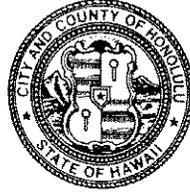


DEPARTMENT OF BUDGET AND FISCAL SERVICES
CITY AND COUNTY OF HONOLULU
530 SOUTH KING STREET, ROOM 208 • HONOLULU, HAWAII 96813
PHONE: (808) 768-3900 • FAX: (808) 768-3179 • INTERNET: www.honolulu.gov

MUFI HANNEMANN
MAYOR



RIX MAURER III
DIRECTOR

MARK K. OTO
DEPUTY DIRECTOR

May 12, 2009

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

RECEIVED

MAY 12 10 40 AM '09
CITY CLERK
HONOLULU, HAWAII

Dear Chair Apo and Councilmembers:

Subject: Revisions to Bill No. 15 (2009), Executive Program and Budget for the Fiscal Year July 1, 2009 to June 30, 2010

Submitted for your signature are the attached revisions to Bill No. 15 (2009), Executive Program and Budget for the Fiscal Year July 1, 2009 to June 30, 2010, to increase funding for current expenses for Treasury, the Retirement System Contributions-Employer's Share (ERS) and the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) and to decrease funding for current expenses for the Department of Community Services' Community Assistance program.

The revisions are necessary as I have recently been apprised of certain changes that affect bank service fees included in Treasury's current expense, the allocation of costs to the ERS and EUTF appropriations and current expenses included in the Department of Community Services' Community Assistance program.

The additional funds requested for Treasury is \$125,000 to cover bank fees. Due to historically low interest rates resulting from the crisis in the financial markets, it is anticipated that interest earned on deposits will be insufficient to offset bank fees as they have in the past. On April 29, 2009, the Federal Open Market Committee reported that "The Committee will maintain the target range for the federal funds rate at 0 to ¼ percent and anticipates that economic conditions are likely to warrant exceptionally low levels of the federal funds rate for an extended period."

The Honorable Todd K. Apo, Chair
and Members
Page Two

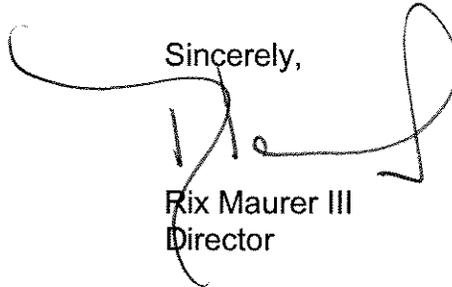
The increase to the appropriation for ERS and EUTF in the aggregate of \$3,632,000 and \$1,598,000, respectively, is requested to properly reflect the allocation to various funds. In addition, revisions to the transfer subsidies to certain funds by the General Fund and Highway Fund are also requested to effectuate the proper allocation to the subsidized funds which net to zero.

The increased appropriations will be funded by \$2,182,000 and \$63,000 from an increase in the estimated unreserved fund balance in the General Fund and Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund, respectively. The remaining \$3,110,000 will be funded by special funds which are projected to have adequate unappropriated fund balances to absorb these increases. Lastly, revisions to the transfer subsidies to certain funds by the General Fund and Highway Fund are also requested.

The \$35,000 decrease in expenditures for the Community Assistance program reflects a decrease in the federal funding from the Home Investment Partnerships (HOME) program, specifically for the American Dream Downpayment Initiative (ADDI) program.

If you need additional information or have any questions regarding this matter, please call me at 768-3901.

