues from the following sources estimated for the fiscal year July 1, 2016 to June 30, 2017 are hereby provided and appropriated for the purposes set forth in Sections 2 through 3:

OPERATING FUNDS

<u>FUND CODE</u>	<u>SOURCE OF FUNDS</u>	<u>AMOUNT</u>	<u>LESS INTERFUND TRANSFER</u>	<u>NET AMOUNT</u>
GN	General Fund	\$239,500,000	\$239,500,000	\$0
TR	Transit Fund	28,295,667	12,070,800	16,224,867
TOTAL		\$267,795,667	\$251,570,800	\$16,224,867



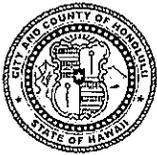
A BILL FOR AN ORDINANCE

SECTION 2. The monies described in Section 1 for the fiscal year July 1, 2016 to June 30, 2017 are appropriated as indicated to the following activities in the UTILITIES OR OTHER ENTERPRISES function.

FUNCTIONS, PROGRAMS & ACTIVITIES	NUMBER OF POSITIONS (F.T.E.)	SALARIES	CURRENT EXPENSES	EQUIPMENT	TOTAL ALL FUNDS	SOURCE OF FUNDS
UTILITIES OR OTHER ENTERPRISES						
MASS TRANSIT: Honolulu Authority for Rapid Transportation						
Rapid Transit	139.00	\$8,593,800	\$2,862,467	\$6,000	\$11,462,267	\$11,462,267 TR
TOTAL UTILITIES OR OTHER ENTERPRISES	139.00	\$8,593,800	\$2,862,467	\$6,000	\$11,462,267	\$11,462,267

**UTILITIES OR OTHER ENTERPRISES
SOURCE OF FUNDS**

GN General Fund	\$0
TR Transit Fund	11,462,267
TOTAL UTILITIES OR OTHER ENTERPRISES	\$11,462,267



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ORDINANCE _____

BILL 18 (2016), CD1

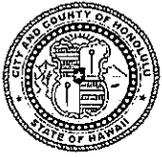
A BILL FOR AN ORDINANCE

SECTION 3. The monies described in Section 1 for the fiscal year July 1, 2016 to June 30, 2017 are appropriated as indicated to the following activities in the MISCELLANEOUS function.

FUNCTIONS, PROGRAMS & ACTIVITIES	NUMBER OF POSITIONS (F.T.E.)	SALARIES	CURRENT EXPENSES	EQUIPMENT	TOTAL ALL FUNDS	SOURCE OF FUNDS
MISCELLANEOUS						
RETIREMENT AND PENSION CONTRIBUTIONS:						
Retirement System Contributions --Employer's Share for HART	0.00	\$0	\$1,506,400	\$0	\$1,506,400	\$1,506,400 TR
FICA Tax--Employer's Share for HART	0.00	0	743,500	0	743,500	743,500 TR
Hawaii Employer-Union Health Benefits Trust Fund for HART	0.00	0	1,953,400	0	1,953,400	1,953,400 TR
OTHER MISCELLANEOUS:						
Workers' Compensation for HART	0.00	0	256,600	0	256,600	256,600 TR
Unemployment Compensation for HART	0.00	0	10,700	0	10,700	10,700 TR
Provision for Other Post-Employment Benefits for HART	0.00	0	292,000	0	292,000	292,000 TR
TRANSFERS TO OTHER FUNDS:						
Transfer to General Fund for Central Administrative Services Expenses	0.00	0	1,018,100	0	1,018,100	1,018,100 TR
Transfer to General Fund for Services Provided to Honolulu Authority for Rapid Transportation	0.00	0	1,052,700	0	1,052,700	1,052,700 TR
Transfer to General Fund for Debt Service	0.00	0	10,000,000	0	10,000,000	10,000,000 TR
Transfer to Transit Fund	0.00	0	239,500,000	0	239,500,000	239,500,000 GN
TOTAL MISCELLANEOUS	0.00	\$0	\$256,333,400	\$0	\$256,333,400	\$256,333,400

MISCELLANEOUS SOURCE OF FUNDS

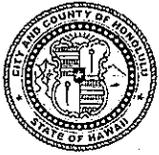
GN General Fund	\$239,500,000
TR Transit Fund	16,833,400
TOTAL MISCELLANEOUS	\$256,333,400



A BILL FOR AN ORDINANCE

SECTION 4. The sums appropriated above are totalled as follows:

<u>FUND CODE</u>	<u>GROSS APPROPRIATIONS BY SOURCE OF FUNDS</u>	<u>AGENCY</u>	<u>MISCELLANEOUS</u>	<u>TOTAL</u>
GN	General Fund	\$0	\$239,500,000	\$239,500,000
TR	Transit Fund	11,462,267	16,833,400	28,295,667
	TOTAL	11,462,267	\$256,333,400	\$267,795,667
<u>FUNCTION</u>		<u>TOTAL</u>	<u>INTERFUND TRANSFER</u>	<u>NET TOTAL</u>
	Utilities or Other Enterprises	\$11,462,267	\$0	\$11,462,267
	Miscellaneous	256,333,400	251,570,800	4,762,600
	TOTAL	\$267,795,667	\$251,570,800	\$16,224,867



A BILL FOR AN ORDINANCE

SECTION 5. General Provisos.

(a) As used in this Ordinance:

"Authority" means the Honolulu Authority for Rapid Transportation.

"Council" means the Council of the City and County of Honolulu.

"Government" means the federal government, the State government, the government of any other state, any political subdivision of any state, or any quasi-governmental entity.

"ROH" means the Revised Ordinances of Honolulu 1990, as amended.

