

PROPOSED CHARTER AMENDMENT 4

SECTION 1. Section 6-1701, Revised Charter of the City and County of Honolulu 1973 (2000 ed.), as amended, is amended to read as follows:

“Section 6-1701. Organization —

There shall be a department of transportation services which shall consist of a director of transportation services, [transportation] a rate commission, and necessary staff. The director of transportation services shall be the administrative head of the department.”

SECTION 2. Section 6-1703, Revised Charter of the City and County of Honolulu 1973 (2000 ed.), as amended, is amended to read as follows:

“Section 6-1703. Powers, Duties and Functions —

[1.] The director of transportation services shall:

- (a) Plan, operate and maintain the city’s multimodal municipal transportation [systems including bikeways, except for activities relating to the city’s fixed guideway mass transit system, to meet public transportation needs,] system, in accordance with the general plan and development plans, and advise on the [design and construction] development thereof.
- (b) Locate, select, install and maintain traffic control facilities and devices.
- (c) Provide educational programs to promote traffic safety.
- (d) Promulgate rules and regulations pursuant to standards established by law.
- (e) Manage and maintain all commercial parking facilities except facilities that are attached or adjacent to a building or project managed by another city agency.
- (f) Enforce the collection of fares, fees, rates, tolls and other charges for use of any and all modes of the multimodal municipal transportation system and deposit those collections into the city treasury in a fund separate and apart from any other funds of the city.
- (g) Identify, create and recommend new sources of revenue from non-fare sources to provide additional funding for the planning, operation and maintenance of the multimodal municipal transportation system, including:
 - (1) Promoting, creating and assisting transit oriented development projects near fixed guideway system stations or other multimodal municipal transportation system facilities, which projects are designed to promote transit ridership and are consistent with the intent of the adopted community plans and zoning.
 - (2) Recommending to the council the sale, exchange, lease or transfer of city-owned surplus real property or any interest therein, including air rights, for transit oriented developments.
 - (3) Entering into public-private partnerships or other innovative business relationships with private entities or other public agencies.
 - (4) Engaging in concessions or other means for advertising, parking or other revenue-generating activities as permitted by law in or associated with any multimodal municipal transportation system facilities.
 - (5) Collecting and reporting transit data and receiving federal funds for the multimodal municipal transportation system.
 - (6) Engaging in other activities authorized by law for the purpose of increasing ridership.

[2. The director of transportation services shall have no power, duty, or function with respect to transportation systems, facilities, or programs which are under the jurisdiction of the public transit authority.]”

SECTION 3. Section 6-1704, Revised Charter of the City and County of Honolulu 1973 (2000 ed.), as amended, is repealed:

[“Section 6-1704. Transportation Commission —

1. There shall be a transportation commission consisting of seven members appointed as follows:
 - (a) Three members shall be appointed by the mayor without necessity of council confirmation;
 - (b) Three members shall be appointed by the council; and

- (c) One member shall be nominated and, upon council confirmation, appointed by the mayor. The member appointed pursuant to this paragraph shall be the chair of the commission. Each member shall be a duly registered voter of the city.
- 2. Each member of the transportation commission shall be appointed to a five-year term; except that:
 - (a) Of the initial members appointed by the mayor without council confirmation, one shall be appointed to a two-year term, one shall be appointed to a three-year term, and one shall be appointed to a four-year term; and
 - (b) Of the initial members appointed by the council, one shall be appointed to a two-year term, one shall be appointed to a three-year term, and one shall be appointed to a four-year term.

The term of each member shall commence on July 1 and expire on June 30 of the applicable years. A member, however, may serve beyond the expiration date until a successor is appointed and qualified. The term of the successor, no matter when appointed, shall commence on the July 1 immediately following the June 30 expiration of the predecessor's term.

When a member leaves the commission by other than expiration of a term, a successor shall be appointed to serve the remainder of the unexpired term. The successor shall be appointed in the same manner as the predecessor.

The council may establish procedures by ordinance for the replacement of a member who cannot serve temporarily because of illness, incapacity, or absence.

