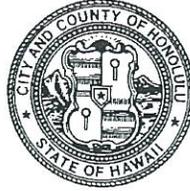


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2016 MAY 26 AM 11:10

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

GARY T. KUROKAWA
DEPUTY DIRECTOR

May 25, 2016

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

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CITY COUNCIL
HONOLULU, HAWAII

Dear Chair Kobayashi and Councilmembers:

SUBJECT: Proposed Amendments to Bill 14 (2016), CD2

Attached for your consideration is an amendment to Bill 14 (2016), CD2, the Executive Operating Budget and Program for the Fiscal Year July 1, 2016 to June 30, 2017.

The amendment to add funding for management fees is required in Fiscal Year 2017 since the City will invest in higher-yielding investments outside of banks, and investment income from banks is currently used to offset bank fees. The proposed (\$270,000, GN) amount shall be funded by an increase in investment revenue.

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

Sincerely,

Nelson H. Koyanagi, Jr.
Director

Attachment

APPROVED:

Roy K. Amemiya, Jr.
Managing Director

DEPT. COM. 375

cc: All Councilmembers

EXECUTIVE OPERATING BUDGET
PROPOSED AMENDMENTS TO BILL 14, CD2 (2016)

FUNCTION/ PROG/ DEPT	ACTIVITY	DETAILED DESCRIPTION OF PROPOSED AMENDMENT	Pos. count +/- (0.0)	Character of Exp.		Source of funds (if known)		JUSTIFICATION
				Amount +/- \$0	Object Code	Amount +/- \$0	Fund code	
GENERAL GOVERNMENT								
FINANCE								
Department of Budget and Fiscal Services								
	Treasury	Add funding for Management Fees, object code 3014		\$270,000	3014	\$270,000	GN	This is for bank fees for checks processed, deposits, wire transfers, etc. Currently, the City invests in low-yield investments with the banks, and the investment income offsets the fees paid to the bank, so the amount budgeted in the past for bank fees was the net amount if fees exceeded investment income. In FY 17 the City will invest in higher-yielding allowed investments outside of banks. As a result, there will be less investment income in the banks to offset their fees, resulting in an increase in payment of bank fees. This item will be offset by an increase in estimated investment revenues.

AMENDMENTS TO EXECUTIVE OPERATING PROGRAM

II. AMENDMENTS RELATING TO DETAILED STATEMENT OF REVENUES AND SURPLUS

FUND	FUND	AMENDMENT	AMOUNT
General	GN	Increase revenues from "Investments-Pool"	\$270,000