

CITY COUNCIL

CITY AND COUNTY OF HONOLULU

HONOLULU, HAWAII 96813-3065 / TELEPHONE 547-7000

TODD K. APO
COUNCILMEMBER • DISTRICT I
VICE-CHAIR, CITY COUNCIL
CHAIR, COMMITTEE ON BUDGET
PH: (808)768-5001 • FAX: (808) 550-6917
EMAIL: tapo@honolulu.gov

February 1, 2008

Mr. Wayne Hashiro, Managing Director
Office of the Managing Director
530 South King Street, 3rd Floor
Honolulu, Hawaii 96813

Dear Mr. Hashiro:

RE: **BUDGET COMMUNICATION NO. 2**
Annual Budget Review - FY 2008-2009
Procedures for Departmental Budget Briefings

Attached is the Annual Budget Review's Departmental Budget Briefing Schedule for Fiscal Year 2008-2009. Please note that this year's briefings will start with the Administrative Overview followed by the Department's Capital and Operating Budget Reviews. Thirty minutes have been allocated for the Administrative Overview and each department will be allocated one hour and fifteen minutes to present **both** their capital and operating budgets. The department budget presentations should be limited to the first 15 – 30 minutes of each session and the remainder of the period will be reserved for committee members' questions and other testimony.

Please have each department submit 20 copies of their presentation to the Budget Committee Clerk, Ms. Laurie Tam, before or at the time of their scheduled presentation. To facilitate the process, please provide hard copies of all PowerPoint or other presentations to the committee prior to any presentation. Presentations should be designed as follows:

Administrative Overview

For your opening presentation on March 11, 2008, please include the following (please present graphically, i.e., MS PowerPoint):

1. Policies and priorities that guided preparation of the FY09 operating and capital budget and program.

RECEIVED

FEB 6 4 03 PM '08

CITY CLERK
HONOLULU, HAWAII

2. Projections for FY09 through FY14 for the amount of new general obligation bond issuances, G.O. bond retirements, and resultant net debt issuance.
3. Projections for FY09 through FY14 for the amount of debt service, in total amount and as a percentage of the operating budget, associated with the net debt issuance determined above. Also project debt service payments, in total amount and as a percentage of the operating budget, over that period assuming annual net [borrowing of \$200 million] G.O. bond issuance in the amounts determined in item 2 above for each year.
4. Projections for FY09 through FY14 for the City's contribution to the Employees' Retirement System and the Hawaii Employer – Union Health Benefits Trust Fund, in total amount and as a percentage of the operations budget.
5. A graph depicting unreserved, undesignated fund balances (General Fund and Highway Fund) a) the amount of the city's outstanding debt as of the date of the presentation, including that which can be legally excluded; and b) the amount of the city's current authorized, but un-issued debt, as of the date of the presentation.
6. Details of bond issuances and/or restructuring (including commercial paper) proposed for FY09. Details should include but not be limited to the amount of issuance/restructuring, estimated interest rate, term, structure, projected date of issuance, and projected annual debt service payments.
7. A graph depicting unreserved, undesignated fund balances (General Fund), and unrestricted net assets (Sewer and Solid Waste Funds) from FY03 to FY07.
8. A graph showing expenses divided into fixed (uncontrollable) and discretionary (controllable) for the following periods and items: budgeted revenues for FY07, actual revenues for FY07, budgeted revenues for FY08, projected actual revenues for FY08 and proposed revenues for FY09 and the percentage change between each of those years.
9. A graph showing expenses divided into fixed (uncontrollable) and discretionary (controllable) for FY07 budgeted expenses, FY07 actual expenses, FY08 budgeted expenses and FY08 projected actual expenses and FY09 proposed expenses and the percentage changes between each of those years.

Departmental Budget Briefing Schedule - Capital and Operating Budget Reviews

As you will see from the attached briefing schedule, each Department will make one presentation which will cover both CIP and Operating budget issues. Budget briefings will be held during morning and afternoon sessions, with two departments assigned to each session. ***Please note that the second Department scheduled for a particular session should be present in the Committee Meeting Room and prepared to make their presentation as soon as the first presentation of the session is completed.***

CIP Review

In view of the city's increasing debt burden, new capital projects should be justified as to: (1) why they are necessary; and (2) why they must be implemented in this budget cycle. This requirement for justification includes projects that received planning and/or design funding in the past, but have not yet gone out to bid. Ongoing projects should be discussed in terms of their current status, projected completion date and amounts expended and encumbered to date versus amounts appropriated.

Very few projects appropriating funds for both pre-construction (i.e., land acquisition, planning, design) and construction work phases within the same budget ordinance are implemented within the 12-month fiscal year. Therefore, please justify why projects proposing such multi-phase funding in a single fiscal year should be appropriated. Explain in detail how all proposed budgeted phases would be implemented in the same fiscal year.