No person shall serve on the commission for more than two consecutive full terms or more than ten consecutive years, whichever is greater.

3. A majority of the entire membership of the transportation commission shall constitute a quorum. The affirmative vote of a majority of the entire membership of the commission shall be necessary to take an action.

4. Section 13-103 of this charter shall not apply to the transportation commission or its members.”]

SECTION 4. Article VI, Chapter 17, Revised Charter of the City and County of Honolulu 1973 (2000 ed.), as amended, is amended by adding a new Section 6-1704 to read as follows:

“Section 6-1704. Rate Commission —

- 1. There shall be a rate commission consisting of seven members appointed as follows:
 - (a) Three members shall be appointed by the mayor without necessity of council confirmation;
 - (b) Three members shall be appointed by the council; and
 - (c) One member shall be nominated and, upon council confirmation, appointed by the mayor. The member appointed pursuant to this paragraph shall be the chair of the rate commission. Each member shall be a duly registered voter of the city.
- 2. Each member of the rate commission shall be appointed to a five-year term except that:
 - (a) Of the initial members appointed by the mayor without council confirmation, one shall be appointed to a two-year term, one shall be appointed to a three-year term, and one shall be appointed to a four-year term; and
 - (b) Of the initial members appointed by the council, one shall be appointed to a two-year term, one shall be appointed to a three-year term, and one shall be appointed to a four-year term.

The term of each member shall commence on July 1 and expire on June 30 of the applicable years. A member, however, may serve beyond the expiration date until a successor is appointed and qualified. The term of the successor, no matter when appointed, shall commence on the July 1 immediately following the June 30 expiration of the predecessor's term.

When a member leaves the rate commission by other than expiration of a term, a successor shall be appointed to serve the remainder of the unexpired term. The successor shall be appointed in the same manner as the predecessor.

The council may establish procedures by ordinance for the replacement of a member who cannot serve temporarily because of illness, incapacity, or absence.

No person shall serve on the rate commission for more than two consecutive full terms or more than ten consecutive years, whichever is greater.

3. A majority of the entire membership of the rate commission shall constitute a quorum. The affirmative vote of a majority of the entire membership of the rate commission shall be necessary to take an action.

4. Section 13-103 of this charter shall not apply to the rate commission or its members.”

SECTION 5. Section 6-1705, Revised Charter of the City and County of Honolulu 1973 (2000 ed.), as amended, is repealed:

[“Section 6-1705. Powers, Duties and Functions —

1. The transportation commission shall:
 - (a) Adopt rules for the conduct of its business.
 - (b) Evaluate at least annually the performance of the director of transportation services and, if appropriate, make recommendations to address the results of the evaluation.
 - (c) Review and make recommendations on rules concerning the administration and operation of the department of transportation services.
 - (d) Review and make recommendations on the annual budget prepared by the director of transportation services.
 - (e) Receive, review, and make recommendations on complaints regarding the systems, programs, and facilities under the department of transportation services.
 - (f) Recommend changes to the public transit fare structure when deemed necessary and appropriate.
 - (g) Review and make recommendations concerning the performance of public transit and other transportation system contractors under the jurisdiction of the department of transportation services.
 - (h) Submit an annual report to the mayor and council. The commission shall make the recommendations authorized under this subsection to the director of transportation services, mayor, and council.
2. Except for purposes of inquiry, neither the transportation commission nor its members shall interfere in any way with the administrative affairs of the department of transportation services.”]

SECTION 6. Article VI, Chapter 17, Revised Charter of the City and County of Honolulu 1973 (2000 ed.), as amended, is amended by adding a new Section 6-1705 to read as follows:

“Section 6-1705. Powers, Duties and Functions —

1. The rate commission shall:
 - (a) Adopt rules for the conduct of its business.
 - (b) When requested by the director of transportation services, or when otherwise deemed necessary and appropriate, but in no event less frequently than annually, review the fares, fees, rates, tolls and other charges for the use of any and all modes of the multimodal municipal transportation system. The rate commission shall recommend adjustments thereto, such that the revenues derived therefrom, in conjunction with any other revenues allocated to the multimodal municipal transportation system, shall be sufficient or as nearly sufficient as possible, to support the operation and maintenance of the multimodal municipal transportation system. In making recommendations on such fares, fees, rates, tolls and other charges, the rate commission may also consider factors such as transportation equity, accessibility, sustainability, availability, and effect on ridership.
 - (c) Submit an annual report to the director of transportation services, mayor and council.

