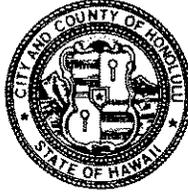


DEPARTMENT OF BUDGET AND FISCAL SERVICES
CITY AND COUNTY OF HONOLULU
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MUFI HANNEMANN
MAYOR



March 12, 2008

MARY PATRICIA WATERHOUSE
DIRECTOR

RECEIVED
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CITY CLERK
HONOLULU, HAWAII

The Honorable Todd K. Apo, Chair
and Members of the Budget Committee
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawaii 96813

Dear Chair Apo and Councilmembers:

This responds to questions posed by Council Chair Barbara Marshall at yesterday's overview of the proposed FY 2009 Executive budgets. Specifically, Council Chair Marshall asked for clarification on the balance of the Transit Fund and its use within the Operating and Capital Budgets.

We understand that the graphs and charts which relate to the Transit Fund are the source of confusion, and we will work to address them in preparing next year's budgets. However, to address your immediate concerns and explain the amount of Transit Funds monies that are available and how we are using them, we have enclosed a chart which depicts the use of the Fund in FY 2009.

The total amount of Transit Funds that are available for use in FY 2009 is \$285,275,477. That amount is comprised of \$166,116,000 in new General Excise Tax surcharge revenues that will accrue during FY 2009, \$118,362,477 in Carryover Transit Fund monies from FY 2008, and \$797,000 in earnings on investment of the Transit Fund monies.

Of that total amount, the amount of new General Excise Tax surcharge revenues (\$166,116,000) and \$85,018,000 of the Carryover Transit Fund monies is recommended for appropriation in the Capital Budget (i.e., a total of \$251,134,000).

In addition, \$33,344,477 of the Carryover Transit Fund monies and \$797,000 of FY 2009 anticipated investment earnings (i.e., at total of \$34,141,477) is shown as resources for the Operating Budget, of which \$7,544,586 is recommended for appropriation in the Operating Budget.

The Honorable Todd K. Apo, Chair
and Members of the Budget Committee
March 12, 2008
Page 2

Consequently, we expect the Transit Fund balance at the end of FY 2009 to be \$26,596,891 – (\$285,275,477 minus \$251,134,000 minus \$7,544,586).

We regret the confusion on this matter in Committee and hope this helps clarify matters.

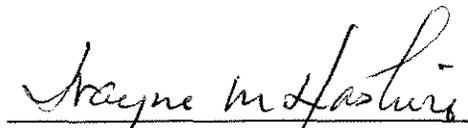
Sincerely,



Mary Patricia Waterhouse, Director
Department of Budget and Fiscal Services

Enclosure

APPROVED:



Wayne M. Hashiro, P.E.
Managing Director

TRANSIT FUND - USE OF RESOURCES
FISCAL YEAR 2009

	Total	Distribution of Resources	
	Resources page D-38	Capital Budget	Operating Budget
Resources			
Beginning Balance	118,362,477	85,018,000	33,344,477
Investments	797,000	-	797,000
Excise Tax Surcharge Transfer	166,116,000	166,116,000	-
Total	285,275,477	251,134,000	34,141,477
 Appropriations	 258,678,586	 251,134,000	 7,544,586
 Ending Balance	 26,596,891	 -	 26,596,891