For each Department, please submit a listing of all CIP projects to be covered by the Department and include the project number, project title, and the page numbers the project can be found in both the budget bill and Executive Program and Budget. ***Please provide this CIP information in advance – no later than March 7, 2008.***

Operating Budget Review

The Operating Budget Review Presentations be brief and focused on the departmental budgets - **not on general background or general policies of the departments**. Each department's operating budget review should contain the following items:

1. Details of changes between the FY08 and FY09 operating budgets.
2. Discussion of budget issues – new proposals or changes in operations.

Mr. Wayne Hashiro
February 1, 2008
Page 4

3. Justification of vacant funded positions as required by ROH 2-18.7.
4. Discussion of changes in revenue sources for the department's budget.

Your cooperation with the above process would be appreciated. I am looking forward to an informative and productive departmental budget review.

Sincerely,

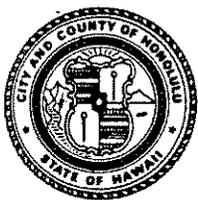


TODD K. APO, Chair
Committee on Budget

TKA:lt

Attachment: Departmental Budget Briefing Schedule

cc: All City Departments
All Councilmembers



CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII 96813-3077

BUDGET COMMITTEE

Todd K. Apo, Chair
Gary H. Okino, Vice Chair
Nestor Garcia, Member
Ann H. Kobayashi, Member
Rod Tam, Member

NOTICE

FY 2008-2009 ANNUAL BUDGET REVIEW DEPARTMENTAL BUDGET BRIEFING SCHEDULE COMMITTEE MEETING ROOM

March 11, 2008 – CIP and Operating Budget Review

- 9:00 a.m. Administrative Overview
- 9:30 – 10:45 a.m. Office of the Mayor/Managing Director
(Office of Economic Development, Waikiki Development,
Film Office, Culture and Arts, Neighborhood Commission)
- 10:45 – 12:00 p.m. Department of Design and Construction
- 12:00 – 1:30 p.m. Break
- 1:30 – 2:45 p.m. Department of Budget and Fiscal Services
- 2:45 – 4:00 p.m. Liquor Commission

March 12, 2008 – CIP and Operating Budget Review

- 9:00 – 10:15 a.m. Department of Enterprise Services
(Auditoriums, Golf Courses, Zoo, Concessions)
- 10:15 – 11:30 a.m. Department of Facility Maintenance
- 11:30 – 1:30 p.m. Break
- 1:30 – 2:45 p.m. Department of Corporation Counsel
(Ethics Commission)
- 2:45 – 4:00 p.m. Department of the Prosecuting Attorney

March 13, 2008 – CIP and Operating Budget Review

- 9:00 – 10:15 a.m. Department of Information Technology
- 10:15 – 11:30 a.m. Department of Transportation Services
- 11:30 – 1:30 p.m. Break
- 1:30 – 2:45 p.m. Department of Human Resources
- 2:45 – 4:00 p.m. Honolulu Emergency Services Department
(EMS, Ocean Safety)

March 17, 2008 – CIP and Operating Budget Review

- 9:00 – 10:15 a.m. Department of Planning and Permitting
- 10:15 – 11:30 a.m. Department of Customer Services
- 11:30 – 1:30 p.m. Break
- 1:30 – 2:45 p.m. Department of Emergency Management
- 2:45 – 4:00 p.m. Royal Hawaiian Band

March 18, 2008 – CIP and Operating Budget Review

- 9:00 – 10:15 a.m. Honolulu Police Department
- 10:15 – 11:30 a.m. Department of Parks and Recreation
- 11:30 – 1:30 p.m. Break
- 1:30 – 2:45 p.m. Honolulu Fire Department
- 2:45 – 4:00 p.m. Department of Community Services

March 20, 2008 – CIP and Operating Budget Review

- 9:00 – 10:15 a.m. Environmental Services Department
- 10:15 – 11:30 a.m. Department of Medical Examiner
- 11:30 – 1:30 p.m. Break
- 1:30 – 2:45 p.m. Legislative Branch
(City Auditor, City Clerk, City Council, Council Services)
- 2:45 – 4:00 p.m. Contingent time, if needed

Date and time of briefings are subject to change.

Persons wishing to present oral testimony may raise their hand at the time the Committee Chair calls for individuals desiring to speak.

Public testimony will be taken at the end of each day, after all department presentations have concluded.

Each speaker will be limited to a one-minute presentation. Written testimony may be faxed to 768-3827.

Any disabled person requiring special assistance should call 768-3817 for details.