The rate commission shall make the recommendations authorized under this subsection to the mayor, through the director of transportation services. The mayor will transmit the recommendations to council, with or without amendments. After receiving the recommendations from the mayor, the council shall fix and adjust reasonable fares, fees, rates, tolls and other charges for the use of any and all modes of the multimodal municipal transportation system so that the revenues derived therefrom, in conjunction with any other revenues allocated to the multimodal municipal transportation system, shall be sufficient or as nearly sufficient as possible, to support the operations and maintenance of the multimodal municipal transportation system. In setting fares, fees, rates, tolls and other charges, the council may also consider factors such as transportation equity, accessibility, sustainability, availability, and effect on ridership.
2. Except for purposes of inquiry, neither the rate commission nor its members shall interfere in any way with the administrative affairs of the department of transportation services or the authority.”

SECTION 7. Section 16-115, Revised Charter of the City and County of Honolulu 1973 (2000 ed.), as amended, is repealed:

[“Section 16-115. Transition Provisions Concerning Establishment of Transportation Commission —

From January 2, 1997, the mayor and council may commence appointing the initial members of the transportation commission in the manner specified by Section 6-1704 of this charter. Initial members may be appointed before July 1, 1997, but they shall take office from that date. Notwithstanding its later effective date, Section 6-1704 of this charter shall be deemed applicable to this section from January 2, 1997.”]

SECTION 8. Article XVI, Revised Charter of the City and County of Honolulu 1973 (2000 ed.), as amended, is amended by adding a new section to be appropriately designated by the revisor of the charter and to read as follows:

“Section 16- . Transition Provisions Concerning the Operation and Maintenance of the Fixed Guideway System —

1. All positions with the public transit authority on June 30, 2017, whether vacant or filled, the primary responsibilities of which involve the operation and/or maintenance of the fixed guideway system, and all persons holding such positions on that date, whether in civil service, by exempt appointment, by contract, or by any other means, shall be transferred to the department of transportation services on July 1, 2017. Any affected civil service officers and employees shall suffer no loss of vacation allowance, sick leave, service credits, retirement benefits, or other rights and privileges because of the transfer. Nothing in this subsection, however, shall be construed as preventing future changes in status pursuant to the civil service provisions of this charter.

2. All lawful obligations and liabilities owed by or to the public transit authority relating to the operation and maintenance of the city’s fixed guideway system on June 30, 2017, shall remain in effect on July 1, 2017. The obligations and liabilities shall be assumed by the City through the department of transportation services.

3. Subject to Section 17-121, all records, property, and equipment of the public transportation authority that are necessary for the operation and maintenance of the fixed guideway system shall be transferred and delivered to the department of transportation services.”

SECTION 9. Section 17-102, Revised Charter of the City and County of Honolulu 1973 (2000 ed.), as amended, is amended to read as follows:

“Section 17-102. Definitions —

For the purposes of this article and Article VI:

“Authority” and “public transit authority” shall mean the governmental unit known as the “Honolulu Authority for Rapid Transportation.”

“Board” shall mean the policy-making body, consisting of ten members of the board of directors, nine voting members and one non-voting member.

“Develop” shall mean plan, design, develop and construct.

“Executive director” shall mean the executive director of the public transit authority.

“Fixed guideway system” shall mean the minimum operable segment approved by the city council and any extensions to the minimum operable segment approved by the mayor and the city council.

“Multimodal municipal transportation system” shall mean all public transportation systems of the city including, without limitation, bus, paratransit and fixed guideway systems and associated parking and other services.”