Sincerely,



Rix Maurer III
Director

RM/CT:sk

Attachments

APPROVED:



Kirk W. Caldwell
Managing Director

cc: Department of Community Services

**AMENDMENT TO THE EXECUTIVE OPERATING
PROGRAM**

S = Salaries
 CE = Current Expenses
 E = Equipment
 T = Temporary Position
 C = Personal Services Contract

I. AMENDMENTS RELATING TO DEPARTMENTAL BUDGETS

FUNCTION/PROGRAM/ AGENCY/ACTIVITY	AMENDMENT	POSITION	AMOUNT	FUND
I. AMENDMENTS TO EXECUTIVE OPERATING BUDGET AND PROGRAM				
GENERAL GOVERNMENT				
FINANCE:				
Department of Budget & Fiscal Services				
<i>Treasury</i>	<i>Increase funding.</i>		125,000	GN CE
HUMAN SERVICES				
HUMAN SERVICES:				
Department of Community Services				
<i>Community Assistance</i>	<i>Decrease funding.</i>		(35,000)	FG CE
MISCELLANEOUS				
RETIREMENT AND PENSION CONTRIBUTIONS:				
<i>Hawaii Employer-Union Health Benefits Trust Fund</i>	<i>Reduce funding.</i>		(\$1,213,000)	GN CE
	<i>Increase funding.</i>		\$1,881,000	HW CE
	<i>Increase funding.</i>		\$63,000	HB CE
	<i>Increase funding.</i>		\$1,675,000	SW CE
	<i>Increase funding.</i>		\$77,000	SV CE
	<i>Increase funding.</i>		\$167,000	GC CE
	<i>Increase funding.</i>		\$982,000	WF CE
<i>Retirement System Contributions-Employer's Share</i>	<i>Reduce funding.</i>		(\$2,334,000)	HW CE
	<i>Increase funding.</i>		\$1,944,000	GN CE
	<i>Increase funding.</i>		\$1,240,000	SW CE
	<i>Increase funding.</i>		\$195,000	LC CE
	<i>Increase funding.</i>		\$553,000	WF CE
TRANSFERS TO OTHER FUNDS:				
<i>Transfer to Bus Transportation Fund</i>				
<i>for Bus Subsidy</i>	<i>Increase funding for subsidy.</i>		\$453,000	HW CE
	<i>Decrease funding for subsidy.</i>		(\$453,000)	GN CE
<i>Transfer to Special Events Fund for</i>				
<i>Enterprise Services Subsidy</i>	<i>Increase funding for subsidy.</i>		\$77,000	GN CE
<i>Transfer to Golf Fund for Golf Subsidy</i>	<i>Increase funding for subsidy.</i>		\$167,000	GN CE
<i>Transfer to Solid Waste Fund for</i>				
<i>Solid Waste Subsidy</i>	<i>Increase funding for subsidy.</i>		\$1,535,000	GN CE

**AMENDMENT TO THE EXECUTIVE OPERATING
PROGRAM**

**II. AMENDMENTS RELATING TO DETAILED STATEMENT OF
REVENUES AND SURPLUS**

FUND NAME	AMENDMENT	AMOUNT	FUND
II. AMENDMENTS TO EXECUTIVE OPERATING BUDGET AND PROGRAM			
AMENDMENTS RELATING TO DETAILED STATEMENT OF REVENUES AND SURPLUS			
General Fund	<i>Increase in estimated "Unreserved Fund Balance."</i>	\$2,182,000	GN
Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund	<i>Increase in estimated "Unreserved Fund Balance."</i>	\$63,000	HB
General Fund	<i>Increase "Interfund Transfer."</i>	(\$167,000)	GN
Golf Fund	<i>Increase "Transfer from General Fund."</i>	\$167,000	GC
General Fund	<i>Increase "Interfund Transfer."</i>	(\$1,535,000)	GN
Solid Waste Fund	<i>Increase "Transfer from General Fund."</i>	\$1,535,000	WF
General Fund	<i>Increase "Interfund Transfer."</i>	(\$77,000)	GN
Special Events Fund	<i>Increase "Transfer from General Fund."</i>	\$77,000	SV
General Fund	<i>Decrease "Interfund Transfer."</i>	\$453,000	GN
Bus Transportation Fund	<i>Decrease "Transfer from General Fund."</i>	(\$453,000)	BT
Highway Fund	<i>Increase "Interfund Transfer."</i>	(\$453,000)	HW
Bus Transportation Fund	<i>Increase "Transfer from Highway Fund."</i>	\$453,000	BT
Federal Grants Fund - Operating	<i>Decrease "Home Grant"</i>	(35,000)	FG