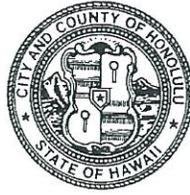


RECEIVED  
CITY CLERK  
& C OF HONOLULU

2016 APR 22 PM 3:41

KIRK CALDWELL  
MAYOR



NELSON H. KOYANAGI, JR.  
DIRECTOR

GARY T. KUROKAWA  
DEPUTY DIRECTOR

April 21, 2016

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

RECEIVED  
2016 APR 22 P 2:58  
CITY COUNCIL  
HONOLULU, HAWAII

Dear Chair Kobayashi and Councilmembers:

SUBJECT: Executive Operating Budget Bill 14 (2016) CD1 Amendments from  
the Special Budget Committee Meeting of April 5<sup>th</sup> & 6<sup>th</sup>, 2016  
(Amended)

The attached FY 2017 Operating Budget CD1 Response for the Department of  
Transportation Services was inadvertently omitted from the correspondence dated  
April 18, 2016, with respect to CDI Amendments from the Special Budget Committee  
Meeting of April 5<sup>th</sup> & 6<sup>th</sup> 2016.

Should you have any questions, please contact me at 768-3901.

Sincerely,

A handwritten signature in black ink, appearing to read "Nelson H. Koyanagi, Jr.", written in a cursive style.

Nelson H. Koyanagi, Jr.  
Director

Attachment

APPROVED:

A handwritten signature in black ink, appearing to read "Roy K. Amemiya, Jr.", written in a cursive style.  
Roy K. Amemiya, Jr.  
Managing Director

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

April 12, 2016

**MEMORANDUM**

TO: Roy K. Amemiya, Jr., Managing Director

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

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

SUBJECT: FY 2017 Operating Budget CD1 Response (Comments and Concerns)

Attached are our agency's comments and concerns to Bill 14 amendments from the Special Budget Committee meeting of April 5-6, 2016.

Attachments

**DEPARTMENT: TRANSPORTATION SERVICES**

April 12, 2016

Page 2

**TRANSPORTATION PLANNING**

**Councilmember:** Trevor Ozawa

<u>Amount</u>	<u>Fund</u>	<u>Description</u>
\$(46,000)	HW	Reduction of 3009 Other Contractual Services

**Department's Comments and Concerns:**

DTS respectfully requests restoration of these funds. DTS requested \$46,000 needed to pay for the annual common area maintenance (CAM) fee of the Lani Huli Public Parking Lot in Kailua, which was transferred from DFM to DTS in 2015. See attached invoice regarding 7/1/15 to 6/30/16 invoices for CAM. Please note In FY15, the Lani Huli Public Parking Lot had revenues of \$124,126.

**PUBLIC TRANSIT**

**Councilmember:** Trevor Ozawa

<u>Amount</u>	<u>Fund</u>	<u>Description</u>
\$(2,000,000)	BT	Reduction of 3274 Public Liability Insurance

**Department's Comments and Concerns:**

DTS respectfully requests restoration of these funds. The City is self-insured only up to \$2,000,000. The requested FY17 budget amount includes: 1) OTS' insurance policy premiums for additional coverage needed in excess of the self-insured amount, 2) workers' compensation claims and related expenses, and 3) general and automobile liability claims and related expenses.

The \$2,000,000 increase requested for FY17 is OTS' estimate of the funding that will be required to cover several fatal accident claims, ranging from \$700,000 to \$2 million that are expected to be settled in FY17. The FY17 request also includes OTS' projection of a significant increase in Workers' Compensation costs for FY17, based on trends in FY16 Workers' Compensation costs which, to date, have increased by \$30,000 monthly.

Cost breakdowns for FY13 to FY15 are summarized in the table below: In FY15, actual expenses were \$12,350,000, which was \$1.2 million over budget. For FY16, OTS is projecting insurance expense to be \$14,376,000 which will be \$2.9 Million over budget. Reduction in this account may result in insufficient funds to cover settlement claims.

	Total
Insurance Premiums	\$ 1,546,951
Claims & Expenses	\$ 9,803,049
FY13 Total	\$ 11,350,000
Insurance Premiums	\$ 1,568,353
Claims & Expenses	\$ 9,881,647
FY14 Total	\$ 11,450,000
Insurance Premiums	\$ 1,550,186
Claims & Expenses	\$ 10,799,814
FY15 Total	\$ 12,350,000

**AOUO Lanihuli  
c/o BOB TANAKA, INC.  
1055 KALO PLACE, SUITE 103  
HONOLULU, HAWAII 96826-1608**

**TO:** Unit Owners of AOUO Lanihuli  
c/o Ms. Diem Nakasone

**FROM:** Bob Tanaka, Inc.

**DATE:** June 1, 2015

**RE:** Maintenance Fees

Enclosed please find the Budget for the year July 1, 2015 to June 30, 2016

There is a 24.3% increase in the maintenance fees due to needed repairs.

Effective July 1, 2015, the new maintenance fee will be \$3,777.00 per month.

Please remit your monthly payment to: **AOUO Lanihuli  
c/o Bob Tanaka, Inc  
1055 Kalo Place, Ste #103  
Honolulu, HI 96826**

Please call our office at 949-4111 should you have any questions.