SECTION 10. Section 17-103, Revised Charter of the City and County of Honolulu 1973 (2000 ed.), as amended, is amended to read as follows:

“Section 17-103. Powers, Duties, and Functions —

1. The public transit authority shall have authority to develop[, operate, maintain and expand the city] the fixed guideway system as provided in this article.

2. To perform its duties and functions, the transit authority shall have the following general powers:

- (a) To make and execute contracts, project labor agreements and other instruments requiring execution by the authority on such terms as the authority may deem necessary and convenient or desirable with any person or entity in the execution and performance of its powers, duties and functions.
- (b) To acquire by eminent domain, purchase, lease or otherwise, in the name of the city, all real property or any interest therein necessary for the [construction, maintenance, repair, extension

or operation] development of the fixed guideway system; provided[,] however that, prior to commencing such action, the authority shall submit to the council, in writing, a list of the parcels and areas to be acquired. The authority shall have the right to proceed with such condemnation action so long as the council does not adopt a resolution objecting to the condemnation within 45 days of such notification. Alternatively, after receipt of the notice from the authority, the council may approve, upon a single reading of a resolution, such acquisition by eminent domain.

- (c) To recommend to the council the sale, exchange or transfer of real property or any interest therein which is under the control of the authority. The council shall take no action to dispose of such property without the written approval of the authority, and all proceeds from the disposition shall be deposited into [funds of the authority or fixed guideway system] the transit fund.
- (d) To direct the [planning, design, and construction] development of the fixed guideway system [and operate and maintain the system thereafter].
- [(e) To establish all fares, fees, and charges for the fixed guideway system.
- (f) (e) To maintain proper accounts in such manner as to show the true and complete financial status of the authority and the [results of management] activities and [operation] performance thereof.
- [(g)] (f) To prepare an annual operating budget for the authority and an annual capital [budgets] budget for the development of the fixed guideway system [and the authority].
- [(h)] (g) To make and alter policies for its organization and internal administration.
- [(i)] (h) To create or abolish positions within the authority and establish a pay plan for those persons holding positions in the position classification plan in accordance with Section 6-1109 of this charter.
- [(j)] (i) To make temporary transfers of positions between subdivisions of the authority.
- [(k)] (j) To adopt rules in accordance with state law, when necessary, to effectuate its functions and duties.
- [(l)] (k) To enter into agreements with any public agency or private entity as it deems proper[, including agreements for the joint use or operation of transit facilities with agencies of the city].
- [(m)] (l) To have full and complete control of all real and personal property used or useful in connection with the development of the fixed guideway system, including all materials, supplies, and equipment.
- [(n)] (m) To promote[,create] and assist transit oriented development projects near fixed guideway system stations that promote transit ridership, and are consistent with the intent of the adopted community plans and zoning.
- [(o)] (n) To apply for and receive and accept grants of property, money and services and other assistance offered or made available to it by any person, government or entity, which it may use to meet its capital or operating expenses and for any other use within the scope of its powers, and to negotiate for the same upon such terms and conditions as the authority may determine to be necessary, convenient or desirable.
- [(p)] (o) In addition to the general powers under this subsection, other general or specific powers may be conferred upon the authority by ordinance, so long as the powers are consistent with this article of the charter.

[3. The board shall:

- (a) Have the authority to issue revenue bonds under the name of “Honolulu Authority for Rapid Transportation” in accordance with HRS Chapter 49, subject to council approval.
- (b) Review, modify as necessary, and adopt annual operating and capital budgets submitted by the executive director of the authority.
- (c) Appoint and may remove an executive director, who shall be the chief executive officer of the public transit authority. The qualifications, powers, duties, functions, and compensation of the executive director shall be established by the board.
- (d) Evaluate the performance of the executive director at least annually; and submit a report thereon to the mayor and the council.
- (e) Review, modify as necessary, and adopt a six-year capital program within six months of the creation of the authority and annually update the six-year capital program, provided that such capital programs shall be submitted by the executive director.