(b) Limited purpose monies. The Authority may receive monies whose use is specified or otherwise limited by the monies' source from: (1) any governmental or quasi-governmental agency (2) any private source including monetary gifts whose use is specified by the donor or (3) any combination thereof. When such monies are received, the Authority shall maintain special funds or accounts showing the monies so received and specifying the purposes for which they have been received and held.

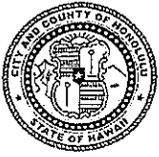
All such monies specified in Sections 2 and 3 of this ordinance are appropriated in the amounts and for the purposes set forth, and all expenditures shall be made as provided by law. All other such monies not specified in Sections 2 and 3 of this ordinance and which are limited purpose monies are hereby appropriated and may be expended by the Authority for their permitted limited purposes.

(c) At the close of each quarter, the Authority shall submit to the Council a Statement of Cash Balances by Fund showing for each quarter for each individual fund the cash balance at the start of the accounting period and the cash balance at the end of the period.

(d) No transfer of funds shall be made from any activity unless such transfer complies with the requirements set forth in ROH Section 2-17.2(c).

(e) If any portion of this ordinance or the application thereof to any person or circumstance is held to be invalid for any reason, the Council hereby declares that the remainder of this ordinance and all other provisions thereof shall not be affected thereby. If any portion of a specific appropriation is held to be invalid for any reason, the remaining portion shall be independent of the invalid portion and such remaining portion shall be expended to fulfill the objectives of such appropriation to the extent possible.

(f) No monies shall be expended by the Authority for any purpose from the transit fund or transit improvement bond fund, unless such monies are first appropriated by the Council.



A BILL FOR AN ORDINANCE

SECTION 6. The detailed Statement of Revenues and Surplus contained in the Executive Operating Program for the Fiscal Year July 1, 2016 to June 30, 2017, as transmitted to the Council in the Executive Program and Budget for the Fiscal Year 2017, Volume 1 (Operating Program and Budget), and as amended in any Executive Operating Program amendments, is hereby incorporated by reference and adopted as an integral part of this ordinance. The detailed Statement of Revenues and Surplus contained therein may be further amended regarding any applicable fund by an amendment to the Executive Operating Budget ordinance, Executive Capital Budget ordinance, Legislative Budget ordinance, Honolulu Authority for Rapid Transportation Operating Budget ordinance, or Honolulu Authority for Rapid Transportation Capital Budget ordinance. In case of any conflict between the substantive provisions of the Executive Operating Program as transmitted and this ordinance or the above budget amendments, the provisions of this ordinance and any of the above budget amendment shall prevail.

SECTION 7. Should monies received from the State of Hawaii for collection of the county surcharge on state general excise and use tax exceed the amounts specified hereinbefore in Sections 1 and 3, the excess is hereby appropriated to the general fund and shall be transferred from the general fund to the transit fund. Within 14 days of the transfer, the Director of Budget and Fiscal Services shall report to the Council on the excess amount(s) appropriated and transferred to the transit fund.

SECTION 8. The amendments to the Operating Budget ordinance for the Honolulu Authority for Rapid Transportation, as may be attached hereto, are hereby incorporated by reference and adopted as an integral part of this ordinance.



A BILL FOR AN ORDINANCE

SECTION 9. This ordinance takes effect on July 1, 2016.

INTRODUCED BY:

Ernest Martin (BR)

DATE OF INTRODUCTION

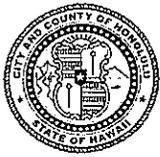
March 3, 2016
Honolulu, Hawaii

APPROVED AS TO FORM AND LEGALITY

Deputy Corporation Counsel

APPROVED this ____ day of _____, 2016

KIRK CALDWELL, Mayor
City and County of Honolulu



A BILL FOR AN ORDINANCE

AMENDMENTS TO THE HONOLULU AUTHORITY FOR RAPID TRANSPORTATION OPERATING BUDGET
CD1 Amendments = Plain Text

<u>FUNCTION/PROGRAM/ AGENCY/ACTIVITY</u>	<u>AMENDMENT</u>	<u>POS.</u>	<u>AMOUNT</u>
UTILITIES OR OTHER ENTERPRISES			
MASS TRANSIT			
Honolulu Authority for Rapid Transportation			
Rapid Transit	Reduce funding for salaries for OC 1101 - Regular Pay		(\$400,000) S TR
Rapid Transit	Reduce funding for salaries for OC 1101 - Regular Pay		(\$500,000) S TR
Rapid Transit	Reduce funding for salaries for OC 1101 - Regular Pay		(\$147,800) S TR
Rapid Transit	Reduce funding for salaries for OC 1101 - Regular Pay		(\$173,000) S TR
Rapid Transit	Reduce funding for current expenses for OC - 3015 Attorney Fees		(\$1,000,000) CE TR
Rapid Transit	Reduce funding for current expenses for OC 3212 - Travel Expense - Out of State		(\$47,500) CE TR
Rapid Transit	Reduce funding for current expenses OC 3640 - Rental of Buildings		(\$806,833) CE TR
Rapid Transit	Reduce funding for current expenses for OC 3822 - Parking fees		(\$10,000) CE TR

SECTION 5.

Amend language in Section 5 as follows: (c) At the close of each quarter, the Authority shall submit to the Council a Statement of Cash Balances by Fund showing for each quarter for each individual fund the cash balance at the start of the accounting period and the cash balance at the end of the [month.] period.

NEW SECTION.

Add new section 8:

"SECTION 8. The amendments to the Operating Budget ordinance for the Honolulu Authority for Rapid Transportation, as may be attached hereto, are hereby incorporated by reference and adopted as an integral part of this ordinance."

SECTION 8.

Amend language in Section 8 as follows: SECTION [8] 9. This Ordinance takes effect on July 1, 2016.

- END OF BILL -