- (f) Have the authority to enter into such arrangements and agreements for the joint, coordinated or common use with any other public entity or utility owning or having jurisdiction over rights-of-way, tracks, structures, subways, tunnels, stations, terminals, depots, maintenance facilities, and transit electrical power facilities.
- (g) Determine the policy for the planning, construction, operation, maintenance, and expansion of the fixed guideway system. Except for purposes of inquiry or as otherwise provided in this article, neither the board nor its members shall interfere in anyway with the administrative affairs of the authority.
- (h) Prescribe and enforce rules and regulations having the force and effect of law to carry out the provisions of this article of the charter.
- (i) Submit an annual report to the mayor and council on its activities.
- (j) In addition to the general powers under this subsection, other general or specific powers may be conferred by ordinance upon the board, so long as the powers are consistent with this article of the charter.]"

SECTION 11. Section 17-104, Revised Charter of the City and County of Honolulu 1973 (2000 ed.), as amended, is repealed:

["Section 17-104. Powers, Duties and Functions of the Executive Director —

The executive director shall:

- (a) Administer all affairs of the authority, including the rules, regulations and standards adopted by the board.
- (b) Have at least five years of fixed guideway system experience.
- (c) Sign all necessary contracts for the authority, unless otherwise provided by this article.
- (d) Recommend to the board the creation or abolishment of positions.
- (e) Enforce the collection of fares, tolls, rentals, rates, charges and other fees.
- (f) Prepare payrolls and pension rolls.
- (g) Maintain proper accounts in such manner as to show the true and complete financial status of the authority and the results of management and operation thereof.
- (h) Prepare annual operating and capital budgets.
- (i) Prepare and maintain a six-year capital program.
- (j) Prescribe rules and regulations as are necessary for the organization and internal management of the authority.
- (k) Recommend rules and regulations for adoption by the board.
- (l) Request, and accept appropriations from the city, and request and accept grants, loans and gifts from other persons and entities.
- (m) Administer programs promoting appropriate developments near transit stations, including compilation of city incentive programs.
- (n) Review development projects having significant impact on the operation of the fixed guideway system.
- (o) Plan, administer and coordinate programs and projects of the fixed guideway system that are proposed to be funded, wholly or partially, under federal or state law and required to be transmitted to the Oahu metropolitan planning organization.
- (p) Attend all meetings of the board unless excused.
- (q) In addition to the general powers under this section, other general or specific powers may be conferred upon the executive director by ordinance, so long as the powers are consistent with this article of the charter."]

SECTION 12. Article XVII, Revised Charter of the City and County of Honolulu 1973 (2000 ed.), as amended, is amended by adding a new Section 17-104 to read as follows:

“Section 17-104. Powers, Duties and Functions of the Board of Directors —

1. The board shall:

- (a) Be the policy making body of the authority.**
- (b) Determine the policies for the development of the fixed guideway system.**

- (c) Have the authority to issue revenue bonds under the name of “Honolulu Authority for Rapid Transportation” in accordance with HRS Chapter 49, subject to council approval.
- (d) Review, modify as necessary, and adopt an annual operating budget for the authority and an annual capital budget for the fixed guideway system submitted by the executive director of the authority.
- (e) Request and accept appropriations from the city, and request and accept grants, loans and gifts from other persons and entities.
- (f) Appoint and may remove an executive director, who shall be the chief executive officer of the public transit authority. The qualifications, powers, duties, functions, and compensation of the executive director shall be established by the board.
- (g) Evaluate the performance of the executive director at least annually; and submit a report thereon to the mayor and the council.
- (h) Review, modify as necessary, and adopt a six-year capital program within six months of the creation of the authority and annually update the six-year capital program, provided that such capital programs shall be submitted by the executive director.
- (i) Determine the policy for approval of arrangements and agreements with the federal government and with any public entity or utility owning or having jurisdiction over rights-of-way, tracks, structures, subways, tunnels, stations, terminals, depots, maintenance facilities, air rights, utility lines, and transit electrical power facilities, subject to approval of the department of transportation services if such arrangements or agreements may affect the operation or maintenance of the fixed guideway system.
- (j) Adopt and enforce rules and regulations having the force and effect of law to carry out the provisions of this article of this charter, and any governing federal or state agreements or laws, including rules and regulations pertaining to the organization and internal management of the authority and allocation of decision-making responsibility as between the board and the administrative staff.
- (k) Submit an annual report to the mayor and council on its activities.
- (l) In addition to the general powers under this subsection, other general or specific powers may be conferred by ordinance upon the board, so long as the powers are consistent with this article of the charter.

2. The board shall consist of ten members, nine voting members and one non-voting member. All members shall serve part-time. The board shall be governed by the provisions of Section 13-103 of this charter, except that subsections (b) and (e) shall not apply and as otherwise provided herein.

3. Appointed members. There shall be seven appointed members. The mayor shall appoint three members. The council shall appoint three members. The six appointed and two ex officio voting members shall appoint, by majority vote, a ninth member.

The initial appointments of the seven appointed members shall be as follows: One member from each mayoral or council appointment shall be designated to serve a five-, four-, and three-year term. The ninth member appointed by the voting members shall serve a two-year term.

4. Ex officio members. The state director of transportation and the city director of transportation services shall be ex officio voting members of the board. The director of the department of planning and permitting shall be the ex officio non-voting member of the board. The ex officio members of the board shall not be subject to any term limit.”

SECTION 13. Section 17-105, Revised Charter of the City and County of Honolulu 1973 (2000 ed.), as amended, is repealed:

[“Section 17-105. Board of Directors —

- 1. The board shall:
 - (a) Be the policy making body of the authority;
 - (b) Be responsible for establishing policies for the development, operation, and maintenance of the public transit system; and
 - (c) Perform other duties and functions assigned to it or to the authority by ordinance in accordance with Section 17-103.3(j).

The board shall consist of ten members, nine voting members and one non-voting member. All members shall serve part-time. The board shall be governed by the provisions of Section 13-103 of this charter, except that subsections (b) and (e) shall not apply and as otherwise provided herein.

2. Appointed members. There shall be seven appointed members. The mayor shall appoint three members. The council shall appoint three members. The six appointed and two ex officio voting members shall appoint, by majority vote, a ninth member. The initial appointments of the seven appointed members shall be as follows: One member from each mayoral or council appointment shall be designated to serve a five-, four-, and three-year term. The ninth member appointed by the voting members shall serve a two-year term.

3. Ex officio members. The state director of transportation and the city director of transportation services shall be ex officio voting members of the board. The director of the department of planning and permitting shall be the ex officio non-voting member of the board. The ex officio members of the board shall not be subject to any term limit.”]

SECTION 14. Article XVII, Revised Charter of the City and County of Honolulu 1973 (2000 ed.), as amended, is amended by adding a new Section 17-105 to read as follows:

“Section 17- 105. Powers, Duties and Functions of the Executive Director —

The executive director shall:

- (a) Administer all affairs of the authority, including the rules, regulations and standards adopted by the board.
- (b) Sign all necessary contracts for the authority, unless otherwise provided by this article.
- (c) Recommend to the board the creation or abolishment of positions.
- (d) Prepare payrolls and pension rolls.
- (e) Maintain proper accounts in such manner as to show the true and complete financial status of the authority and the activities and performance thereof.
- (f) Prepare an annual operating budget for the authority and an annual capital budget for the development of the fixed guideway system.
- (g) Prepare and maintain a six-year capital program.
- (h) Recommend rules and regulations for adoption by the board, including those pertaining to the organization and internal management of the authority and allocation of decision-making responsibility as between the board and administrative staff.
- (i) Administer programs approved by the board that promote developments near transit stations that would increase multimodal municipal transportation system ridership.
- (j) Review development projects having significant impact on the development of the fixed guideway system.
- (k) As directed by the board, plan, administer and coordinate programs and projects of the fixed guideway system that are proposed to be funded, wholly or partially, under federal or state law and required to be transmitted to the Oahu metropolitan planning organization.
- (l) Attend all meetings of the board unless excused.
- (m) In addition to the general powers under this section, other general or specific powers may be conferred upon the executive director by ordinance, so long as the powers are consistent with this charter.”

SECTION 15. Section 17-106, Revised Charter of the City and County of Honolulu 1973 (2000 ed.), as amended, is amended to read as follows:

“Section 17-106. [Rates, Revenues and] Appropriations —

[The board shall fix and adjust reasonable rates and charges for the fixed guideway system so that the revenues derived therefrom, in conjunction with revenues received from the general excise and use tax surcharge, from the federal government, and from the revenue-generating properties of the authority, shall be sufficient or as nearly sufficient as possible, to support the fixed guideway system and the authority.] The authority shall submit a line-item appropriation request for [each of] its [proposed] annual operating [and] budget for the authority and its annual capital [budgets] budget for the development of the fixed guideway system for the ensuing fiscal year to the council through the office of the mayor by December 1st of each year. The office of the mayor shall submit the authority’s line-item appropriation requests without alteration or amendment. The council shall, with or without amendments, approve the authority’s appropriation requests.”

SECTION 16. Section 17-107, Revised Charter of the City and County of Honolulu 1973 (2000 ed.), as amended, is amended to read as follows:

“Section 17-107. Public Hearings —

The board shall hold public hearings prior to [fixing and adjusting rates and] adopting a proposed budget.”

SECTION 17. Section 17-108, Revised Charter of the City and County of Honolulu 1973 (2000 ed.), as amended, is amended to read as follows:

“Section 17-108. Receipt and Disbursement of Funds —

[The authority shall make its own collections, but all receipts shall be paid daily into the city treasury and maintained in a fund separate and apart from any other funds of the city.]

All moneys expended by the authority shall be disbursed with the written approval of the authority according to the procedures prescribed by the director of budget and fiscal services.

The authority shall have management and control over the moneys made available to the authority in the special transit fund established to receive the county surcharge on state tax.

The authority shall have the authority to receive and expend federal funds authorized for the [planning, construction, and operation and maintenance of] development of the fixed guideway system [projects].”

SECTION 18. Section 17-109, Revised Charter of the City and County of Honolulu 1973 (2000 ed.), as amended, is amended to read as follows:

“Section 17-109. Bond Sales —

All bond sales shall be subject to council approval. At the request of the authority, the council may, by resolution, approve and the director of budget and fiscal services, when so directed by the board, shall sell such bonds for the acquisition[, construction, replacement, rehabilitation, approved extensions or completion] and development of the fixed guideway system in accordance with the procedures prescribed by law for such sales. The proceeds from such sales shall be kept by the director of budget and fiscal services in a separate fund to be used only for the purposes for which the bonds are sold.”

SECTION 19. Section 17-114, Revised Charter of the City and County of Honolulu 1973 (2000 ed.), as amended, is amended to read as follows:

“Section 17-114. Transit Fund —

There shall be established a special fund into which shall be transferred the county surcharge on state tax and all revenues generated by the [fixed guideway system] authority, including interest earned on the deposits and all other receipts dedicated for the development of the fixed guideway system. All moneys collected from the county surcharge on state excise and use tax and received by the city shall be promptly deposited into the special fund. Expenditures from the special fund shall be for the operating [or] costs of the authority and the capital costs of the fixed guideway system and for expenses in complying with the Americans with Disabilities Act of 1990 as it may be amended.”

SECTION 20. Article XVII, Revised Charter of the City and County of Honolulu 1973 (2000 ed.), as amended, is amended by adding a new Section 17-121 to read as follows:

“Section 17-121. Transfer of Property For Fixed Guideway System Operation and Maintenance —

As and when any segment of the fixed guideway system has completed its final testing and has been approved to commence revenue service, all real property and interests therein that are under the jurisdiction and control of the authority and that are necessary, used, or useful for the operation and maintenance of that segment, shall be transferred to the jurisdiction and control of the department of transportation services, whereupon the department of transportation services shall assume authority and responsibility therefor and all revenues derived therefrom.”